

TRAINING REVIEW 2016-17 AND TRAINING PLAN 2017-18

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 2017/18 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 2016/17, and sets out the Training Plan for 2017/18. A draft of the Training Plan was presented to the Pension Board on 10 April 2017, and the Plan was endorsed by the Board.

2. Training 2016/17

- 2.1. Several training sessions were held during 2016/17 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 - May 2016

- Guide to the Markets
- Pension Committee and Pension Board – Roles and Responsibilities
- Greenfield Infrastructure
- Brunel Pension Partnership update, including an overview of:
 - High Level Structure and Governance
 - Operations, Roles and Resources
 - Business Model: Investment Policy and Asset Transition
 - Infrastructure and Internal Management

- Reporting and Monitoring
- Project Management
- Communications

Pension Fund Training Session - September 2016

- Long Term Performance
- Strategic Asset Allocation Review - Objectives and Methodology

Brunel Pension Partnership Engagement Day - October 2016

- Regulatory recap
- Format of the business case
- Governance and assurance
- Teckal company
- FCA authorisation
- Company structure
- Portfolio specifications
- Transition costs
- Fee savings
- Performance gains
- Passive internal management
- Services and Reporting
- The Financial Case
- Risks, Issues, Benefits and Success Factors

Training and Engagement Day – February 2017

- Admission Agreements and risk management of Admitted Bodies
- Transition Management and Costs
- Responsible Investment
- Strategic Investment Review

2.3. In addition to these training sessions, four members of the Investment and Pension Fund Committee and four members of Devon Pension Board have commenced the self-assessment training tool for CIPFA Knowledge and Skills Framework.

2.4. Officers acknowledge that this is an area of work that was given insufficient attention in 2016-17 and will ensure that members are provided with and are encouraged to complete self-assessments during 2017-18. The Pension Board have also recommended that officers give consideration to the use of The Pensions Regulator Trustee Toolkit as an alternative method of self-assessment.

2.5. 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 2017-18

3.1. The 2017/18 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. Since the plan was reviewed by the Pension Board in April a couple of changes have been made. It was originally intended to hold a 90 minute briefing session before the first committee meeting following the county council elections as an induction for new members, with a later start time for the formal committee meeting. However, there are only two new members of the committee following the elections, and therefore it was decided to brief the two new members individually, rather than hold a briefing session prior to the committee. The Training Plan has been amended accordingly.
- 3.3. In addition, the Chairman has suggested that the Committee and Pension Board be given the opportunity to visit Peninsula Pensions offices at Great Moor House, and this has been built into the plan. The visit is proposed to take place on the afternoon of the September committee meeting following the conclusion of the meeting.
- 3.4. 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 2016-17 is shown at Appendix 2.

5. Conclusion

- 5.1. The Investment and Pension Fund Committee is asked to approve the Training Plan for 2017/18.

Mary Davis

Electoral Divisions: All

Local Government Act 1972

List of Background Papers - Nil

Contact for Enquiries: Mark Gayler / Dan Harris

Tel No: (01392) 383621/382520 Room G97/G99

Devon Pension Fund Training Plan 2017/18



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 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 will be provided to members of the Committee and Board, to enable them to measure their understanding and plan their development. The method of self-assessment is currently being reviewed by officers and will be issued during 2017-18.
2. **Induction for new members of the Investment and Pension Fund Committee and Pension Board following the County Council elections in May 2017** – There will be an initial focus on ensuring that any new members of the Committee or Board receive initial training to enable them to carry out their role.
3. **Brunel Pension Partnership** – Training and briefings will continue to be provided regarding the progress and developments of the Brunel Pension Partnership. This will include the regulatory environment governing the pooled vehicle, along with the requirements in relation to the organisational structure of the pooled vehicles and transition arrangements.

4. **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.
5. **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:

Joint Training Day– Summer / Autumn 2017

A joint training event is planned to be held with other LGPS funds within the Brunel pool to provide a further update on the Brunel Pension Partnership. The timing of this will depend on the progress on the set up of the Brunel company, which will determine when an update session will be the most useful. Other topics could be included within the same agenda.

Visit to Peninsula Pensions – 15th September 2017

It is proposed that the Committee and Pension Board visit the offices of Peninsula Pensions on the afternoon of the September meeting of the Investment and Pension Fund Committee to gain a greater understanding of the work of Peninsula Pensions.

Devon Pension Fund Training Day – Autumn 2017

Further training will be provided to include the latest regulatory changes, an update on financial markets and products and the composition of the Fund's statutory statements

Afternoon Training Session – 17th November 2017

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

Devon Pension Fund Training Day – Spring 2018

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. 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.

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. There will also be a need to understand the implications of how the Financial Conduct Authority will implement the Markets in Financial Instruments Directive (MiFID2) and what the Devon Fund will need to do to comply.
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 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.

Training Register 2016-17

Name	Representing	Joint Pension Fund Training Event 27/05/16	Pension Fund Training Session 16/09/16	Brunel Pension Partnership Training Day 07/10/16	Training and Engagement Day 03/02/17
Investment and Pension Fund Committee					
Channon, Christine	Devon County Council	√	√	√	-
Edgell, Richard	Devon County Council	√	√	√	√
Edwards, Peter	Devon District Councils	-	√	√	-
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	√	√	-	√
Lowry, Mark	Plymouth City Council	-	-	-	-
O'Dwyer, James	Torbay Council	-	-	√	-
Parker Delaz Ajete, Lorraine	Plymouth City Council	√	√	√	√
Rimron, Jo	GMB	√	√	√	√
Pension Board					
Bowman, Andy	Member Representative	-	-	√	√
Greenslade, Brian	Devon County Council	√	√	√	√
Hearn, Carl	Tavistock Town Council	√	√	√	√
Keightley, Heather	Member Representative	√	√	√	-
Lewis, Cheryl	Member Representative	-	√	n/a	n/a
Nicholls, William	Independent Member	√	-	√	√
Randall Johnson, Sara	Devon County Council	n/a	√	√	√
Shipp, Colin	Member Representative	√	√	-	√
Smith, Graham	Devon and Cornwall Police	-	√	√	√

