

WILTSHIRE COUNCIL

WILTSHIRE PENSION FUND COMMITTEE

5 June 2014

UPDATE OF MEMBERS' TRAINING PLAN

Purpose of the Report

1. The purpose of this report is to outline the next steps in developing a new Members' Training Plan for 2014-16.

Background

2. Ensuring Members are aware of the Pension Fund's activities and that they have the skills and knowledge to, with the assistance of the advisers, make informed decisions is not only good governance but is underpinned by the Myners Principles as outlined in the Fund's Statement of Investment Principles.
3. The CIPFA Knowledge & Skills Framework (KSF) published in 2009 provides a framework to encourage a formal and structured approach to Members training. Its primary objective is to encourage training plans for Members that take a medium term view aligned with the major events of a Fund, namely the triennial valuation and local election cycles. The training plan needs to show any skills gaps and how these are being addressed.
4. Funds are expected to adhere with the KSF and the Section 151 Officer must sign a declaration in the Fund's Annual Report that a suitable training programme is in place on a "comply or explain" basis.
5. The 2011-13 Members Training Plan was approved by this Committee in December 2010. This was developed after this Committee agreed to undertake a 'Self Assessment' to assist in identifying areas for development.

Main Consideration for Committee

CIPFA Knowledge & Skills Framework

6. The KSF is intended to apply to all members of the Committee (both voting and non-voting). However, CIPFA recognise that funds will tailor their approach to meet their individual needs. The primary objective is the creation of a rolling training plan for Committee Members.
7. There are in total six areas the KSF identify as core technical requirements for those working in public sector pensions. These are:
 - a. pensions legislative and governance context
 - b. pensions accounting and auditing standards
 - c. financial services procurement and relationship management
 - d. investment performance and risk management
 - e. financial markets and product knowledge
 - f. actuarial methods, standards and practices

8. All Members of this Committee require a general awareness in all the areas outlined above but may need a more detailed knowledge of specific issues and principles where necessary to have the confidence to make informed challenges to the information and advice being given.
9. It is recognised that some Members can be appointed to the Committee without any prior pensions knowledge and it is for the Treasurer of the Pension Fund and the Chairman to determine how long members need to meet the level of knowledge and skills set out in the framework.
10. The Pension Act 2004 requires trustees of pension schemes in the corporate sector to obtain the required knowledge and skills set within a six month period. CIPFA realise this might be impractical for LGPS funds and are not prescriptive on specific timescales. However, the Framework will expect Funds to use a “comply or explain” approach to disclosure and provide assurances that it meets the requirements of the KSF in its annual reports.

Method of Self-Assessment

11. The option used in 2010 to develop the previous training plan was for Members of this committee to undertake a high level self-assessment of their knowledge. An example of this can be seen in the Appendix. The results will then be used to inform and update the new Members Training Plan for 2014-16 as it will identify areas where the Committee feel they required more training.
12. A more detailed assessment is carried for the roles of the Chairman and Vice Chairman in conjunction with the Head of Pensions to see if any further training is required for their specific roles which is based against the role profile outlined in the KSF.
13. Therefore, a request will shortly be made to all members of the Committee to complete a self-assessment return over email by the 30 June 2014.

Updated Members' Training Plan

14. A revised Member's Training Plan will then be drafted and approved by this Committee at its September meeting.

Delivery of Members' Training

15. The intention is to hold at least two 'in-house' training days in the year, in the spring and autumn. These are then complemented by 'short seminars' before or during Committee meetings and where applicable, external conferences recommended by officers. Specific training sessions are occasionally set up with investment managers either at County Hall or at their offices as and when required.
16. From time to time, relevant briefing notes will be emailed to Members by officers. Occasionally, webcasts and videos are made available that are specific enough to the Fund and may be of interest to Members, again forwarded by officers.
17. For Members who wish to further their knowledge, there are specific courses that can be attended. The Local Government Pension Committee Annual LGPS Fundamentals 3 day course has been attended and well received by Members of this committee in the past and details will be provided by officers when the next dates become available.

Risk Assessment

18. The proposals in this paper seeks to mitigate PEN17 '*Lack of Expertise on Pension Fund Committee*' in the Risk Register outlined in the paper elsewhere on this agenda and ensure compliance with the Myners principles and the CIPFA/SOLACE *Delivering Good Governance in Local Government: Framework*.

Financial Implications

19. An allowance is already held within the Pension Fund Administration Budgets 2014-16 for the Members training, so there are no unplanned financial implications from these proposals.

Legal Implications

20. None have been identified as arising directly from this report.

Environmental Impact of the Proposals

21. This is no environmental impact of these proposals.

Safeguarding Considerations/Public Health Implications/Equalities Impact

22. There are no known implications at this time.

Proposals

23. The Committee is asked to:

- a) note the imminent request for the completion of the self-assessment exercise to be completed by all Members of the Wiltshire Pension Fund Committee by the end of June 2014; and
- b) note that a revised Members Training Plan based on the results of the high level self-assessment will be presented to the September committee meeting for approval.

MICHAEL HUDSON
Treasurer to the Pension Fund

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Unpublished documents relied upon in the production of this report:

NONE

WILTSHIRE PENSION FUND COMMITTEE - TRAINING NEEDS SELF-ASSESSMENT

HOW DO YOU RATE YOUR KNOWLEDGE ON THE FOLLOWING AREAS (Please tick one box)	Very Little	A Little	Good	Quite Good	Excellent	COMMENTS & SUGGESTIONS
1. Pensions legislative and governance context						
General Pensions Framework						
General awareness of pensions legislative framework in UK.						
Scheme-Specific legislation						
Overall understanding of legislation specific to LGPS.						
Awareness of the LGPS (Benefits, Membership and Contributions) Regs 2007 & LGPS (Admin) Regs. 2008						
Appreciation of LGPS discretions & how formulation of discretionary policies impacts on the pension fund, employers and local taxpayer.						
Knowledge on the role of the Administering Authority in relation to LGPS.						
Pension regulators & advisors						
Understanding of how the roles and powers of the Pension Regulator, the Pension Advisory Service and the Pension Ombudsman relate to the scheme.						
General constitutional framework						
Broad understanding of the role of pension fund committees in relation to the fund, administering authority, employers, scheme members and taxpayers.						
Awareness of the role and statutory responsibilities of the treasurer and monitoring officer.						
Pension scheme governance						
Awareness of the LGPS main features						
Knowledge of the Myrers principles and associated CIPFA and SOLACE guidance.						

HOW DO YOU RATE YOUR KNOWLEDGE ON THE FOLLOWING AREAS (Please tick one box)	Very Little	A Little	Good	Quite Good	Excellent	COMMENTS & SUGGESTIONS
Knowledge of the duties and responsibilities of committee members.						
Knowledge of the stakeholders of the pension fund and the nature of their interests						
Knowledge of consultation, communication and involvement options relevant to the stakeholders.						
2. Pensions accounting and auditing standards						
Awareness of the Accounts and Audit regulations and the legislative requirements relating to the role of the committee and individual members in considering and signing off the accounts and annual report.						
Awareness of the role of both internal and external audit in the governance and assurance process.						
3. Financial services procurement and relationship management						
Understanding public procurement						
Understanding of the background to current public procurement policy and procedures, and of the values and scope of public procurement and the roles of key decision makers and organisations.						
A general understanding of the main public procurement requirements of UK and EU legislation.						
Supplier risk management						
Awareness of the nature and scope of risks for the pension fund and of the importance of considering risk factors when selecting third parties.						
4. Investment performance and risk management						
Total fund						
Understanding of the importance of monitoring asset returns relative to the liabilities and a broad understanding of ways of assessing long-term risks.						
Performance of advisors						
Awareness of the Myners principles of performance management and the approach adopted by committee.						
Performance of committee						
Awareness of the Myners principles and the need to set targets for the committee and then report against them.						

HOW DO YOU RATE YOUR KNOWLEDGE ON THE FOLLOWING AREAS (Please tick one box)	Very Little	A Little	Good	Quite Good	Excellent	COMMENTS & SUGGESTIONS
Performance of support services						
Awareness of the range of support services, who supplies them and the nature of the performance monitoring regime.						
5. Financial markets and products knowledge						
Investment strategy						
Awareness of the risk and return characteristics of the main asset classes (equities, bonds, property).						
Understanding of the role of these asset classes in long-term pension fund investing.						
Financial markets						
Understanding the primary importance of the investment strategy decision.						
A broad understanding of the workings of the financial markets and the investment vehicles available to the pension fund and the nature of the associated risks.						
An awareness of the limits placed by regulation on the investment activities of LGPS schemes.						
6. Actuarial methods, standards and practices						
Valuations						
Knowledge of the valuation process, including developing the funding strategy in conjunction with the fund actuary, and inter-valuation monitoring.						
Awareness of the importance of monitoring early and ill health retirement strain costs.						
A broad understanding of the implications of including new employers into the fund and the cessation of existing employers.						
Outsourcing						
A general awareness of the relevant considerations in relations to outsourcings and bulk transfers.						

Name:

Signature (if submitted as hard copy):

Date:

