

TRAINING REVIEW 2015-16 AND TRAINING PLAN 2016-17

Report of the County Treasurer

Please note that the following recommendations are subject to consideration and determination by the Board before taking effect.

Recommendation: that the Committee approves and adopts the 2015/16 Training Plan.

1. Introduction

- 1.1. 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. In February 2014, the Investment and Pension Fund Committee adopted the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills.
- 1.2. In addition Section 248A of the Pensions Act 2004 imposes requirements on members of the Local Pension Board. Under the Act, every individual who is a member of a Local Pension Board must:
 - Be conversant with the rules of the LGPS;
 - 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.
- 1.3. This report reviews the training provided to both the Investment and Pension Fund Committee and the Devon Pension Board during 2015/16, and sets out the Training Plan for 2016/17. A draft of the Training Plan was presented to the Pension Board on 14 April 2016, and changes have been made to the plan in response to comments by the Board.

2. Training 2015/16

- 2.1. Several training sessions were held during 2015/16 for members of the Investment and Pension Fund Committee and Devon Pension Board.

Dates and a summary of items covered are detailed below:

Pension Board Training - June 2015

- Introduction to the LGPS
- Public Service Pensions Act 2013
- Governance Arrangements
- Investment Fundamentals
- Options for Reform
- Role of the Scheme Advisory Board
- Funding and Investments
- Role of advisors and key persons
- Role and responsibilities of the Administering Authority

- What is an actuary?
- What is the actuary's role in the LGPS?
- Why and how do we do valuations?
- Some current issues - benchmarking
- Outlook for 2016 valuation

Joint Training Day with Cornwall Council - October 2015

- Government Expectations re: Asset Pooling
- Practical Steps to Setting Up a Pooled Investment Vehicle
- Private Credit / Illiquid Debt Investment
- Pension Fund Jargon
- LGPS Legislation and Regulation Update
- Outlook for the global economy and LGPS investment returns

Training Session – November 2015

- Long Term Performance
- 2016 Actuarial Valuation

- 2.2. In addition to these training sessions, members of the Investment and Pension Fund Committee and the Devon Pension Board have been provided with a self-assessment training tool for section one of the CIPFA Knowledge and Skills Framework. Self-assessment tools covering the outstanding modules will be provided throughout the remainder of 2016-17. The results of these assessments will be used to identify areas of knowledge that require additional training and future training sessions will be designed to incorporate these requirements.

3. Training Plan 2016-17

- 3.1. The 2016/17 Training Plan is attached at Appendix 1 and sets out the training to be provided over the year in order to ensure that both the Investment and Pension Fund Committee and the Pension Board have the knowledge and skills required in accordance with the CIPFA Code. The first event outlined took place on 27th May.
- 3.2. The plan includes an event in Spring 2017. The timing of this may need to be considered given that 2017 is a County Council election year and there may be changes to the Committee following the election. However, non-County Council members of the Committee and Pension Board are unaffected by the election. It is also suggested that the 2017/18 Training Plan be brought forward for approval in February 2017 to include provision for induction of any new members following the election.
- 3.3. The Training Plan also outlines how the training needs of staff are assessed and implemented, and sets out the requirements on senior officers responsible for the Pension Fund, and the issues that they will need to focus on over the year.

4. Training Register

- 4.1. A register of attendance at each of the training events is maintained by officers.
- 4.2. The attendance register for 2015-16 is shown at Appendix 2.

5. Conclusion

- 5.1. The Investment and Pension Fund Committee is asked to approve the Training Plan for 2016/17.

Mary Davis

Electoral Divisions: All

Local Government Act 1972

List of Background Papers - Nil

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Devon Pension Fund Training Plan 2016/17



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 2015.

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 named substitutes) 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 the following areas:

1. **The six areas of the Knowledge and Skills framework** – These will continue to be a major area of focus, with training 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. Module 1 of the self-assessment tool was made available to members towards the end of 2015. The outstanding modules will be issued during 2016-17.
2. **Investment Pooling** – Training and briefings will be provided on the implications of the investment pooling agenda. This will include the regulatory environment governing the pooled vehicle, along with the requirements in relation to the organisational structure of the pooled vehicles, transition arrangements and implications for the Fund's investment strategy.

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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. **Regulatory / Legislative Changes** – Training will be provided on the implications of recent legislative and regulatory changes, for example LGPS regulation changes required by the Government's proposals on capping exit payments for public sector staff and annual and lifetime allowance changes. Sessions will also be included on the statutory statements that the Fund is required to have in place, and any regulatory changes that will impact on them.

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

Devon Pension Fund Training Day – 27th May 2016

This session will include a discussion on LGPS Pooling. We will review the Government's response and any feedback provided regarding our initial proposal. Representatives from other funds within the Pool have been invited to present. There will be the opportunity for members to ask questions and to feed into the detailed submission required in July.

Training sessions will also include speakers on the role of the Pension Board, Greenfield Infrastructure and Private Debt investments.

Afternoon Training Session – 16th September 2016

A training session will be held on the afternoon of the September Investment and Pension Fund Committee. The agenda for this meeting is still to be finalised, but will include a focus on long term investment performance.

Joint Training Day with Cornwall Pension Fund – Autumn 2016

As in previous years a joint training is planned to be held with the Cornwall Pension Fund. 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. Consideration will be given to inviting other neighbouring funds to participate in the day.

Devon Pension Fund Training Day – Spring 2017

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. This will include a session or sessions on the statutory statements that the Fund is required to have in place.

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.

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 the requirements of the Government's investment pooling agenda, understanding how the new pools will operate and the work that will be required. This will include looking at the different options in terms of structure and governance and understanding the potential requirements for regulation by the Financial Conduct Authority.
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.

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5. **Pensions Admin Regulations** – Understanding the latest guidance and interpretation of changes to LGPS Regulations 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.

Name	Representing	Pension Board Training Event 05/06/15	Joint Training Day with Cornwall Council 16/10/15	Post Committee Training Session 20/11/15
INVESTMENT AND PENSION FUND COMMITTEE				
Edgell, Richard	Devon County Council	-	√	√
Edwards, Peter	Devon District Councils	√	-	-
Fox, Mike	Plymouth City Council	√	-	-
Franceschini, Roberto	UNISON	√	√	√
Gilbert, Rufus	Devon County Council	√	√	√
Hannon, Des	Devon County Council	√	-	-
Healy, Donna	Other Employers	√	-	√
Hicks, Michael	South Hams District Council	√	-	-
Hill, Roy	Devon County Council	√	√	-
Hosking, Richard	Devon County Council	-	√	-
Lomax, Colin	UNISON	√	-	√
O'Dwyer, James	Torbay Council	-	√	-
Parker Delaz Ajete, Lorraine	Plymouth City Council	-	√	-
Radford, Ray	Devon County Council	-	√	√
Rimron, Jo	GMB	-	√	-
PENSION BOARD				
Bowman, Andy	Member Representative	√	√	-
Brook, Jerry	Devon County Council	-	-	√
Greenslade, Brian	Devon County Council	-	√	√
Hearn, Carl	Tavistock Town Council	√	√	√
Henshaw, Alan	Member Representative	√	-	√
Keightley, Heather	Member Representative	√	√	-
Lewis, Cheryl	Member Representative	√	√	√
Nicholls, William	Independent Member	-	√	√
Smith, Graham	Devon and Cornwall Police	√	-	-