

# Devon Pension Fund Training Plan 2014/15



## 1 Introduction

The Devon Pension Fund has had a longstanding commitment to training for Committee members to ensure that they have the skills and understanding required to carry out their stewardship role. This has included regular events to cover the latest developments in the LGPS, investment strategy and performance monitoring. In February 2014, the Investment and Pension Fund Committee adopted the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills.

There are six areas of knowledge and skills that have been identified as the core requirements for those with decision making responsibility for LGPS funds. They are:

- Pensions legislative and governance context.
- Pensions accounting and auditing standards.
- Financial services procurement and relationship management.
- Investment performance and risk management.
- Financial markets and products knowledge.
- Actuarial methods, standards and practices.

Members of the Investment and Pension Fund Committee are expected to have a collective understanding and senior officers are expected to have expertise of these areas of knowledge and skills.

This training plan sets out how levels of understanding will be assessed, and how the knowledge and skills requirement will be supported through training events over the next year.

## 2 Investment and Pension Fund Committee Training

Member training during the year will focus on three areas:

1. **Governance** – The Public Sector Pensions Act 2013 will require the Devon Pension Fund to set up a Pension Board. The detailed requirements around the setting up of the Board will be specified in the Local Government Pension Scheme (Amendment) Regulations 2014. A draft of the regulations was issued for consultation over the Summer. Members will need to have a broad understanding of the issues before considering how the Pension Board will be implemented locally.

2. **The six areas of the Knowledge and Skills framework** – Training will be focused on gaps in knowledge identified through an assessment of need. The Fund has taken two approaches to assess the needs of committee members for further training. Work has been undertaken with the Devon County Council Member Development Officer to conduct development interviews with members of the Committee which have addressed the six areas outlined. In addition a self-assessment tool has been made available to members of the Committee, to enable them to measure their understanding and plan their development.
3. **Potential new investment opportunities** – Training will be provided on new areas of investment that may be considered by the Committee. In particular, further training will be provided in relation to Liability Driven Investment (LDI)

Training will be delivered through the following events to be held during the year:

#### **Joint Training Day with Cornwall Pension Committee – 30<sup>th</sup> October 2014**

The joint training day will be held at the China Fleet Club, near Saltash. The main focus of the day will be the new governance arrangements. In addition there will be a presentation on the role of the Fund Custodian.

#### **Afternoon Training Session – 21<sup>st</sup> November 2014**

A training session will be held on the afternoon of the November Investment and Pension Fund Committee. This session will include a long term performance review from WM Performance Services who provide performance monitoring services for the fund. It will also focus on Liability Driven Investment. The LDI presentation will focus specifically on the Devon Fund's liability profile, and put forward what role an LDI investment could play in managing them.

#### **Devon Training Day – March 2015**

The day will focus primarily on the six areas of the Knowledge and Skills Framework with an emphasis on any gaps in knowledge that have been identified as part of the self-assessment exercise. The training session will be provided both to the Investment and Pension Fund Committee and to the members of the new Pension Board who will have been appointed by that date.

#### **Other Training**

In addition members will also be provided with access to “bite-size” tutorials on the six areas of knowledge and skills and other quality assured websites to help boost levels of understanding. Where gaps in individual members' knowledge have been identified that will not be met by the core training described above, then additional training can be accessed to meet those needs.

Specific training will be identified for the Chairman of the Investment and Pension Fund Committee to support him in his role. This will include attending the three day Fundamentals Course run by the LGA during the Autumn.

Resources are available to meet all the training requirements outlined above.

### 3 Pension Board Training

Under the Public Sector Pensions Act 2013 and the Local Government Pension Scheme (Amendment) Regulations 2014, the Devon Pension Fund will be required to set up a Pension Board with effect from 1 April 2015. Under those regulations the members of the Pension Board will be specifically required to have the experience and capacity to take on the role. This will also be assessed under the Knowledge and Skills Framework.

It is anticipated that the members of the Pension Board will be appointed during February 2015, in order to take up their role from 1 April 2015 onwards. Initial training will be delivered through the following events:

#### **Induction Session – March 2015**

A focused induction session will be required for the members of the Pension Board. The session will focus on the role of the Board, its terms of reference and an outline work plan for the year, together with an introduction to the six areas of the Knowledge and Skills Framework.

#### **Devon Training Day – March 2015**

As outlined above this training session will be provided both to the Investment and Pension Fund Committee and to the members of the new Pension Board, and will focus primarily on the six areas of the Knowledge and Skills Framework.

### 4 Officer Training

It is important that officers have the required training to carry out the tasks of managing the Fund's investments and administering the payment of benefits. The knowledge and skills required of staff are set out in their job descriptions, including any formal qualifications required. Senior Officers should be familiar with the requirements of the CIPFA Code of Practice on Knowledge and Skills and should have expert knowledge of the six areas of the framework.

Senior officers will attend relevant conferences and seminars during the year to ensure that they remain up-to-date with the latest requirements. In addition they will be expected to keep up to date through use of the internet, and conduct research on relevant issues where required. All staff will have specific training identified to meet assessed requirements. Individual training plans will be put in place and these will be recorded and reviewed as part of the annual appraisal process.

A central training record will be maintained by each of the Investment Team and Peninsula Pensions of the events attended and training received by all members of staff.

For senior officers, there will be a particular focus on the following areas:

1. **Governance** – Understanding the Local Government Pension Scheme (Amendment) Regulations 2014, in order that the new Pension Board can be implemented effectively.
2. **New Investment Arrangements** – Keeping up to date with Government proposals on use of Common Investment Vehicles, and understanding how they would operate and the work that will be required.
3. **New Investment Products** – Keeping up-to-date with what the market is offering, in order to assess the validity of new products for investment by the Devon Fund.
4. **Pensions Admin** - Understanding the Local Government Pension Scheme Regulations 2013 and their impact on procedures; keeping up to date with updates/new releases to our software system Altair; assessing the impact of wider Government reforms to pensions such as the abolition of contracting-out and their impact on the LGPS.

## 5 Reporting and Compliance

In line with the CIPFA Code of Practice a disclosure will be made in the Fund's Annual Report and Accounts that covers:

- How the Skills and Knowledge framework has been applied.
- What assessment of training needs has been undertaken.
- What training has been delivered against the identified training needs.