

THE WEST MIDLANDS PENSION FUND KNOWLEDGE AND SKILLS FRAMEWORK

Area	Date Arranged	Pension Committee Investment Advisory Sub-Committee	Pension Board
Pensions legislative and governance context			
General pensions framework			
A general awareness of the pensions legislative framework in the UK.	19 March 2015		✓
	22 July 2015	✓	✓
Scheme specific legislation			
An overall understanding of the legislation specific to the scheme and the main features relating to benefits, administration and investment.	19 March 2015		✓
	22 July 2015	✓	✓

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An awareness of the LGPS Regulations and their main features.	19 March 2015		✓
	22 July 2015	✓	✓
An appreciation of LGPS discretions and how the formulation of the discretionary policies impacts on the pension fund, employers and local taxpayers.	The Committee reviews and approves the administering authority discretions annually or as changes arise.	✓	✓
	The Committee receives an annual report on the discretions that may be exercised by employers.	✓	✓
A regularly updated appreciation of the latest changes to the scheme rules.	The Committee receives regular reports on proposed and enacted legislation.	✓	✓
Knowledge of the role of the administering authority in relation to the LGPS.	The Committee considers it's Governance Compliance Statement at least annually.	✓	✓
	19 March 2015	✓	✓
	22 July 2015	✓	

Pensions regulators and advisors			
An understanding of how the roles and powers of the Pensions Regulator, the Scheme Advisory Board relate to the workings of the scheme.	19 March 2015		✓
	22 July 2015	✓	✓
General constitutional framework			
Broad understanding of the role of pension fund committees in relation to the fund, administering authority, employing authorities, scheme members and taxpayers.	The Committee considers its Governance Compliance Statement at least annually.		✓
	19 March 2015	✓	✓
The service plan, medium term financial plan and local performance indicators.	22 July 2015	✓	✓
	A Risk Management workshop	Arranged bi-annually with the Compliance team.	
Awareness of the role and statutory responsibilities of the S151 and monitoring officer.	19 March 2015		✓
	22 July 2015	✓	✓

Pension scheme governance			
An awareness of the LGPS main features.	19 March 2015		✓
	22 July 2015	✓	✓
Knowledge of the Myners Principles and associated CIPFA & SOLACE guidance.	19 March 2015		✓
	22 July 2015	✓	✓
Assurance Framework	19 March 2015	✓	✓
A detailed knowledge of the duties and responsibilities of committee members.	19 March 2015		✓
	22 July 2015	All (Trustee Induction Training)	
Knowledge of the stakeholders of the pension fund and the nature of their interests.	19 March 2015		✓
	22 July 2015	✓	✓

<p>Knowledge of consultation, communication and involvement options relevant to the stakeholders.</p>	<p>19 March 2015</p> <p>22 July 2015</p> <p>This is covered in the Communications Policy Statement, which is reviewed periodically by the Committee.</p>	<p>✓</p>	<p>✓</p> <p>✓</p>
<p>Pensions accounting and auditing standards</p>			
<p>Awareness of the Accounts and Audit Regulations and legislative requirements relating to the role of the committee and individual members in considering and signing off the accounts and annual report.</p>	<p>November 2015</p>	<p>✓</p>	<p>✓</p>
<p>Awareness of the role of both internal and external audit in the governance and assurance process.</p>	<p>November 2015</p>	<p>✓</p>	<p>✓</p>

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.	November 2015	✓	✓
A general understanding of the main public procurement requirements of UK and EU legislation.	November 2015	✓	✓
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.	19 March 2015 22 July 2015	✓	✓

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.	November 2015	✓	✓
Performance of advisors			
Awareness of the Myners principles of performance management and the approach adopted by the committee.	November 2015	✓	✓
Training on the role of the Investment Advisor	November 2015	✓	✓
Performance of the committee			
Awareness of the Myners principles and the need to set targets for the committee and to report against them.	November 2015	✓	✓

Performance of support services			
Awareness of the range of support services, who supplies them and the nature of the performance monitoring regime.	November 2015	✓	✓
Financial markets and products knowledge			
Investment strategy			
Awareness of the risk and return characteristics of the main asset classes (equities, bonds, property).	November 2015	✓	✓
The main asset classes of Equities, Bonds and Property, market overview, restructuring of the portfolio and the investment plan, sustainability, retail and residential.	November 2015	✓	✓
Private Equity, Absolute return, Passive versus Active,	November 2015	✓	✓
Corporate Governance and Shareholder Activism,	November 2015	✓	✓
Responsible Investment			

Understanding of the role of these asset classes in long term pension fund investing.	November 2015	✓	✓
Financial markets			
Understanding of the primary importance of the investment strategy decision.	November 2015	✓	✓
A broad understanding of the workings of the financial markets and of the investment vehicles available to the pension fund and the nature of the associated risks.	November 2015	✓	✓
An awareness of the limits placed by regulation on the investment activities of local government pension funds.	November 2015	✓	✓

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. Actuarial valuations, the funding level and the Funding Strategy Statement Asset Liability Modelling	November 2015	✓	✓
Awareness of the importance of monitoring early and ill health retirement strain costs.	November 2015	✓	✓
A broad understanding of the implications of including new employers into the fund and of the cessation of existing employers.	November 2015	✓	✓
Outsourcing			
A general awareness of the relevant considerations in relation to outsourcings and bulk transfers.	November 2015	✓	✓

Governance and Decision Making			
The decision making process including delegations and the relationship with the Administering Authority	19 March 2015		✓
Understanding Due Diligence	19 March 2015		✓
Pensions Regulator Code of Practice	19 March 2015		✓
Statutory Guidance issued by the Scheme Advisory Board	19 March 2015		✓