

Pension Fund Committee

30 April 2007

Training Programme



Report of Stuart Crowe, County Treasurer

Purpose of the Report

- 1 The purpose of the report is to advise Members of proposals for training to deliver a more formal, ongoing training programme.

Background

- 2 Members may be aware that, following the introduction of the Pensions Act 2004, pension scheme trustees have been legally required since April 2006 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.
- 3 Although Members are not pension scheme trustees and are not subject to the new regulations governing trustees, 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 events for 2007

- 4 Members have previously authorised me to develop an appropriate training programme for current and new Members of the Pension Fund Committee.
- 5 Current thoughts are that the training programme would be based on two courses a year, with an initial training event intended to act as induction training for any new Members to the Committee and also as a refresher course for any current Members who wish to attend. The programme is currently being finalised but is expected to include short presentations on the following topics:
 - The Local Government Pension Scheme – legal background including roles and responsibilities of Committee members
 - Administration including administering authority discretions

- Funding the pension scheme – actuarial valuations, setting the employer contribution rate
 - Investments – asset classes, strategy, monitoring performance
- This event would be held on an annual basis.
- 6 A further training event will be later in the year which will update Members on current issues affecting the Local Government Pension Scheme and issues affecting pension schemes in general and will provide an opportunity for more in-depth training on current topics. This event will also include further information on the actuarial valuation which is underway this year. This second event would also be held on an annual basis.
- 7 Members are reminded that the Pensions Regulator has developed an on-line training programme for pension scheme trustees known as the Trustee Toolkit, consisting 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

Recommendation

- 8 Members are asked to confirm the structure of the training programme and to indicate preferred dates for the first two events. Members are also encouraged to access the Pensions Regulator’s Trustee Toolkit and if possible to provide feedback on whether they consider this a useful resource.

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