

Essex Pension Fund Board	EPB/19/10
Date: 15 December 2010	

Annual Training Needs Assessment

Report by the Independent Governance and Administration Adviser

Enquiries to Karen McWilliam on 0141 566 7941

1. Purpose of the Report

- 1.1 To provide an overview of progress made against the agreed training plan, to consider training requirements for next year and outline available training courses in the forthcoming months.

2. Recommendations

- 2.1 To note the progress made to date on training.
- 2.2 To agree that the Board wishes to aim for compliance with the Framework.
- 2.3 To agree that a training plan be developed for 2011 accordingly, followed by an assessment of knowledge to identify any remaining training needs.
- 2.4 The Board is also asked to identify any particular areas on which they would welcome training in during 2011.

3. Background

- 3.1 The need for ongoing training opportunities was endorsed at the Essex Pension Fund Board last December.
- 3.2 At that same meeting, an initial training plan was agreed which included:
- An awayday on general LGPS and pension matters;
 - A separate half day on investment matters (mainly for non-ISC members);
 - Training on outsourcing, admission agreements and bulk transfers; and
 - Training on the triennial valuation and other actuarial areas
- 3.3 The Board also agreed that to ensure ongoing development:
- Members and officers highlight any areas where they consider further training is required, as and when they are identified;
 - Individual members highlight any conference or external training courses they may wish to attend so the event may be considered for suitability;
 - An annual assessment of training needs should be undertaken by the Board.

4. Progress against original training plan

- 4.1 Now that a year has passed since the initial training plan was agreed, it is appropriate to consider its success. A summary of the progress made is shown in the following table:

Training	Date	Participants
<i>Training Plan</i>		
General LGPS and pension matters	4 March 2010 15 December 2010	6 TBC
Investment matters	Not scheduled	N/A
Outsourcing, admissions and bulk transfers	31 March 2010	11
Triennial valuation and actuarial matters	25 August 2010	10
<i>Other Ad-Hoc Training</i>		
Baillie Gifford	6 October 2010	9

- 4.2 On the whole, the attendance at training events has been positive. The investment matters training has been delayed due to difficulty in finding a suitable date and it being classed as a lower priority.
- 4.3 The effective of the training will be tested through the annual training needs assessment which is scheduled for the first half of 2011.

5. The way forward - CIPFA Framework

- 5.1 It is proposed that the key focus for knowledge standards should be to comply as far as possible with the CIPFA Knowledge and Skills Framework for LGPS Funds. The framework was launched earlier in 2010 and identifies the key areas in which LGPS Pension Boards should be conversant. There are

separate requirements for Pension Fund Board members and for officers of the Fund. CIPFA have issued guidance that LGPS funds should aim for compliance with the framework and should include progress within the fund's annual report and accounts. CIPFA suggest that the level of knowledge of members and officers be assessed on a regular basis to ensure ongoing compliance and to scope training plans.

Pension Fund Board Members

- 5.2 An extract of the framework requirements for Pension Fund Board members is attached as Annex A. Copies are being ordered for all members and will be distributed as soon as they are available.
- 5.3 Though it is expected that the majority of the framework requirements will have been covered by the training plan to date, some training in relation to areas such as accounting standards (high level) may be required.
- 5.4 The Board are asked to agree that they wish to aim for compliance with the Framework and a training plan to be developed for 2011 accordingly, followed by an assessment of knowledge to identify any remaining training needs.
- 5.5 The Board is also asked to identify any particular areas on which they would welcome training in during 2011.
- 5.6 To supplement any specific in-house training arranged for Board members, there are a number of conferences and training courses available externally. Annex B provides an overview of those expected during 2011 which are recommended as being particularly relevant, and therefore recommended, to PFB members. Members are asked to highlight any that they would wish to attend.

Officers

- 5.7 The framework requirements for officers is much more detailed, albeit it is expected that most, if not all, standards within the framework will already be met by officers, particularly where they have been in post for some time. The Board are asked to agree that compliance with the framework standards should also be a target for officers and that any training needs be assessed and delivered on an ongoing basis commencing during 2011.

6. Link to Essex Pension Fund Objectives

- 6.1 The training already undertaken and the proposal to aim for compliance with the CIPFA Knowledge and Skills Framework will assist Board members and officers in achieving the following EPF Governance Objectives:
 - Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise
 - Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and well based

7. Risk Implications

- 7.1 Maintaining a high level of knowledge is a key objective for the Board. Insufficient knowledge could result in inappropriate decisions being made and/or lack of awareness of issues and opportunities. Given the size of the assets and liabilities being managed, this would be an unacceptably high level of risk for the Fund.

8. Communication Implications

- 8.1 There are no communications requirements beyond ensuring the Board are kept abreast of progress against the training plan.

9. Finance and Resources Implications

- 9.1 Monitoring progress against the training plan and delivering the necessary training will require additional resources for both officers and Board members. At this point, the implications are unknown.
- 9.2 Officers will be used to deliver some of the training at minimal cost to the Fund. There may be other costs resulting in preparation of training and attending conferences/training sessions. Annex B only shows those which are considered to be suitable for Board members. To ensure value for money, officers will continue to consider all requests for training or conference attendance and any not considered to fit with the Fund's objectives will be declined.

10. Background Papers

- 10.1 EPFB previous reports on EPFB training plans:
- 31 March 2010 - EPB0110
 - 18 December 2009 – EPB2409

Annex B

External Training and Conferences During 2011

What	Who	When/Where	Overview
Conference	NAPF Local Authority Pension Conference	May 2011	Focussed at officers and Board members - various speakers and workshops over a wide range of pension topics
Conference	LGC Investment Summit	8/9 September 2011	Focussed at officers and Board members – various speakers, mainly focussed on investment matters
Conference	LGPC/LGE Annual LGPS Trustees' Conference	8/9 June 2011	Focussed at Board members – various speakers covering a wide range of LGPS topics
Training	LGPC/LGE Trustee Fundamentals Training	3 separate days – likely to be spread over October, November and December 2011	Bespoke LGPS training course specifically for elected members. Designed to provide an insight into the LGPS "trusteeship".