

PENSION FUND COMMITTEE – 3 DECEMBER 2010

MEMBERS' TRAINING PLAN

Report by Head of Finance & Procurement

Introduction

1. In June 2010, the Committee received a report assessing the Committee against CIPFA's six principles for Pension Fund Investment. One area identified as a high priority for improvement was for a skills and knowledge audit to be undertaken against the CIPFA framework and a training plan developed. I have undertaken an audit and identified those areas where limited training has taken place and where I believe development is required. I have then put together a training plan to deliver an improvement in the Committee's knowledge and skills.

Training Plan Framework

2. The Committee has previously expressed a preference for training sessions prior to Committee meetings or for training events to take place in Oxford for the benefit of most committee members. Training events outside Oxford tend to be more time consuming and were not necessarily tailored to the Committee's specific needs.
3. As a consequence of the committee's views a plan has been developed with three elements:
 - (1) Annual training events in July and December;
 - (2) Pre-committee training; and
 - (3) External seminars and conferences.

Annual Training Events

4. There is a Pension Fund Forum in December each year where the Fund's Actuary and Independent Financial Adviser provide an overview of the Fund from their perspective. This Forum tends to be topical and is open to all scheme employers. This year's event is on 10 December and should be of particular interest because of the outcome of the triennial valuation.
5. I believe one further annual training session each year is warranted. We had one in June 2009 and November 2010. The one this year would have been earlier had we been able to agree a date. The general feedback from the recent event was that it was very good and a worthwhile event. This training session will be tailored each year to suit the Committee's needs and all Committee members would be encouraged to attend.

Pre-Committee Training

6. We will continue the practice of having a training session before each committee meeting. There was no session prior to this committee meeting because of the closeness to the events held on 4 November and 10 December.

External Seminars and Conferences

7. Although the Committee has not been entirely in favour of external events and conferences, they can be a useful way to improve knowledge, particularly about topical issues. For example a number of recent events have majored on the recent interim report from Lord Hutton on the future of Public Sector Pensions. In addition, they can be an ideal opportunity to network with officers and councillors from other schemes.
8. External events can be time consuming but often the benefits outweigh this disadvantage. They are not usually expensive to attend as they are often free or heavily subsidised by the industry. It is for this reason they have been retained within the training framework.

Priorities for Training Content

9. In recent years, there has always been a substantial amount of training on various investment topics. It is important to continue with this. However, the audit against the CIPFA framework identified some gaps in training that need to be addressed. This included topics such as those services supporting the fund, Financial Regulation and communication.
10. As a consequence, the training plan has been drafted to include sessions on these topics, as well as the broader training on fundamentals (given on 4 November) and topical training such as the triennial valuation.
11. The proposed Training Plan for the coming year is attached at Annex 1. The Committee is asked to review the plan and consider whether there should be any additions or deletions.

Financial and Staff Implications

12. The budget for training has been £12,000 in recent years, although it has generally been underspent. The plan is likely to increase training costs, mainly in relation to the annual training event. However, unless there is a significant increase in members' attendance at external seminars and conferences, it is likely that the training budget would still be underspent if this plan was approved.

RECOMMENDATION

13. **The Committee is RECOMMENDED to approve the Training Plan at Annex 1, subject to any amendments it wishes to make.**

PAUL GERRISH
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Background papers: Nil

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November 2010

Pension Fund Committee – Members’ Training Plan – November 2010

Background

CIPFA recently published a Knowledge and Skills Framework that identified six areas of knowledge that in an ideal world all Committee members would have. Officers have gone through this framework and identified those areas where training has been provided and assessing the various areas for importance. Using this assessment, they have selected a number of areas where training could usefully be provided. This has then been formulated into a plan for the next year as follows.

	Event	Date	Training Need To Be Delivered
Annual Training Events	• Committee Training day	Nov '10	<ul style="list-style-type: none"> ▪ Duties and responsibilities ▪ Benefits framework ▪ Investment framework ▪ Corporate governance ▪ Manager selection
	• Pension Fund Forum	Dec '10	<ul style="list-style-type: none"> ▪ Valuation process ▪ Knowledge of the valuation process and the need for a funding strategy ▪ Implications for employers of ill health and outsourcing decisions ▪ Importance of monitoring asset returns relative to liabilities ▪ Risk and return of main assets
	• Committee Training day	July '11	<ul style="list-style-type: none"> ▪ To be determined

	Event	Date	Training Need To Be Delivered
Pre-committee meetings	<ul style="list-style-type: none"> • Services supporting the Pension Fund • Financial regulation • Communication • Specific Investment Topics 		<ul style="list-style-type: none"> ▪ What services are provided and by whom ▪ Procurement process for services provided externally ▪ Performance measurement of support services ▪ Accounts and audit regulations ▪ Signing off accounts and annual report ▪ Role of internal and external audit ▪ Fund responsibilities ▪ Fund policy ▪ To be determined
External Seminars and Conferences	<p>Examples include:</p> <ul style="list-style-type: none"> • NAPF Local Govt Conference • LGC Investment Conference • Fund Manager events 	Various	<ul style="list-style-type: none"> ▪ Refresher training ▪ Keeping abreast of current developments ▪ Exchange of ideas and information with other funds