

London Borough of Barnet Pension Fund

Pension Fund Committee / Local Pension Board Training Needs Self-Assessment Questionnaire

Introduction

The role of Pension Fund Committee and Local Pension Board members is demanding, covering a wide range of complex issues. The attached training needs self-assessment has been developed using the Pensions regulator's toolkit. The feedback from Committee and Board members will be used to develop both collective and individual training plans.

Completing the Questionnaire

Individual members of the Committee and Board are likely to have differing experience and knowledge. The questionnaire has been designed to help you identify your current level of knowledge and to identify where there may be gaps.

Please assess your knowledge and understanding of each aspect by placing an X in the appropriate box against the following scale:

- 1 Some knowledge
- 2 Broad knowledge
- 3 Expert / in-depth knowledge

In addition, please write Yes or No in the "more training required" box.

If you wish to discuss the completion of the assessment please contact George Bruce (02083597126) or george.bruce@barnet.gov.uk.

An extract from the Pensions Regulators Code of Practice that outlines the training requirements of members of the Local Pension Board (and by implication the expectations of members of the Pension Fund Committee) is attached at appendix A.

What Happens next?

Your responses to the questionnaire will be used by the officers to identify skills gaps / collective needs with a view to establishing individual training plans as well as future collective training for the Committee and Board. Committee and Board members will be invited to discuss their training requirements and how these can be best addressed.

Please return completed forms to:

George Bruce, Head of Treasury, LB Barnet, North London Business Park, Oakleigh Road South, London, N11 1NP

By email: george.bruce@barnet.gov.uk

Your name:		Have you completed The Pension Regulators online Public Service Toolkit		Yes / No	
Date of Completion:					
Topics		Some Knowledge	Broad Knowledge	Expert / in-depth Knowledge	More Training Required (yes / no)
Legislative and Governance Context					
Awareness of the law relating to pensions in the UK.	Public Service Pensions Act 2013				
Overall understanding of the Local Government Pension Scheme regulations in relation to benefits, administration and investments.	The Local Government Pension Scheme Regulations 2013, The Local Government Pension Scheme (Amendment) Regulations 2015, The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.				
Knowledge of the discretion policies in place for the fund and other policies regarding administration.					
Understanding of the role and powers of the Administering Authority (the Council), the Pensions Regulator, the Scheme Advisory Board and the Pensions Ombudsman.	TPR Code of Practice 14				
Understanding of the role of the Pension Fund Committee, Local Pension Board, Director of Finance and Monitoring Officer	The terms of reference of the Committee and Board and matters delegated to the S151 officers.				
Working knowledge of the Barnet statutory statements	Investment Strategy Statement, Funding Strategy Statement, Communications Statement, Governance Compliance statement, Internal Disputes Resolution Procedures, Administration Strategy Statement.				

Topics	Examples	Some Knowledge	Broad Knowledge	Expert / in-depth Knowledge	More Training Required (yes / no)
Accounting and Auditing Standards Awareness of the Accounts and Audit regulations and legislative requirements relating to the signing off the accounts and annual report. Awareness of the role of both external and internal audit in the governance and assurance process.					
Procurement of Financial Services and Relationship Management General understanding of the main public procurement requirements of UK and EU legislation and how they apply to procuring services for local authority pension funds. Awareness of suppliers' risk management and the nature and scope of risks to be considered when selecting third parties.					

Topics	Examples	Some Knowledge	Broad Knowledge	Expert / in-depth Knowledge	More Training Required (yes / no)
Investment Performance and Risk Management Understanding of the importance of monitoring asset returns relative to the liabilities and a broad understanding of ways of assessing long term risks. Awareness of the Myners principles of performance management and the approach adopted by Barnet. Awareness of the range of support services, who supply them and the nature of the performance monitoring regime. Familiarity with the Scheme risk register and the management of the main risks faced by the pension fund.	Actuarial, investment advisory, custody etc.				
Financial Markets and Investment Products Awareness of the risk and return characteristics of the main asset classes and understanding of the role of these asset classes in long term pension fund investing. Understanding of the primary importance of the investment strategy decision. A broad understanding of the workings of the financial markets and of investment vehicles available to the pension fund and the nature of the associated risks. An awareness of the limits placed by regulations on the investment activities of local government pension funds.	Limits within the investment strategy statement and pooling / the London CIV.				

Topics	Examples	Some Knowledge	Broad Knowledge	Expert / in-depth Knowledge	More Training Required (yes / no)
Actuarial methods, standards and practices					
Knowledge of the actuarial valuation process, including developing the funding strategy in conjunction with the Scheme Actuary and inter-valuation monitoring.					
Awareness of the importance of monitoring early and ill-health retirement strain costs.					
A broad understanding of the implications of including new employers into the Fund and of the cessation of existing employers.					
A general awareness of the relevant considerations in relation to outsourcing and bulk transfers.					
Comments and / or other Training needs					

Knowledge and Understandings Requirements

Extract from Pension Regulator's Code of Practice

40. Pension board members must be conversant with their scheme rules, which are primarily found in the scheme regulations, and documented administration policies currently in force for their pension scheme. Being 'conversant' means having a working knowledge of the scheme regulations and policies, so that pension board members can use them effectively when carrying out their duties.
41. They must also have knowledge and understanding of the law relating to pensions (and any other matters prescribed in legislation) to the degree appropriate for them to be able to carry out their role, responsibilities and duties.
42. In terms of documented administration policies, specific documents recording policy about administration will vary from scheme to scheme. However, the following are examples of administration policies which the regulator considers to be particularly pertinent and would expect to be documented where relevant to a pension scheme, and with which pension board members must therefore be conversant where applicable. This list is not exhaustive and other documented policies may fall into this category:

Any scheme-approved policies relating to:

- conflicts of interest and the register of interests
- record-keeping
- internal dispute resolution
- reporting breaches
- maintaining contributions to the scheme
- the appointment of pension board members

Risk assessments/management and risk register policies for the scheme.

Scheme booklets, announcements and other key member and employer communications, which describe scheme policies and procedures.

The roles, responsibilities and duties of the scheme manager, pension board and individual pension board members

Terms of reference, structure and operational policies of the pension board and/or any sub-committee

Statements of policy about the exercise of discretionary functions

Statements of policy about communications with members and scheme employers

The pension administration strategy, or equivalent, and
Any admission body (or equivalent) policies.

43. For pension board members of funded pension schemes, documents which record policy about the administration of the scheme will include those relating to funding and investment matters. For example, where relevant they must be conversant with the statement of investment principles and the funding strategy statement.
44. Pension board members must also be conversant with any other documented policies relating to the administration of the scheme. For example, where applicable, they must be conversant with policies relating to:
 - the contribution rate or amount (or the range/variability where there is no one single rate or amount) payable by employers participating in the scheme
 - statements of assurance (for example, assurance reports from administrators)
 - third party contracts and service level agreements
 - stewardship reports from outsourced service providers (for example, those performing outsourced activities such as scheme administration), including about compliance issues
 - scheme annual reports and accounts
 - accounting requirements relevant to the scheme
 - audit reports, including from outsourced service providers, and
 - other scheme-specific governance documents.
45. Where DC or DC AVC options are offered, pension board members should also be familiar with the requirements for the payment of member contributions to the providers, the principles relating to the operation of those arrangements, the choice of investments to be offered to members, the provider's investment and fund performance report and the payment schedule for such arrangements.
46. Schemes should prepare and keep an updated list of the documents with which they consider pension board members need to be conversant. This will enable them to effectively carry out their role. They should make sure that both the list and the documents are available in accessible formats.

Degree of knowledge and understanding required

47. The roles, responsibilities and duties of pension boards and their individual members will vary between pension schemes. Matters for which the pension board is responsible will be set out in scheme regulations. Clear guidance on the roles, responsibilities and duties of pension boards and the members of those boards should be set out in scheme documentation.

48. Schemes should assist individual pension board members to determine the degree of knowledge and understanding that is sufficient for them to effectively carry out their role, responsibilities and duties as a pension board member.
49. Pension board members must have a working knowledge of their scheme regulations and documented administration policies. They should understand their scheme regulations and policies in enough detail to know where they are relevant to an issue and where a particular provision or policy may apply.
50. Pension board members must have knowledge and understanding of the law relating to pensions (and any other prescribed matters) sufficient for them to exercise the functions of their role. Pension board members should be aware of the range and extent of the law relating to pensions which applies to their scheme, and have sufficient understanding of the content and effect of that law to recognise when and how it impacts on their responsibilities and duties.
51. Pension board members should be able to identify and where relevant challenge any failure to comply with:
- the scheme regulations
 - other legislation relating to the governance and administration of the scheme
 - any requirements imposed by the regulator, or
 - any failure to meet the standards and expectations set out in any relevant codes of practice issued by the regulator.
52. Pension board members' breadth of knowledge and understanding should be sufficient to allow them to understand fully and challenge any information or advice they are given. They should understand how that information or advice impacts on any issue or decision relevant to their responsibilities and duties.
53. Pension board members of funded pension schemes should ensure that they have the appropriate degree of knowledge and understanding of funding and investment matters relating to their scheme to enable them to effectively carry out their role. This includes having a working knowledge of provisions in their scheme regulations and administration policies that relate to funding and investment, as well as knowledge and understanding of relevant law relating to pensions.
54. All board members should attain appropriate knowledge so that they are able to understand the relevant law in relation to their scheme and role. The degree of knowledge and understanding required of pension board members may vary according to the role of the board member, as well as the expertise of the board member. For example, a board member who is also a pensions law expert (for instance, as a result of their day job) should have a greater level of knowledge than that considered appropriate for board members without this background.

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