

Devon Pension Fund Training Plan 2015/16



1 Introduction

The Devon Pension Fund has had a longstanding commitment to training for those involved in the governance of the Fund 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.

Under the Public Sector Pensions Act 2013 and the Local Government Pension Scheme (Amendment) Regulations 2015, a Pension Board has been established, and members of the Board were appointed by Devon County Council in May.

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

2 Knowledge and Skills Framework

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 and the Pension Board are expected to have a collective understanding and senior officers are expected to have expertise of these areas of knowledge and skills.

3 Pension Board Specific Requirements

Under the regulations the members of the Pension Board are required to have the capacity to take on the role. In addition, in accordance with Section 248A of the Pensions Act 2004, it is expected that every individual who is a member of a Local Pension Board will receive training, and as a result:

- Be conversant with the rules of the LGPS, in other words the Regulations and other regulations governing the LGPS (such as the Transitional Regulations and the Investment Regulations);
- Be conversant with any document recording policy about the administration of the Fund which is for the time being adopted in relation to the Fund;
- Have knowledge and understanding of the law relating to pensions;
- Have knowledge and understanding of such other matters as may be prescribed.

4 Committee and Pension Board Training

Training for the Investment and Pension Fund Committee and the Pension Board during the year will focus on three areas:

1. **Pension Board Induction** – Ensuring that the members of the newly appointed Pension Board have an initial understanding of the governance arrangements for the Fund, and the base level of knowledge required to undertake their role.
2. **The six areas of the Knowledge and Skills framework** – These will continue to be a major area of focus, with 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. The self-assessment tool is being reviewed by officers in order to bring it up-to-date for use with the Pension Board, and those members of the Committee yet to undertake the assessment.
3. **Potential new investment opportunities** – Training will be provided on new areas of investment that may be considered by the Committee. Sessions will be provided to keep Committee and Pension Board members up-to-date with the latest market developments, and look at the Fund's long term performance.

4. **The Role of the Actuary / Actuarial Valuation** – The next Actuarial Valuation is due as at 31 March 2016. The Committee and Pension Board will therefore be given training on the role of the Actuary and how the valuation will be undertaken. This will include looking at how the Fund's position may be benchmarked against other funds.

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

Devon Pension Fund Training Day – 5th June 2015

This will act as an induction event for the Pension Board, but will also be a useful update for the Investment and Pension Fund Committee on key governance issues. The training will focus on roles and responsibilities, the key legislation governing the LGPS, investment fundamentals and the actuarial valuation process.

Joint Training Day with Cornwall Pension Fund – Autumn 2015

A joint training is planned to be held at the China Fleet Club, near Saltash. This will provide training geared to the Investment and Pension Fund Committees and the Pension Boards of both Funds. The agenda has yet to be agreed with Cornwall, but is likely to focus on governance arrangements, and investment issues, with the opportunity for breakout sessions for each of the two funds.

Afternoon Training Session – 20th November 2015

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. Also included will be a more detailed briefing from the Fund Actuary on the process for the 2016 Actuarial Valuation.

Devon Pension Fund Training Day – Spring 2016

The day will focus further on the six areas of the Knowledge and Skills Framework with an emphasis on any gaps in knowledge that have been identified.

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 can be identified for the Chairman of the Investment and Pension Fund Committee and of the Pension Board to support them in their role if required. The Chairman of the Investment and Pension Fund Committee has already attended the three day Fundamentals Course run by the LGA during the Autumn.

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

5 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 guidance and regulations in relation to local pension boards, and keeping up to date with how other Funds are working with their boards, in order that the Pension Board can be supported effectively and add value to the governance of the Fund.
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. This will include looking at how opportunities for collaboration with other funds can be carried forward regardless of whether the new Government pushes ahead with this agenda.
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. **Accounting Issues** – Keeping up to date with the latest CIPFA guidance on the format of the Pension Fund Statement of Accounts and the content of the Annual Report.
5. **Pensions Admin Regulations** – Understanding the latest guidance and interpretation of the LGPS Regulations 2013 and their impact on procedures.
6. **Pensions Admin Systems** - Keeping up to date with updates/new releases to our software system Altair, passing down training to all staff.
7. **Wider Pensions Issues** – Understanding the impact of wider Government reforms to pensions, such as “freedom and choice” on the LGPS.

6 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.

7