



Pensions Committee

18 March 2015

Report title	Trustee and Pension Board Member Training	
Originating service	Pension Services	
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Recommendation for action or decision:

The Committee is recommended to:

1. Approve the Trustee and Pension Board Member training matrix for the year 2015/16.

Recommendation for noting:

The Committee asked to note:

1. The training timetable and dates for structured training throughout 2015/16.

1.0 Purpose

- 1.1 To provide Committee with information regarding Trustee's and Pension Board members' duties to undertake training and development.
- 1.2 To provide proposals for how the Fund will deliver training.

2.0 Background

- 2.1 The West Midlands Pension Fund ("The Fund") aims to achieve good standards of governance in line with or exceeding best practice built around four key elements:
 - Pensions Committee and Investment Advisory Sub Committee
 - Pension Board
 - Trade union representation and provision of information
 - Advisors and officers
- 2.2 A major factor in the governance arrangements of the Fund is to ensure that Members of its committees, the Pension Board and officers have the relevant skills and knowledge required to take decisions on behalf of members by applying the CIPFA Knowledge and Skills Framework.
- 2.3 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
- 2.4 It is not the intention that Members of these groups 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.
- 2.3 However, training and development is a personal responsibility of all persons appointed to sit on the Pension Committees and a pension board, and this should be considered when undertaking these duties.
- 2.4 Attached at Appendix One is a proposed training matrix which takes into account the relevant areas of understanding for Trustees and suggestions are welcome on any other areas to be covered.
- 2.5 This year, Trustees have achieved a total of <> hours training with attendance at training standing at 55%.

3.0 Proposals for Trustee training

- 3.1 The agreed Trustee Training Policy will apply to all committee members as well as the Pension Board members.
- 3.2 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 should be maintained for each Member to enable annual reporting.
- 3.3 Where possible training will be offered on a joint basis with the pension board to facilitate good working relationships and shared understanding.
- 3.4 The proposed training program will be reviewed in consideration of differing circumstances throughout the year, e.g. legislative changes, Trustee requests etc.
- 3.5 In addition, it was proposed at the last meeting of the Investment and Engagement Sub-Committee of the Shadow Scheme Advisory Board that it would be desirable if the shadow or statutory Scheme Advisory Board developed and published knowledge and understanding guidance for pensions committee members on making investments in the LGPS. Should this be forthcoming, the timetable for training will be reviewed accordingly.

4.0 The Pension Board

- 4.1 In addition to the training requirements of Committee members, after 1 April 2015 those persons appointed to sit on the local pension board will be required to have the necessary knowledge and understanding to undertake their roles in assisting with the good governance of the Fund.
- 4.2 There are areas of knowledge that will be specific to the pension board and therefore training on these areas will be held specifically for the pension board. However, the sessions will be open to Trustees should they wish to attend as additional training sessions.

5.0 Financial implications

- 5.1 There will be additional cost incurred in training pension board members. This cost will be provided for in the Trustee training budget.

6.0 Legal implications

- 6.1 The requirements for training are set out in the profession's code of practice guidelines. Pension Board members have a duty under the statutory guidance to ensure they have the required knowledge and skill to undertake their roles.
- 6.2 Failure to adhere to these duties may result in challenge from external parties. There is also the possibility of intervention from the Pensions Regulator.

7.0 Equalities implications

7.1 None identified.

8.0 Environmental implications

8.1 None identified

9.0 Human resources implications

9.1 None identified

10.0 Corporate landlord implications

10.1 None identified

11.0 Schedule of background papers

11.1 CIPFA Knowledge and Skills

<http://www.cipfa.org/policy-and-guidance/publications/p/pensions-finance-knowledge-and-skills-framework--technical-guidance-for-elected-representatives-and-nonexecutives-in-the-public-sector>

11.2 Public Service Pensions Act 2013

<http://www.legislation.gov.uk/ukpga/2013/25/contents/enacted>

12.0 Appendices

12.1 Appendix One

Training matrix for Trustee and Pension Board Members