



Falkirk Council

*Chief Executive Office
(Finance Services)*

Falkirk Council Pension Fund

Local Government Pension Scheme

Training Policy

February 2012

Falkirk Council Pension Fund

Pensions Committee and Pensions Panel Training Policy

1. Introduction

1.1 This training policy relates to the pension fund responsibilities of members of the Pensions Committee and Pensions Panel. The policy has been drawn up:

- i) to identify the level of knowledge and skills required by members; and
- ii) to outline the training arrangements for Committee and Panel members

2. Myners' Principles

2.1 The desirability of pension fund decision making being overseen by persons with the right skills and expertise was recognised in 2001 in the UK Government's *Institutional Investment in the United Kingdom: A Review*, undertaken by Paul Myners.

2.2 The first Myners' Principle explicitly states that:

- i) Decisions are taken by persons or organisations with the skills, knowledge, advice and resources necessary to make them effectively and monitor their implementation; and
- ii) Those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive, and manage conflicts of interest.

3. Governance Compliance

3.1 Guidance on governance matters and training has been issued between 2009 and 2011 by the Pensions Regulator, CIPFA and the Scottish Public Pensions Agency. This training policy has been drafted in line with the collective guidance.

3.2 To underline the Fund's commitment to the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills, the following statement as recommended by CIPFA for inclusion in a Training Policy has been adopted:

"The Council recognises the importance of ensuring that all staff and members charged with the financial administration and decision making with regard to the Falkirk Council Pension Fund are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.

It therefore seeks to utilise individuals who are both capable and experienced and it will provide and arrange training for staff and members of the Pension

Fund decision-making bodies (including the Pensions Panel) to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills.”

4. Training

- 4.1 On joining the Committee or Panel, members must attend a training session to understand the details of roles and responsibilities to allow them to participate in decision making or scrutiny of complex pension issues. A gap or training needs analysis for each Committee or Panel member will follow. The annual training plans identified for Committee and Panel members will be commensurate with their respective roles and responsibilities.

Pensions Committee

- 4.2 As part of their commitment to good scheme governance, Pensions Committee Members, including co-opted members, will be expected to attend at least three Committee meetings each year and three training sessions each year. The three training sessions are over and above any training given at Committee meetings.
- 4.3 Training opportunities for Committee members will include the following events:
- Internal training events;
 - Fund events such as the Annual Conference;
 - Seminars and conferences offered by industry wide bodies, e.g. the LAPFF annual conference;
 - Seminars and training events offered by the Fund’s investment managers and advisors; and
 - Online training.

Pensions Panel

- 4.4 As part of their commitment to good scheme governance, Pensions Panel members will be expected to attend at least three Panel meetings each year and two training sessions each year. The two training sessions are over and above any training given at Panel meetings.
- 4.5 Training opportunities would normally consist of a selection of the following events:
- Internal training events;
 - Fund events such as the Annual Conference;
 - Seminars and training events offered by the Fund’s investment managers and advisors; and
 - Online training.

- 4.6 A record of attendance at meetings and training events will be maintained and published in the Pension Fund Annual Report and Accounts. Officers will identify appropriate training opportunities and bring these to the attention of the Committee and the Panel.
- 4.7 Due to the training requirements placed on Committee and Panel members, substitute Committee/Panel members are not allowed.

5. Reimbursement of Training Expenses

- 5.1 Pensioner representatives will be eligible to apply for reimbursement of reasonable travel costs from the Fund.

6. Knowledge Framework

- 6.1 The following training framework is based on the CIPFA Knowledge and Skills Framework guidance.
- 6.2 The framework will be used to assess knowledge and identify future training needs to ensure effective decision-making. The levels of knowledge for Committee and Panel members is shown below.

Level of knowledge required

1 – in depth

2 – understanding

3 - awareness

Training Framework	Knowledge requirement	
	Committee Members	Pensions Panel
Pensions legislative and governance context <ul style="list-style-type: none"> ➤ General and scheme pension legislation ➤ Scheme governance ➤ Pension regulators and advisors ➤ Legislative framework 	3	3
Pensions accounting and auditing standards <ul style="list-style-type: none"> ➤ Audit and accounting regulations and requirement 	3	3
Financial services procurement and relationship management <ul style="list-style-type: none"> ➤ Understanding public procurement ➤ Supplier risk management 	2	3

Investment performance and risk management <ul style="list-style-type: none"> ➤ Fund performance ➤ Performance of advisors ➤ Performance of committee ➤ Performance of support services 	2	3
Financial markets and product knowledge <ul style="list-style-type: none"> ➤ Investment strategy ➤ Financial markets 	2	3
Actuarial methods, standards and practices <ul style="list-style-type: none"> ➤ Valuations ➤ Bulk Transfers 	2	2

6.3 The knowledge requirement is higher for members of the Pensions Committee because that Committee is the decision making body for the Fund.

7. Review Arrangements

7.1 A report will be presented to the Pensions Committee and Panel on an annual basis detailing the training provided in the previous year, the events attended and the members attending.

Chief Finance Officer

20 February, 2012