

Wolverhampton City Council

OPEN INFORMATION ITEM

Committee / Panel	<u>PENSIONS COMMITTEE</u>	Date	<u>26 JUNE 2013</u>
Originating Service Group(s)	<u>WEST MIDLANDS PENSION FUND</u>		
Contact Officer(s)/ Telephone Number(s)	<u>GEIK DREVER</u> <u>2020</u>		
Title/Subject Matter	<u>TRUSTEE TRAINING ACTIVITY AND FORWARD PLAN</u>		

1. RECOMMENDATION

- 1.1 Members are requested to review the 2012/2013 activity against the Pension Fund Trustee Training Policy and to note the proposed training for 2013/2014.

TRUSTEE TRAINING POLICY

1. BACKGROUND

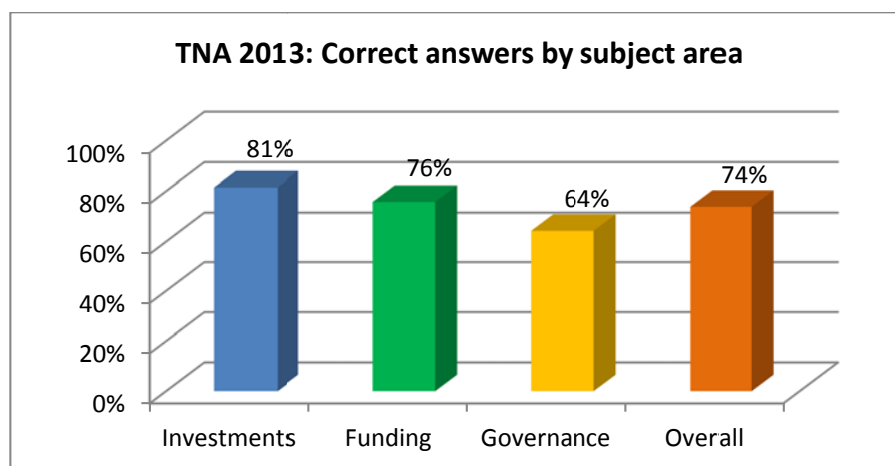
1.1 The Pension Fund Trustee Training Policy was approved in November 2012 and is included at Appendix A. As part of the policy it was agreed that an annual summary of the training activity undertaken during the 2012/2013 year, along with feedback from the structured training events, outcome of the training needs analysis and planned areas of training for 2013/2014 be reported back to Committee.

2. TRAINING ACTIVITY UNDERTAKEN

2.1 In order to record training activity undertaken, the Fund set up a training database and populated it based on attendance at events and committees. In addition, a training log proforma was provided to all Trustees in order to record additional activity such as online training or reading. Of the logs sent out, 6 were returned, although no additional training was reported at this stage.

2.2 A summary of training activity undertaken during the period is included at Appendix B, with the key points detailed further below:

- New and returning Trustees are invited to attend an in-house induction training session facilitated by Pension Fund Officers. This provides an understanding or refresher of roles and responsibilities in order to allow informed participation in decision making or scrutiny of complex pension issues. During 2012/2013, 8 Trustees participated in the induction training and this will also be made available for the forthcoming year.
- Two days of structured training were delivered by Fund officers and Hymans Robertson, and a 'mop-up' day was arranged for those that could not attend previously. In total, 15 Trustees and observers attended the training and an agenda along with a summary of feedback is included at Appendix C.
- Since implementation of the policy in November 2012, four Members of Pensions/IAS Committee have met the annual training target of 25 hours as detailed in Appendix B. The remaining Trustees and observers have not met the annual target, which for JCP Members is 10 hours.
- A training needs analysis exercise was undertaken during the structured training in order to assess requirements, and requests, for development in specific areas. The results of which are detailed in the chart overleaf and have been utilised in developing the proposed training plan.



- Knowledge and understanding of investments and funding were very high, and in respect of governance, the area highlighted most for further development was that of the CIPFA knowledge and skills framework, with 21% of participants answering accurately on the content of the framework. Expanded coverage of this area will be included in future induction/ refresher training for trustees.

2.3 Following each training day, a feedback questionnaire was circulated to attendees for completion, of which, 88% responded with a summary of the key points detailed below:

- Suggested future agenda topics – employer covenants and risks, investment asset classes including commodities and timely regulatory changes.
- Suggested changes to the training format – interactive sessions, additional time for questions, exercises on lessons learnt and offsite training.
- Additional comments – one size does not fit all and training should be tailored to make it more useful, a good event with a lot to take in in one go, hand outs need to be clearer and a worthwhile, informative day,

2.4 Requests for training in particular areas and feedback comments have been taken into consideration and will be included in the forward planning.

3. 2013/2014 TRAINING PLAN

3.1 Following analysis of the feedback, specific requests and Committee outcomes, the following areas are proposed for additional training during 2013/2014:

- Induction/refresher training for new and returning Trustees (including knowledge & skills framework)
- Risk management within the Fund
- Employer covenant base and implication of covenant monitoring
- Implementation of the 2014 scheme and future governance arrangements
- Actuarial valuation process and contribution setting
- Asset custody and performance measurement
- Investments

3.2 Delivery of the above will be through a combination of structured training, presentations to committee and reporting. Details of planned activity will be communicated to Members at an early stage in order to facilitate attendance wherever possible, however a draft 2013/2014 agenda is included below. The plan will remain flexible in order to address any emerging areas as and when required

Subject	Timescale	Delivery
Induction/refresher training for new and returning Trustees	September 2013 or as requested	Director of Pensions - Mander House or convenient location
Risk management within the Fund	October 2013	Fund Officers - Mander House
Actuarial valuation process and contribution setting	September 2013	Fund Actuary – presentation to Pensions Committee
Employer covenants and monitoring	January 2014	Fund Officers - Mander House
Asset custody and performance measurement	March 2014	Service providers – Mander House
Investment asset classes	Quarterly	Presentations to Investment Advisory Sub-Committee/Conference

Environmental, social and governance	December 2013	Off-site conference, LAPFFconference
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3.3 Fund officers will maintain the training database and distribute training logs for completion and will report back to Committee on outcomes.

3.4 The Public Service Pensions Act 2013 provides for the regulation of the LGPS by the Pensions Regulator, and accordingly, the increased emphasis on Trustee training, knowledge and understanding. By implementing and participating in the Trustee Training Policy, the Fund and its trustees will be well placed to comply with the increased requirements of the Regulator and the overarching governance requirements of the new scheme.

4. FINANCIAL IMPLICATIONS

4.1 Details of the Pension Service Medium-Term Financial Plan Update and 2013/14 Operating Budget were submitted and approved by Pensions Committee in February 2013, with the costs associated with officer and Member training being incorporated into that plan.

5. LEGAL IMPLICATIONS

5.1 The report contains no direct legal implications for the Authority.

6. ENVIRONMENTAL IMPLICATIONS

6.1 The report contains no direct implications for the Authority's Environmental Policies.

7. EQUALITIES IMPLICATIONS

7.1 This report has no implications for the Council's equal opportunities policies.

WEST MIDLANDS PENSION FUND - TRUSTEE TRAINING POLICY

BACKGROUND

The West Midlands Pension Fund aims to achieve good standards of governance in line with or exceeding best practice built around four key elements:

- Pensions Committee
- Investment Advisory Sub-Committee
- Trade union representation and provision of information
- Advisors and officers

Details of how these elements function and operate to ensure they are effective are set out in the Governance Compliance Statement, which can be found on the Fund's website at www.wmpfonline.com.

A major factor in the governance arrangements of the Fund is to ensure that Committee Members and officers have the relevant skills and knowledge by applying the CIPFA Knowledge and Skills Framework, which will achieve this objective. Six areas of knowledge and skills have been identified as core technical requirements for those Members associated with LGPS pension funds:

- pensions legislation and governance context
- pension 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

It is not the intention that members should individually become technical experts, but that collectively they have the ability, knowledge and confidence to question and challenge the information and advice they are given, and to make effective and rational decisions.

The Fund includes in its Annual Report and Accounts details of the knowledge and skills development undertaken by its elected members. In future, there may be a regulatory requirement for funds to explain their compliance with the CIPFA framework, and in particular to cover:

- how the framework has been applied
- what assessment of training needs has been undertaken
- what training has been delivered against the identified training needs

POLICY

Upon joining the Pensions Committee or Investment Advisory Sub-Committee, new Members will attend an in-house induction training session facilitated by Pension Fund Officers. This will provide an understanding of roles and responsibilities in order to allow informed participation in decision making or scrutiny of complex pension issues. Online tools will be used to determine a training needs analysis and to ensure that subsequent training is focussed on key areas.

Committee Members will undertake three days of training each year as part of their commitment to good scheme governance, which will comprise two days of structured training and one day participating in conference or alternate training opportunities. A personal training record will be maintained by Fund officers for each Member to enable annual reporting. Training opportunities will include the following events:

- Presentations to Committee
- Internal training events
- Fund events such as the employer AGM and seminars
- Seminars and conferences offered by industry wide bodies, such as the LAPFF annual conference, LGC conferences and NAPF conferences.
- Local, free or low cost seminars and training events offered by the Fund's investment managers and advisors.
- Online training and reading

Attendance at conferences will generally be limited to one per Member every two years with attendance being rotated to ensure that opportunities are available to all.

Participation in training will enable Members to keep up to date with pension fund investment, operational and administrative requirements of the Fund.

Periodically, themed training or off-site visits may be undertaken and these are seen as a key part of building the skills and knowledge of Members of the Committee. Meetings outside the West Midlands are made on an 'as required' basis, aimed at giving Members and officers time to work together on strategic issues, or to develop a better understanding of an investment or operational issue.

A report on Member training undertaken will be submitted to the Pensions Committee in April each year, this will also identify appropriate conference and seminar opportunities for the forthcoming year.

Joint Consultative Panel (JCP) Members will have access to online training tools, structured in-house training and presentations. It is recommended that JCP Members undertake 10 hours of training per year, with it being at individual discretion to exceed this if desired.

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Summary of recorded training by Member 2012/2013:

Trustee Members	Structured Training	Conference/ Seminar	Presentation to Committee	Reading/ Additional Development	Total Training Hours
Councillor Mike Heap	12.0	10.0	3.0	0.0	25.0
Councillor Tersaim Singh	12.0	10.0	3.0	0.0	25.0
Councillor Vic Silvester	12.0	17.0	2.5	0.0	31.5
Councillor Peter Bilson	6.0	10.0	3.0	0.0	19.0
Councillor TH Turner	6.0	17.0	2.5	0.0	25.5
Councillor Mark Evans	14.0	0.0	0.5	0.0	14.5
Councillor Sucha Bains	0.0	10.0	2.0	0.0	12.0
Councillor Alan W Martin	5.3	0.0	3.0	0.0	8.3
Councillor Lorna McGregor	6.0	0.0	0.0	0.0	6.0
Councillor Philip Walkling	6.0	0.0	0.0	0.0	6.0
Councillor Phil Bateman	2.8	0.0	0.5	0.0	3.3
Councillor John Reynolds	2.0	0.0	0.5	0.0	2.5
Councillor Neil Clarke	2.0	0.0	0.5	0.0	2.5
Councillor Qadar Zada	2.0	0.0	0.5	0.0	2.5
Councillor Zahid Shah	2.0	0.0	0.0	0.0	2.0
Councillor Zahid Ali	0.0	0.0	0.0	0.0	0.0
Councillor Steve Eling	0.0	0.0	0.0	0.0	0.0
Councillor Steve Evans	0.0	0.0	0.0	0.0	0.0
Councillor Andrew Johnson	0.0	0.0	0.0	0.0	0.0
<u>Observer/JCP Members</u>					
Martin Clift	6.0	10.0	3.0	0.0	19.0
Malcolm Cantello	8.0	10.0	0.5	0.0	18.5
Ian Smith	6.0	10.0	1.5	0.0	17.5
Wendy Bond	4.0	0.0	0.0	0.0	4.0
Andrew Maybury	6.0	0.0	0.0	0.0	6.0
Mr B Rickers	0.0	0.0	0.0	0.0	0.0
John Daly	0.0	0.0	0.0	0.0	0.0
Mr D Harrison	0.0	0.0	0.0	0.0	0.0
Mr M Shortland	0.0	0.0	0.0	0.0	0.0
Mr S Parker	0.0	0.0	0.0	0.0	0.0
Mr S Witton	0.0	0.0	0.0	0.0	0.0
Total	120.0	104.0	26.5	0.0	250.5

Allocation of hours:

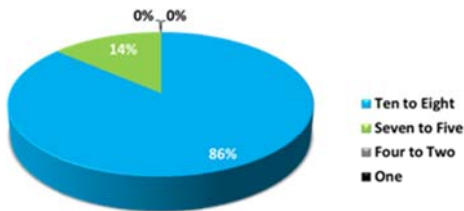
LAPFF Conference	10 hours
Structured Training Days	6 hours
Induction Training	2 hours
Presentations to Committee	0.5 hours
LGPS Trustee Conference	7 hours

Feedback from the structured Trustee Training:

Outcomes

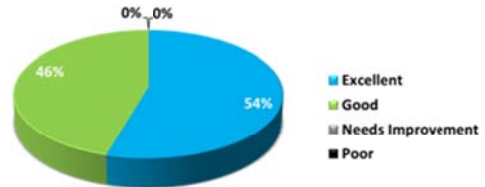
Question One

On a scale of one (poor) to ten (excellent), how would you rate the trustee training days?



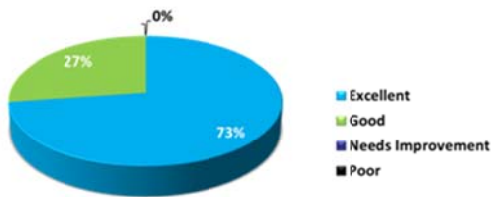
Question Two (A)

Please rate the scheduling and timing of the event:



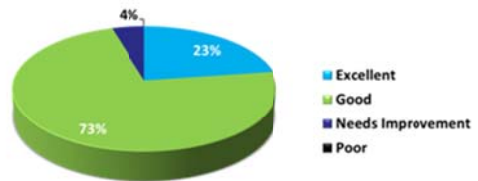
Question Two (B)

Please rate the quality of information given at the event:



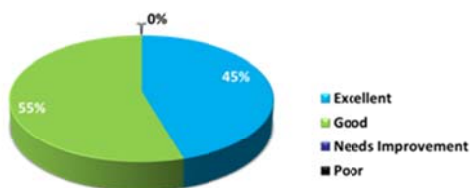
Question Two (C)

Please rate the food and refreshments at the event:



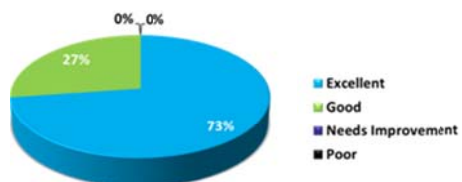
Question Two (D)

Please rate the venue and location of the event:



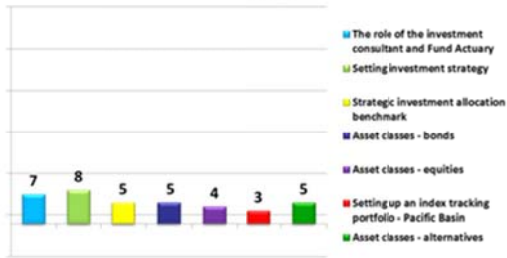
Question Two (F)

Please rate how well you feel the event was organised overall:



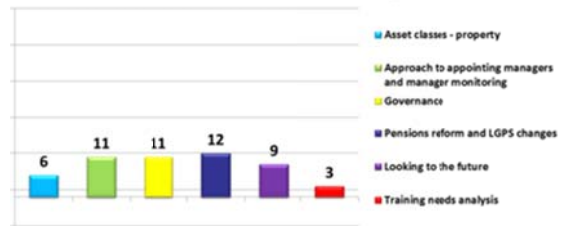
Question Three – 30 January (including mop-up)

Which agenda item(s) do you feel were most relevant to you? (Ranked by number of responses)



Question Three – 21 February (including mop-up)

Which agenda item(s) do you feel were most relevant to you? (Ranked by number of responses)



Question Four

Are there any topics you would have liked to see on the agenda?

- Expanding employer base (doubled in last few years) - What are the risks and what happens if there is a worsening economic picture?
- Detail on commodities
- A little more on how we deal with the many different employers and their diversity

Question Five

What changes would improve your experience at the Trustee Training days?

- External venue with time to "chat" to advisors/trainers
- Very few - I found it excellent
- Consider some interactive sessions
- The content was relevant and presentations were well given but overall, I didn't feel that I was being told anything I didn't already know
- More time for thought and posing of provocative questions which would lead to debate and more understanding

Question Six

Is there anything you would like us to consider in planning the next trustee training days?

- Performance monitoring/management
- Parking
- Exercises on lessons learnt
- Have another go at holding the training out of town
- If training is to be undertaken in a 'classroom' environment instead of in 'real' situations, it needs to be relevant to each individual and the skill/knowledge/experience levels of each individual needs to be taken into consideration
- More detail about government lead changes as they arise

Question Seven

Would you like to provide any further comments?

- Useful content and relevant to job role/responsibilities
- Excellent presentations!
- Hand-out charts need to be larger
- A very informative couple of days. Very useful to me
- Excellent training sessions - variety of speakers good. Not too "heavy" - interesting - high quality of information and material provided - welcoming environment. Thanks for the invite
- A good training day overall. A lot to take in and digest
- As with many things, one size doesn't fit all. Some people will have difficulty in making time for training, often at the cost of giving something else up. I felt that I could have been better utilised today
- Very good presentations - a lot to take in in one go. One the whole a very worthwhile and informative day