

## TRAINING REVIEW 2023/24 AND TRAINING PLAN 2024/25

### Report of the Director of Finance and Public Value

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

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#### 1) Recommendation

That the Committee is asked to approve and adopt the Training Plan for 2024/25.

#### 2) Introduction

- 2.1 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. This is vital to ensure the effective governance and management of the pension fund. In support of this the Fund has adopted the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills.
- 2.2 In addition, there are specific requirements for members of the Pension Board. In accordance with Section 248 of the Pensions Act 2004, 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.
- 2.3 The Pension Board will comply with the requirements of the Pensions Act 2004, including compliance with the Scheme Advisory Board Knowledge and Skills framework, the agreement of an Annual Training Plan and shall report on members' attendance at training events.
- 2.4 It is still anticipated that the recommendations of the Good Governance review, which reported to the LGPS Scheme Advisory Board in 2021, will be brought into regulation at some point in the near future, although the forthcoming general election is likely to delay this further. This is expected to extend the knowledge requirements that currently apply to the Pension Board to members of the Investment and Pension Fund Committee.

### 3) Training 2023/24

- 3.1 Several training sessions were held during 2023/24 for members of the Investment and Pension Fund Committee and Devon Pension Board. Dates and a summary of items covered are detailed below:

#### Pension Fund Training Event – 6<sup>th</sup> July 2023

- LGPS update
- Market outlook and impact on asset classes
- Cyber security
- Understanding bonds

#### Brunel Investor Day – 20<sup>th</sup> September 2023

- Macro outlook
- Systemic Stewardship
- Long termism and sustainability
- Responsible Investing and trends
- Navigating a path to net zero

#### Pension Fund Training Event – 3<sup>rd</sup> November 2023

- Economic outlook
- LGPS update
- Pensions Dashboards
- Measuring Local impact
- Residential Housing investment
- Investment performance review

- 3.2 A record of attendance at each of the training sessions is attached at Appendix 1 to this report.

### 4) Proposal

- 4.1 The 2024/25 Training Plan is attached at Appendix 2 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.
- 4.2 In anticipation of a new Pension Regulators Public sector toolkit, to reflect the new code of practice and the Government's intention to bring the knowledge and skills requirements to Investment Committee members, officers will focus on providing training to ensure compliance.
- 4.3 A training needs analysis will be undertaken in due course in order to identify areas of training for future events. Officers have reviewed the Training plan to ensure that it reflects current best practice.

- 4.4 The Training Plan was considered by the Pension Board at its meeting on 30<sup>th</sup> April. The Board commented that the new proposed training requirements contained in the Good Governance Review for the Section 151 Officer and committee members should be included in the training plan.
- 4.5 The Review proposed that continuing professional development (CPD) requirements for the Section 151 Officer should include pension fund management. While that will be an issue for CIPFA (Chartered Institute for Public Finance and Accountancy) to consider, the training plan has been amended to make it clear that the training plan for senior officers would include the Director of Finance and Public Value (the Council's Section 151 Officer).
- 4.6 While completion of the Pension Regulator Toolkit self-assessment is not currently a requirement for Committee members, we will continue to encourage all members to complete it.

## 5) Conclusion

- 5.1 The Committee is asked to approve and adopt the Training Plan for 2024/25.

### **Angie Sinclair**

Director of Finance and Public Value

**Electoral Divisions:** All

### **Local Government Act 1972: List of background papers**

Nil

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**Training Completed 2023/24**

Name	Devon Training Day 6 July	Brunel Investor Day 20 Sept	Devon Training Day 3 Nov	TPR Self Assessment Completed
<b>Investment and Pension Fund Committee</b>				
Cllr James Morrish			✓	
Cllr Yvonne Atkinson	✓	✓	✓	
Cllr Phil Bullivant	✓		✓	
Cllr Henry Gent			✓	
Cllr George Gribble	✓		✓	
Cllr Marcus Hartnell	✓	✓	✓	
Cllr Mark Lowry		✓		
Cllr Martin Brook				
Cllr Phil Bialyk	N/A	N/A	N/A	
Cllr Ray Bloxham	✓	✓	✓	✓
Roberto Franceschini	✓	✓	✓	✓
Lorraine Parker Delaz-Ajete	✓		✓	
Michael Daniell	✓	✓	✓	✓
<b>Devon Pension Board</b>				
Cllr Colin Slade (Chairman)	✓	✓	✓	✓
Cllr Sara Randall Johnson	✓	✓	✓	✓
Carl Hearn	✓	✓	✓	✓
Dominic Walshe	✓	✓	✓	✓
Ian Arrow		✓	✓	✓
Andrew Bowman	✓		✓	✓
Paul Phillips	✓		✓	✓
Rob Jeanes	✓	✓	✓	✓

# Devon Pension Fund Training Plan 2024/25



## 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.

Following completion of the Good Governance Project undertaken by the Scheme Advisory Board, it is anticipated that it will become mandatory for both committee and pension board members to have completed the Pension Regulator's Public Sector Toolkit modules within six months of appointment, although the detailed regulations and guidance are yet to be issued..

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 Public Sector toolkit and introduction to investment module will provide good foundation knowledge and all members of the committee and pension board are required to complete this training and achieve full accreditation in anticipation that this will soon be a statutory requirement. 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 pooling and the service provided by the Brunel Pension Partnership. The training will focus on performance on investment and how Brunel manage Environmental, Social and Governance (ESG) issues. The training will aim to ensure 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. **Responsible Investment** – Training will be provided on the latest requirements in relation to effective stewardship, climate change and other ESG issues. This will include focusing on anticipated new requirements on climate reporting and ensuring the Fund continues to develop its stewardship activities to continue to meet the requirements of the UK Stewardship Code.

5. **Regulatory / Legislative Changes** – Training will be provided on the implications of any legislative and regulatory changes. This will include anticipated new regulations and guidance on climate reporting, governance and any new initiatives related to investment pooling. Training will also include building understanding of the new Code of Practice issued by The Pension Regulator.
6. **Training manual** – Online resource covering a base level of knowledge required of pensions and the Devon Fund and covers topics included in The Pension Regulator toolkit.

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

#### **Devon Pension Fund Training - July 2024**

In person training event which will include pension administration and the latest regulatory changes and an update on financial markets and economic outlook.

#### **The Pension Regulator Toolkit Training and investments module – as required**

A revised Toolkit is expected following the new code of practice. All board and committee members should complete the toolkit either online or via officer training sessions.

#### **Brunel Investor Days– Autumn 2024**

A further Brunel Investor Day will be held focusing on relevant LGPS issues, the portfolios and services being provided by Brunel, including market analysis, and stewardship and climate change policies.

#### **Devon Pension Fund Training Day – Autumn 2024**

Further training will be provided to include an update on financial markets and economic outlook, administration and the latest regulatory changes and areas of training highlighted as a result of a training needs analysis.

#### **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.

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

Following the Covid pandemic, many courses and events are now made available online. Committee and board members are particularly encouraged to sign up for these events as advised by officers when events become available.

## 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, including the Director and Deputy Director of Finance and Public Value, the Head of Pensions and Investments, the Investments Manager and the Head of Peninsula Pensions, 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. Other team members will be supported to have the level of knowledge required for their roles.

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 new governance requirements resulting from the Good Governance Project when they are issued for consultation and ultimately enacted in revised regulations.
2. **Investment Arrangements** – the latest pooling guidance and its impact on the relationship with the Brunel Pension Partnership. Further developing the contract management skills required to manage the relationship with the Brunel company.
3. **Climate Change and ESG** – Understanding the new requirements under Taskforce for Climate-related Financial Disclosures (TCFD). It is anticipated that new regulations and guidance will be issued during 2024/25.
4. **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.
5. **Accounting Issues** – Keeping up to date with the latest SAB 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.
6. **Pensions Admin Regulations** – Understanding the latest guidance and interpretation of changes to LGPS Regulations and their impact on procedures.
7. **Pensions Admin Systems** - Keeping up to date with updates/new releases to our software system Altair, passing down training to all staff.
8. **Wider Pensions Issues** – Understanding the impact of wider Government reforms to pensions, such as the dashboard project, the 95k redundancy cap and the McCloud remedy.



## 6 Reporting and Compliance

In line with the guidance on Preparing the Pension Fund Annual report issued by the Department for Levelling Up, Housing and Communities, disclosures will be made re the training undertaken by committee and pension board members.

Officers will monitor and implement the requirements arising from DLUHC guidance following the conclusion of the Good Governance project to ensure compliance and best practice is maintained.