

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE
17 DECEMBER 2020

Fund Training Strategy Update

Purpose of the Report

1. To provide the Committee with an update in connection with the Fund's training strategy for Committee & Board members & Committee member self-certification in respect of MiFID II.

Background

2. As outlined in the Director of Finance & Procurement's (s151 Officer) written statement in the Scheme Administration Report of the Fund's Annual Account Report & Accounts, the training strategy for Committee & Board is annually reviewed to ensure that it remains pertinent to the needs of its target audience.
3. The current Board & Committee Member training policy was approved by the Pension Fund Committee on 12th December 2018 & was designed to ensure that all members achieve and maintain a sufficient level of knowledge and understanding (K&U) to carry out their roles, as a crucial area of compliance for the Fund. It is noted that whilst Board members have a statutory obligation to ensure that they maintain their training and development requirements in accordance with the Public Services Pension Act 2013, good practice is being adopted by Committee members to ensure that they too abide by the spirit specified in the Pension Regulator's code of practice 14 & the Pension Act 2004 sections 247 to 249.
4. Following the Committee's decision on 16th July 2020 to require its substitute members to self-certify that they hold the requisite K&U to fulfil the Fund's MiFID II compliance obligations the Fund's training strategy & self-certification requirements were extended to substitute members too.
5. To ensure that the members training strategy remains pertinent a questionnaire covering the eight key areas specified by CIPFA's guidance on member training was circulated during October asking for each member's confidential feedback on their training needs.
6. Additionally, the Local Pension Board at their meeting on 15th October reviewed their own current K&U requirements & unanimously approved their registration to the new Hymans on-line training platform due to be released in the Autumn of 2020. As part of this unanimous approval the Board made a recommendation to the Committee (Minute 85) that Committee members too, should register with Hymans new training platform. (See Appendix 1).

Considerations for the Committee

7. Based on the forms received during October, officers have set out the following summary;

Committee members

- Six of the eleven members (including observers) responded to the training questionnaire, down from eight in 2019; &
- None of the seven Substitute members responded to the training questionnaire.

MiFID II self-certification

- Five of the nine voting Committee members completed their self-certification forms;
- Of the four voting members sitting on the ISC, three members completed the form; &
- No Substitute members completed their form.

Board training requirements

- Six of the seven members responded, up from four in 2019.

Whilst not all members responded, officers received a sufficient number of responses to be able to compile a representative training strategy for 2021/22.

8. On analysis of the feedback of scores recorded by members & based on those responses from “No Knowledge” = 1 to “Highly Skilled” = 5 for each question, the following summary of key areas within the CIPFA K&U framework have been identified as development needs. In addition, Appendix 2, splits out the results provided by Committee & Board members in each CIPFA category;

Governance & Legislation

- Understanding LGPS discretions & how they operate;
- The role of the Scheme Advisory Board; &
- Knowledge of MiFID II, CIPFA and SOLACE guidance.

Investment

- Understanding how the pension fund interacts with the taxation system in the UK and overseas in relation to benefits administration;
- Awareness of the range of investment support services, who supplies them and the nature of the performance monitoring regime;
- Understanding tax in relation to Fund investments, both in the UK and overseas investments
- Understanding the regulatory investment restrictions placed on LGPSs, including the impact of the Myners Principles & Social Responsible Investments on investment performance

9. The results show that overall the Committee & the Board feel that they operated at a “Good” level (a reduction from the “Skilled” rating identified in 2019). Consequently, whilst it is recognised that there may be significant differences in the levels of K&U between individual members, a reduction in the overall rating could be seen as a cause for concern which ought to be remedied by members. It should be noted that whilst the training themes above seek to address identified areas of development, training in these areas would not be sufficient to achieve the “High Skilled” rating which is desired.

Conclusion

10. In light of the feedback received officers have drawn the following conclusions;

- a) That Committee members may wish to revisit their 16th July decision concerning the requirement for Substitute members to complete a MiFID II self-certification form, which in turn requires them to participate in the Fund’s training strategy. In revisiting this decision members may wish that an optant in strategy is preferred, whereby a

substitute member will only fulfil their training requirements if they are actually appointed to the Committee;

- b) That as a result of members own self-assessments, which has identified a fall in the perceived level of K&U from “Skilled” to “Good” it would be prudent for Committee members to follow the recommendation of Board members and register for the new Hymans on-line training portal.

Environmental Impact of the Proposal

11. Not applicable.

Financial Considerations & Risk Assessment

12. The financial considerations of all training & development are expected to be minimal. Where a cost to the Fund is to be incurred it will form part of the budget setting process approved by Committee prior to the beginning of each Scheme year.

Legal Implications

13. There are no material legal implications from this report.

Safeguarding Considerations/Public Health Implications/Equalities Impact

14. There are no known implications at this time.

Proposals

15. The Committee is asked to approve the Board & Committee member training self-assessment outcomes identified for 2021-22. Officers will implement these outcomes in the form of structured training;
16. The Committee is asked to approve the removal of their requirement that substitute members complete the MiFID II self-certification form & in turn participate in member training, except on an optant in basis;
17. The Committee is asked to require any members who have not completed their K&U self-certification of MiFID II compliance to do so; &
18. The Committee is asked to accept the recommendation made by the Board that they register & take part in the on-line training platform to be released by Hymans Robertson.

Andy Cunningham
Head of Pensions, Administration & Relations

Report Author: Richard Bullen, Fund Governance & Performance Manager

Unpublished documents relied upon in the production of this report: NONE