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Buckinghamshire County Council Pension Fund

Training Needs Analysis for Committee Members

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Overview

This training needs analysis provides a summary of training needs and suggested types of appropriate training for the Committee Members of the Buckinghamshire County Council Pension Fund. This has been based on an analysis of a questionnaire which has been completed by each Committee Member. The questionnaire was based on the Trustee Knowledge and Understanding Scope Guidance document issued by the Pensions Regulator and adapted for the purpose of the Local Government Pension Scheme (LGPS).

The suggested plan is broken down into 2 sections. The first covers those needs that can be addressed by group training. The second covers those remaining areas which apply on an individual basis.

Purpose and Scope

The purpose of the training analysis is to document the Committee Members' training needs in line with the trustee knowledge and understanding (TKU) requirements of the Pensions Act 2004 as adapted for LGPS.

The Pensions Act 2004 requires that occupational pension scheme trustees have knowledge and understanding of the law relating to pensions and trusts and the principles relating to the funding of schemes and the investment of scheme assets. Trustees must also be conversant with scheme documents. Whilst these regulations do not apply to the Committee Members of the Buckinghamshire County Council Pension Fund it was considered good practice to apply them nonetheless.

Guidance published by The Pensions Regulator details the following areas of required knowledge, understanding and conversance:

Trust and Pensions Law

- The law relating to trusts
- The law relating to pensions

Funding

- Funding: defined benefit occupational arrangements
- Funding: defined contribution occupational arrangements (including AVCs)
- Contributions: defined benefit occupational arrangements

Investment

- Investment: defined benefit and defined contribution occupational arrangements (including AVCs)
- Strategic asset allocation: defined benefit occupational arrangements
- Investment choices: defined contribution occupational arrangements (including AVCs)
- Fund management: defined benefit and defined contribution scheme arrangements (including AVCs)

Documents

- The scheme's trust deed and rules
- The scheme's Statement of Investment Principles
- The scheme's Statement of Funding Principles
- Other relevant scheme documents

The training analysis includes suggested training that could be undertaken to meet the needs of the trustee knowledge and understanding requirements under the Pensions Act 2004 (as adapted for LGPS), both for existing and new Committee Members.

Types of Training available

The following means of improving knowledge and understanding are available:-

- Session at Committee meeting or separately as away day, which can be run by advisers or providers.
- Local Government Pensions Committee training programme.
- “Off the shelf” training courses – these could be used for individual Committee Members who have identified a greater training need in a particular area than other Committee Members, and newly appointed Committee Members. These training courses are offered by a number of providers (consulting firms, commercial training companies, NAPF, trade unions). Whilst such courses will offer generic information on occupational pension schemes they are unlikely to specifically relate to LGPS.
- Trustee certificate or Pension Plan Executive Certificate – the Pensions Management Institute (PMI) www.pensions-pmi.org.uk, again noting the limitation for LGPS.
- Self training – the papers for each Committee meeting to include a document covering relevant pension issues. This document would not necessarily need to be discussed at the meeting, but could be read by the Committee Members to improve their own knowledge on the topic. Similarly, individual Committee Members could be provided with details of published documents through which they could access/read about issues in which they are not confident of their knowledge.
- On-line bank of information e.g. mercer.pen, PMI and Pensions Regulator websites
- Seminars run by external institutions (e.g. local and national NAPF and PMI), investment managers and consulting firms.
- E-learning courses i.e. The Pensions Regulator www.thepensionsregulator.gov.uk and NAPF

The Committee Members participating in the analysis are:-

Quintin Ings-Chambers

Frank Downes

Julie Edwards

Peter Hardy

Chester Jones

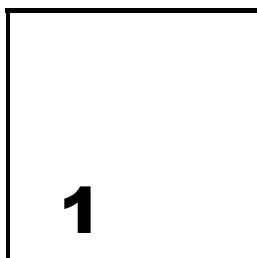
David G Meacock

Clive Palfreyman

Don Phillips

Cec Tallack

Jacqueline Yates



Suggested Training Plan

Applicable to all Committee Members in relation to the Buckinghamshire County Council Pension Fund.

In analysing the questionnaire responses, we have identified areas requiring all Committee Members to obtain training as those where at least half the responses were “not confident” or “partially confident”. Individual training needs have been identified separately where they are not covered by those picked up on a “group” basis.

We have left blank the Priority and Timeframe columns which can be completed once agreed with Committee Members.

Area of TKU	Identified Training Need	Question	Training Recommended	Priority	Suggested Timeframe
Pensions Law	How Committee Members are protected.	6	Training: In-meeting training session with lawyer who can explain protections available. Alternatively, seek written legal advice.		
	The requirements and implications of an employer ceasing to participate in the fund.	8	Training: In meeting training session with pensions adviser / actuary.		

Area of TKU	Identified Training Need	Question	Training Recommended	Priority	Suggested Timeframe
	The legislative and regulatory framework to which the Fund and the Committee Members are subject.	9	Training: In-meeting training session with pensions adviser and lawyer. Proprietary courses are unlikely to address specifics of LGPS.		
	How benefits offered by the State fit with the benefits offered by the Fund, including connections between state benefits and Fund benefits and other legislation which might impact in the management of the scheme e.g. anti-discrimination legislation.	10	Training: TPR Trustee Toolkit Pensions Law Tutorial. http://www.trusteetoolkit.com or in-meeting training session with pensions adviser.		
	The Role of the Committee and external parties (e.g. TPR, the Pensions Ombudsman and the Pension Advisory Service) in resolving disputes.	11	Suggested Reading: The Pensions Regulator: Guidance from the Regulator http://www.thepensionsregulator.gov.uk/pdf/webGuidanceForTrustees.pdf The Pensions Regulator's website http://www.thepensionsregulator.gov.uk/ (see Opra Archive, Other Publications for a guide to "Solving Disputes") In addition, refer to Fund's legal documentation or seek legal confirmation of procedure.		

Area of TKU	Identified Training Need	Question	Training Recommended	Priority	Suggested Timeframe
Investment	Major asset classes and characteristics, in particular specialised asset classes, instruments and techniques, their distinguishing characteristics and with profit investments, how they work and their advantages and disadvantages.	14	<p>Training: In-meeting training session with investment adviser or proprietary courses for generic training. Administrator should be able to respond to administration procedures point under Q27.</p> <p>TPR Trustee Toolkit Asset Classes, Fund Management and Strategic Investment Tutorials</p> <p>http://www.trusteetoolkit.com</p>		
	Principles of Strategic Asset Management.	25	<p>Suggested Reading: Pensions World monthly magazine; Investment manager publications</p>		
	How (DC) / AVC schemes are funded including the risks borne by members.	26			
	Principles behind an appropriate investment strategy under the AVC Scheme	27			
	Administration procedures in relation to the AVC Scheme and Committee responsibilities in this context				

Area of TKU	Identified Training Need	Question	Training Recommended	Priority	Suggested Timeframe
Funding and Contributions	Valuation of scheme assets for actuarial valuation purposes and for employer financial statements	15	<p>Training: In-meeting session with actuary for scheme specifics or proprietary courses for generic learning.</p> <p>TPR Trustee Toolkit Funding Your DB Scheme and Funding Principles Tutorials.</p>	.	
	Defined benefit scheme funding *	16	<p>http://www.trusteetoolkit.com</p>		
	<p>The powers of the Committee Members in relation to funding including setting funding targets and contribution rates</p> <p>The impact of funding.</p>	17	<p>Suggested Reading: CIPFA note “Guidance on Preparing and Maintaining a Funding Strategy Statement”. There are a number of other related documents available for purchase from CIPFA’s website:</p>		
	Underlying contributions calculations for the Fund.	21	<p>http://www.cipfa.org.uk</p> <p>Mercer publications “A Brief Guide to Valuations”.</p>		
	Managing funding deficits. *	24			
	How transfers arise and the different impact of individual and bulk transfers.	19			
<p><i>*Although a majority expressed confidence in these areas, it is useful to consider as part of the wider funding training and so is included as a group training recommendation.</i></p>					

Area of TKU	Identified Training Need	Question	Training Recommended	Priority	Suggested Timeframe
	Additional pension funding options available to employees, including AVCs, added years arrangements, FSAVCs, stakeholder pensions and personal pension arrangements.	20	<p>Training: In-meeting session with pensions adviser or proprietary courses for generic learning.</p> <p>For information on scheme specific charges, seek input from administrator.</p>		
	How expenses are levied, including on transfer for DC/AVC schemes.	26			
Conversance	Broad principles contained in the Fund rules.	29	<p>Training: In-meeting session with pensions adviser / legal adviser. Pick up investment related issues with investment adviser.</p> <p>Funding Strategy Statement is a key document and should be reviewed and understood. This could be picked up with valuation training if not sooner.</p> <p>Other: A summary of “other documents” should be drawn up including where they are held and when they were last reviewed.</p>		
	Investment charges	31			
	Funding Strategy Statement	32			
	Other documents as set out in Q33	33			

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Individual Training Needs

Where an individual has scored “not confident” or “partially confident” and this has not been picked up under group training needs, these items have been identified and reported separately. Each individual will receive his or her own summary report. In addition, and in order to expedite efficient training solutions where more than one person has a similar need, the Head of Finance and Assistant Head of Finance have received a consolidated report of individual training needs.

The type of training has not been identified. These will be for the individual Committee Members to decide given their learning preferences and other time commitments. However, the type of learning available to individual Committee Members includes:-

- On-line training from the Pensions Regulator and the NAPF*.
- Proprietary courses available from most consultancies*, the NAPF* and Local Government Pensions Committee
- Mercer publications specific to LGPS.
- Reading material available on-line from such sites as the Pensions Regulator, NAPF and PMI and available from the scheme’s own advisers.

- Committee Members should also consider attendance at local NAPF and / or PMI meetings as considered appropriate.
- Attendance at investment manager seminars.
- Brief conversations with scheme advisers.

*Note that on-line and proprietary courses may have limitations vis a vis the particular circumstances of LGPS although much of the content may be relevant and helpful.

Mercer Human Resource Consulting Limited
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Clarence House, Clarence Street
Manchester, M2 4DW

0161 832 5688 Fax 0161 834 4685