

North Yorkshire County Council

Pension Board

3 October 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.

As a result the skills matrix and self-assessment questionnaire was circulated to Pension Fund Committee members in early September 2019, following agreement to the development of their training programme at the July 2019 meeting of the Committee.

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, following the meeting held on 18 July 2019, to determine a training programme going forward.

However, as the questionnaires had now been circulated to Pension Fund Committee members it was felt appropriate that the results of those be taken account of allowing a full training programme to be developed for both Pension Fund Committee and Pension Board members.

6.0 Recommendations

That the details from the skills matrix and self- assessment questionnaire be evaluated appropriately, alongside the returns from Pension Fund Committee members and an overall training plan be developed to take account of the results obtained from both bodies and any skills' gaps identified.

Barry Khan

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Background Documents: None

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

Learning needs analysis		Training requirements and plan	
Do I possess...?	Rate my skills 1 – no knowledge 5 – highly skilled	Training Requirements	Training Plan
Pensions legislation			
A general understanding of the pensions legislative framework in the UK.	4 5 3 x 2 3 to 4	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.	4 x 2 3 x 2 3 to 4	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.	4 x 3 3 2	Requested – 1 Member	
A regularly updated appreciation of the latest changes to the scheme rules.	4 3 x 3 1	Requested – 1 Member	

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

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	
Do I possess...?	Rate my skills 1 – no knowledge 5 – highly skilled	Training Requirements	Training Plan
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	

Pensions administration			
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"> • member data maintenance and record-keeping processes • internal dispute resolution • contributions collection • scheme communication and materials. 	4 x 2 2 3 to 4 3	Requested – 1 Member	
Do I possess...?	Rate my skills 1 – no knowledge 5 – highly skilled	Training Requirements	Training Plan
Knowledge of how discretionary powers operate.	4 x 2 No answer 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).	4 x 2 2 x 2 3	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.	4 3 1 2 x 2	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.	3 x 4 4	<ul style="list-style-type: none"> - I know what AVCs are but I’d welcome more information about how they operate within NYPF - Is detailed information required for PB Requested – 1 Member	

Pensions accounting and auditing standards			
An understanding of the Accounts and Audit Regulations and legislative requirements relating to internal controls and proper accounting practice.	5 4 x 4 2		
Do I possess...?	Rate my skills 1 – no knowledge 5 – highly skilled	Training Requirements	Training Plan
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		
Pensions services procurement and relationship management			
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.	1 4		
A general understanding of the main public procurement requirements of UK and EU legislation.	5 3 x 2 2 4	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.	4 x 4 3	Is this needed for PB	
An understanding of how the pension fund monitors and manages the performance of their outsourced providers.	3 5 4 x 2 3 to 4	I'd welcome more information about how NYPF monitors and manages the performance of its outsourced providers Is this needed for PB	
Do I possess...?	Rate my skills 1 – no knowledge 5 – highly skilled	Training Requirements	Training Plan
Investment performance and risk management			
An understanding of the importance of monitoring asset returns relative to the liabilities and a broad understanding of ways of assessing long-term risks.	5 x 2 4 x 3		

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	
Financial markets and products knowledge			
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	

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

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	
Do I possess...?	Rate my skills 1 – no knowledge 5 – highly skilled	Training Requirements	Training Plan
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>3 x 2 4 3 to 4 2</p>	<ul style="list-style-type: none">- Understand what an employer covenant is but have no idea about the relative covenant strengths across NYPF employers	
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