

**North Yorkshire County Council****Pension Board**

18 July 2019

**Skills Matrix/Self-Assessment****1.0 Purpose of the Report**

To determine a way forward on Pension Board member training in relation to the completed skills matrix and self-assessment questionnaires.

**2.0 Background**

The Training Policy was adopted by the Pension Board at its inaugural meeting in July 2015. This set out the knowledge and understanding requirements of members of the Pension Board, routes to obtaining training, and training review arrangements.

It states that the suitability of training events and activities should be based on a self-assessment carried out by each Pension Board member. The regulations place the responsibility for making this assessment, and subsequent action to ensure Pension Board members have an appropriate level of knowledge and understanding, on the individual members. In addition, the Pensions Regulator requires that Pension Board members invest time in learning and development.

**3.0 Skills Matrix/Self-Assessment**

At the meeting of the Pension Fund Committee held on 10 October 2018 Members of the Committee agreed to adopt a Training Policy, and, as part of that, to complete a skills matrix and self-assessment, to determine their training requirements.

Details of the returned questionnaires are attached at **Appendix 1**.

**4.0 Evaluation of Self-Assessment Returns and Training Programme**

It was agreed that an evaluation of details provided by Members of the Board would be undertaken at this meeting, taking advantage of the attendance of both the Treasurer and Independent Observer for the North Yorkshire Pension Fund, to assist with that process.

Pension Board members are asked to discuss and identify their specific learning and development requirements with those present with the view to developing an effective training programme for the Board, taking account of any skills' gaps identified.

**6.0 Recommendations**

- (i) That the details from the skills matrix and self- assessment questionnaire be evaluated appropriately and a training plan be developed to take account of the results obtained and any skills' gaps identified

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Background Documents: None

**Local Pension Boards: A Technical Knowledge and Skills Framework (Appendix 1)**

<b>Learning needs analysis</b>		<b>Training requirements and plan</b>	
<b>Do I possess...?</b>	<b>Rate my skills</b> 1 – no knowledge 5 – highly skilled	<b>Training Requirements</b>	<b>Training Plan</b>
<b>Pensions legislation</b>			
A general understanding of the pensions legislative framework in the UK.	<b>4</b> <b>5</b> <b>3 x 2</b> <b>3 to 4</b>	Requested – 1 Member	
An overall understanding of the legislation and statutory guidance specific to the scheme and the main features relating to benefits, administration and investment.	<b>4 x 2</b> <b>3 x 2</b> <b>3 to 4</b>	Requested – 1 Member	
An appreciation of LGPS discretions and how the formulation of the discretionary policies impacts on the pension fund, employers and local taxpayers.	<b>4 x 3</b> <b>3</b> <b>2</b>	Requested – 1 Member	
A regularly updated appreciation of the latest changes to the scheme rules.	<b>4</b> <b>3 x 3</b> <b>1</b>	Requested – 1 Member	

<b>Pensions governance</b>			
Knowledge of the role of the administering authority in relation to the LGPS.	<b>5 x 2</b> <b>3 x 2</b> <b>4</b>	Requested – 1 Member	
<b>Do I possess...?</b>	<b>Rate my skills</b> 1 – no knowledge 5 – highly skilled	<b>Training Requirements</b>	Training Plan
An understanding of how the roles and powers of the DCLG, the Pensions Regulator, the Pensions Advisory Service and the Pensions Ombudsman relate to the workings of the scheme.	<b>4 x 2</b> <b>5</b> <b>3</b> <b>3 to 4</b>		
Knowledge of the role of the Scheme Advisory Board and how it interacts with other bodies in the governance structure.	<b>4 x 4</b> <b>2</b>		
A broad understanding of the role of pension fund committees in relation to the fund, the administering authority, employing authorities, scheme members and taxpayers.	<b>5 x 2</b> <b>4 x 3</b>		
An awareness of the role and statutory responsibilities of the treasurer and monitoring officer.	<b>5 x 2</b> <b>3</b> <b>4 x 2</b>		

Knowledge of the Myners principles and associated CIPFA and SOLACE guidance.	4 x 2 3 x 2 2	Requested – 1 Member	
A detailed knowledge of the duties and responsibilities of pension board members	5 x 2 3 x 2 4	Requested – 1 Member	
<b>Do I possess...?</b>	<b>Rate my skills</b> 1 – no knowledge 5 – highly skilled	<b>Training Requirements</b>	<b>Training Plan</b>
Knowledge of consultation, communication and involvement options relevant to the stakeholders	4 x 2 5 2 3 to 4	Requested – 1 Member	
Knowledge of how pension fund management risk is monitored and managed.	4 x 3 5 3		
An understanding of how conflicts of interest are identified and managed.	5 x 2 2 4 x 2		
An understanding of how breaches in law are reported.	5 x 2 2 4 3	Requested – 1 Member	

<b>Pensions administration</b>			
An understanding of best practice in pensions administration eg performance and cost measures.	4 5 3 x 2 3 to 4	Requested – 1 Member	
Understanding of the required and adopted scheme policies and procedures relating to: <ul style="list-style-type: none"> <li>• member data maintenance and record-keeping processes</li> <li>• internal dispute resolution</li> <li>• contributions collection</li> <li>• scheme communication and materials.</li> </ul>	4 x 2 2 3 to 4 3	Requested – 1 Member	
<b>Do I possess...?</b>	<b>Rate my skills</b> 1 – no knowledge 5 – highly skilled	<b>Training Requirements</b>	<b>Training Plan</b>
Knowledge of how discretionary powers operate.	4 x 2 <b>No answer</b> 1 3	- Discretionary powers in respect of what?	

Knowledge of the pensions administration strategy and delivery (including, where applicable, the use of third party suppliers, their selection, performance management and assurance processes).	<b>4 x 2</b> <b>2 x 2</b> <b>3</b>	Requested – 1 Member	
An understanding of how the pension fund interacts with the taxation system in the UK and overseas in relation to benefits administration.	<b>4</b> <b>3</b> <b>1</b> <b>2 x 2</b>	Requested – 1 Member	
An understanding of what AVC arrangements exist and 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.	<b>3 x 4</b> <b>4</b>	<ul style="list-style-type: none"> <li>- I know what AVCs are but I'd welcome more information about how they operate within NYPF</li> <li>- Is detailed information required for PB</li> </ul> Requested – 1 Member	

<b>Pensions accounting and auditing standards</b>			
An understanding of the Accounts and Audit Regulations and legislative requirements relating to internal controls and proper accounting practice.	5 4 x 4 2		
<b>Do I possess...?</b>	<b>Rate my skills</b> 1 – no knowledge 5 – highly skilled	<b>Training Requirements</b>	<b>Training Plan</b>
An understanding of the role of both internal and external audit in the governance and assurance process.	5 4 x 3 3		
An understanding of the role played by third party assurance providers.	5 3 x 2 2 4		
<b>Pensions services procurement and relationship management</b>			
An understanding of the background to current public procurement policy and procedures, and of	5 3 x 2	- Is this needed for PB	

the values and scope of public procurement and the roles of key decision-makers and organisations.	<b>1</b> <b>4</b>		
A general understanding of the main public procurement requirements of UK and EU legislation.	<b>5</b> <b>3 x 2</b> <b>2</b> <b>4</b>	Is this needed for PB	
An understanding of the nature and scope of risks for the pension fund and of the importance of considering risk factors when selecting third parties.	<b>4 x 4</b> <b>3</b>	Is this needed for PB	
An understanding of how the pension fund monitors and manages the performance of their outsourced providers.	<b>3</b> <b>5</b> <b>4 x 2</b> <b>3 to 4</b>	I'd welcome more information about how NYPF monitors and manages the performance of its outsourced providers  Is this needed for PB	
<b>Do I possess...?</b>	<b>Rate my skills</b> 1 – no knowledge 5 – highly skilled	<b>Training Requirements</b>	<b>Training Plan</b>
<b>Investment performance and risk management</b>			
An understanding of the importance of monitoring asset returns relative to the liabilities and a broad understanding of ways of assessing long-term risks.	<b>5 x 2</b> <b>4 x 3</b>		



An awareness of the Myners principles of performance management and the approach adopted by the administering authority.	4 x 2 2 x 2 3	Requested – 1 Member	
Awareness of the range of support services, who supplies them and the nature of the performance monitoring regime.	3 x 4 1	- Welcome more knowledge and understanding about the who, what and monitoring  Requested – 1 Member	
<b>Financial markets and products knowledge</b>			
An understanding of the risk and return characteristics of the main asset classes (equities, bonds, property etc.).	4 x 4 2		
An understanding of the role of these asset classes in long-term pension fund investing.	4 x 3 5 2	Requested – 1 Member	
An understanding of the primary importance of the fund's statement of investment principles and the investment strategy decision.	5 x 2 2 4 3	Requested – 1 Member	

<b>Do I possess...?</b>	<b>Rate my skills</b> 1 – no knowledge 5 – highly skilled	<b>Training Requirements</b>	<b>Training Plan</b>
A broad understanding of the workings of the financial markets and of the investment vehicles available to the pension fund and the nature of the associated risks.	<b>4 x 4</b> <b>3</b>	<ul style="list-style-type: none"> <li>- Regular updates requested</li> </ul> Requested – 1 Member	
An understanding of the limits placed by regulation on the investment activities of local government pension funds.	<b>3 x 3</b> <b>4</b> <b>2</b>	<ul style="list-style-type: none"> <li>- Welcome more knowledge about the relevant regulation and its impact on LGPS schemes</li> <li>- Regular updates requested</li> </ul> Requested – 1 Member	
An understanding of how the pension fund interacts with the taxation system in the UK and overseas in relation to investments.	<b>4</b> <b>3 x 2</b> <b>1</b> <b>2</b>	Is this needed for PB  Requested – 1 Member	
<b>Actuarial methods, standards and practices</b>			

A general understanding of the role of the fund actuary.	5 4 x 2 1 3 to 4		
Knowledge of the valuation process, including developing the funding strategy in conjunction with the fund actuary, and inter-valuation monitoring.	4 x 4 2	- Regular updates requested	
An awareness of the importance of monitoring early and ill health retirement strain costs.	4 x 3 3 x 2	Requested – 1 Member	
<b>Do I possess...?</b>	<b>Rate my skills</b> 1 – no knowledge 5 – highly skilled	<b>Training Requirements</b>	<b>Training Plan</b>
A broad understanding of the implications of including new employers into the fund and of the cessation of existing employers.	3 4 x 4	- welcome a more detailed understanding	
A general understanding of the relevant considerations in relation to outsourcings and bulk transfers	4 x 2 3 x 3		

<p>A general understanding of the importance of the employer covenant and the relative strengths of the covenant across the fund employers.</p>	<p><b>3 x 2</b> <b>4</b> <b>3 to 4</b> <b>2</b></p>	<ul style="list-style-type: none"><li>- Understand what an employer covenant is but have no idea about the relative covenant strengths across NYPF employers</li></ul>	
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