

TRAINING REVIEW 2018-19 AND TRAINING PLAN 2019-20

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 2019/20 Training Plan.

1. Introduction

- 1.1. The Devon Pension Fund has had a longstanding commitment to training for Committee and Board 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 2018/19, and sets out the Training Plan for 2019/20. A draft of the Training Plan was presented to the Pension Board on 3 April 2019, and the Board's comments are set out within this report.

2. Training 2018/19

- 2.1. Several training sessions were held during 2018/19 for members of the Investment and Pension Fund Committee and Devon Pension Board.
- 2.2. Dates and a summary of items covered are detailed below:

Pension Fund Training Event - April 2018

- Global Economic Outlook
- Asset Allocation
- Equity Protection Strategies
- Breaches policy, GDPR and latest LGPS issues
- Currency Hedging
- The future role of Devon Pension Fund in a "pooled world"

Pension Fund Training Event – October 2018

- De Risking
- Is now the time to de risk
- LGPS and SAB Update
- 2019 Valuation
- LGPS Annual Review and Long Term Performance

Brunel Engagement event – November 2019

- Update on portfolios and migration projects
- Annual Business Plan

Pension Fund Training Event – March 2019

- Global Markets and Investment Outlook
- Bond and bond markets
- Role of the Scheme Advisory Board and LGPS Update
- Currency Hedging
- Pensions Administration Strategy
- Sustainable Investment, Stewardship and Engagement

- 2.3. In addition to attending training sessions, members have completed, or are in the process of completing, The Pension Regulator Trustee Toolkit. The toolkit includes a series of online learning modules and resources which have been developed to help members meet the minimum level of knowledge and understanding introduced in the Pensions Act 2004. 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.
- 2.4. Officers will continue to support those members who have yet to complete the modules throughout 2019/20.

3. Training Plan 2019-20

- 3.1. The 2019/20 Training Plan is attached at Appendix 1 and sets out a proposal for 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.
- 3.2. A training needs analysis was undertaken during February to help officers identify knowledge gaps and ensure that the 2019/20 training plan addresses those areas.
- 3.3. Officers have reviewed the Training plan to ensure that it reflects current best practise. It is now recommended that the chairperson of the Pension Board undertakes the LGA's LGPS Fundamentals course. The training needs analysis will be undertaken annually in which all Pension Board and Investment and Pension Fund Committee members are encouraged to partake.
- 3.4. In addition, the Training Plan includes a commitment to produce a Devon Pension Fund Handbook with relevant information for Committee and Pension Board members. This was a suggestion made at the April meeting of the Pension Board, and the intention is to produce the handbook by the end of the year.

4. Training Register

- 4.1. A register of attendance at each of the training events is maintained by officers. The attendance register for 2018-19 is shown at Appendix 2.

5. Conclusion

- 5.1. The Investment and Pension Fund Committee is asked to approve the Training Plan for 2019/20.

Mary Davis

Electoral Divisions: All

Local Government Act 1972

List of Background Papers - Nil

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Devon Pension Fund Training Plan 2019/20



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.

It is important that members of both the Investment and Pension Fund Committee and the Devon Pension Board receive appropriate training in order to carry out their roles effectively

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 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 the annual training needs analysis exercise. In addition, the Pensions Regulator has developed online training sessions covering Public Sector Pension arrangements and all members of the committee and pension board are encouraged to complete this online training and achieve full accreditation. Officers will continue to work with the Devon County Council Member Development Officer and individual Committee and Board members to ensure that they have the skills and knowledge required.
2. **Brunel Pension Partnership** – Training and briefings will continue to be provided regarding the progress of the Brunel Pension Partnership. Now that the governance structures have been implemented the training is likely to focus on the services and portfolios that Brunel will be providing, the transition arrangements, and ensuring that the Committee and Board are able to effectively monitor the ongoing operation of the company to ensure it is providing the required level of service in a cost-effective manner.
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 any legislative and regulatory changes.

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

Brunel Engagement Day– Autumn 2019

A further joint event is planned to be held with other LGPS funds within the Brunel pool to provide a further update on the Brunel Pension Partnership. This will focus on the portfolios and services being provided by Brunel and the transition arrangements.

Devon Pension Fund Training Day – Autumn 2019

Further training will be provided to include pension administration and the latest regulatory changes, an update on financial markets and products, long term investment performance and asset allocation, responsible investment and the 2019 Triennial Actuarial Valuation.

Devon Pension Fund Training Day – Spring 2020

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

Training needs analysis will be undertaken annually to help identify training gaps in individual members' knowledge. Any gaps will be addressed in future training plans. Any areas 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 the Pension Board to support them in their role if required. In addition, induction training will be provided for all new members of the Committee and Pension Board.

In addition, officers will work towards producing a Devon Pension Fund Handbook, which would provide specific information on the Devon Fund, along with references to key documents and guidance, a glossary of terms/definitions, and other relevant information. It is intended that this will be available by the end of the year.

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 progress in developing the Brunel pooling arrangements, and the contract management skills that will be required to manage the relationship with the Brunel company.
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, including new requirements resulting from investment pooling.
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 the cost cap mechanism for Public sector schemes and Guaranteed Minimum Pension equalisation.

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.

Devon Pension Fund Training Events 2018/19

Register of Attendance

Name	18 October 2018	7 November 2018	28 March 2019
Investment and Pension Fund Committee			
Cllr Ray Bloxham (Chairman)	✓	✓	✓
Cllr Yvonne Atkinson	✓	✓	
Cllr Alan Connett		✓	
Cllr Christine Channon		✓	N/A
Cllr Richard Edgell	✓	✓	✓
Cllr Richard Hosking	✓	✓	✓
Cllr Andrew Saywell	N/A	N/A	✓
Cllr Peter Edwards			
Cllr Lorraine Parker Delaz Ajete	✓	✓	
Cllr James O'Dwyer	✓	✓	
Donna Healy	✓	✓	✓
Cllr Mark Lowry (substitute)	✓		
Colin Lomax (Observer)	✓		✓
Roberto Franceschini (Observer)	✓	✓	✓
Jo Rimron (Observer)	✓		✓
Pension Board			
Cllr Colin Slade (Chairman)	✓	✓	✓
Cllr Sara Randall Johnson	✓	✓	✓
Carl Hearn	✓	✓	✓
Graham Smith	✓		
Andrew Bowman (Vice-Chairman)	✓	✓	✓
Heather Keightley	✓	✓	N/A
Paul Phillips	✓		✓
Colin Shipp	✓		
William Nicholls	✓	✓	

Additional Training Undertaken:

Ray Bloxham – LGPS Fundamentals Course

Andy Bowman – National LGPS Forum (Unison Conference)

Graham Smith – Barnett Waddingham Pension Trustee Annual Seminar