

Pension Fund Committee

29 January 2007



Training programme

Report of Stuart Crowe, County Treasurer

Purpose of the Report

- 1 The purpose of the report is to update Members on the proposed development of a more formal, ongoing training programme.

Background

- 2 Members will be aware that a training programme on investment matters has been underway for Pension Fund Committee Members. This has been tailored to ensure that Members have the necessary level of knowledge and understanding to undertake the Fund's current investment review.
- 3 The Pensions Act 2004 introduced a legal requirement from April 2006 for pension scheme trustees to have knowledge and understanding of (among other things) the law relating to pensions and trusts, the funding of pension schemes, and the investment of scheme assets. The law also requires that pension scheme trustees be familiar with certain scheme documents including the trust deed and rules, the statement of investment principles and the statement of funding principles.
- 4 Although Members are not classed as pension scheme trustees and are not subject to the new regulations governing them, they are performing a trustee-like role in respect of the Durham County Council Pension Fund. It follows that best practice suggests that Members should receive an appropriate level of training to give them the knowledge and understanding necessary to fulfil their function.

Training programme update

- 5 Members have previously authorised me to develop, in consultation with the Chairman, Vice-Chairman, and HR representatives, an appropriate training programme for current and new Members of the Pension Fund Committee.
- 6 The Pensions Regulator has developed an on-line training programme for pension scheme trustees known as the Trustee Toolkit, this consists

of eight separate modules. Five of these cover topics that are relevant to Members – introducing pension schemes, the trustee's role, pensions law, the 4 major asset classes and how a DB scheme works. The remaining modules may be of interest but are geared mainly towards the private sector – funding your DB scheme, DB recovery plans contributions and funding principles and how a DC scheme works. The Trustee Toolkit is a free training programme, users just need to register with the service which can be accessed at the following web address:

www.trusteetoolkit.com

7 The training programme for this Pension Fund Committee is still under development. The following topics will be covered in brief within induction training for new Members and in greater depth in refresher training for existing Members:

- Scheme governance and documentation
- Scheme administration
- Investments – asset classes, strategy, monitoring
- Valuation and scheme funding
- Pensions legislation

8 It is suggested that the first proposed training event will be held on the afternoon of the July Committee meeting or at a more appropriate date if members wish. More details will be provided nearer to the event, but this event is being planned on the basis of a refresher for existing members and an introduction for new members.

Recommendation

9 Members are encouraged to access the Pensions Regulator's Trustee Toolkit and are asked to agree a date for the first formal training session.

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