

# Falkirk Council Pension Fund

## Training Policy

### 1. Introduction

- 1.1 This is the Training Policy of Falkirk Council Pension Fund (“the Fund”).
- 1.2 The Policy details the training strategy for members of the Pension Fund Committee and Pension Board, and senior officers responsible for the management of the Fund.
- 1.3 The Training Policy has been established to assist Committee and Board members and senior officers in performing their respective roles with the ultimate aim of ensuring that the Fund is managed by individuals who have the appropriate levels of knowledge and skills.

### 2. Aims and Objectives

- 2.1 Falkirk Council recognises the significance of its role as Administering Authority to the Fund on behalf of its stakeholders who include:
  - 30,000 current and former members of the Fund, and their dependants
  - 30 employers based within the Clackmannanshire, Falkirk and Stirling Council areas, and
  - local taxpayers within those areas.
- 2.2 The aims and objectives of the policy are to ensure that:
  - those responsible for governing the Fund have sufficient expertise to be able to evaluate and challenge the advice they receive, ensure their decisions are robust and well based, and recognise any potential conflicts of interests
  - levels of skills and knowledge allow the Fund to be regarded as a “professional investor” in terms of the Markets in Financial Instruments Directive (MiFID II)
  - levels of skills and knowledge are consistent with changes in the pensions landscape
  - the Fund is appropriately managed and that its services are delivered by people who have the requisite knowledge and expertise
  - knowledge and expertise is consistent with the objective of having a culture of risk awareness, financial governance, and a desire to provide high quality services
  - to recognise the distinctive roles of the Pensions Committee and Pension Board and to tailor training accordingly as appropriate
- 2.3 All Committee members, Board members and senior officers are expected to continually demonstrate their own personal commitment to training and to ensure that these objectives are met.
- 2.4 To assist in achieving these objectives, the Fund will aim to comply with:
  - the CIPFA Knowledge and Skills Frameworks
  - the knowledge and skills elements of the Public Service Pensions Act 2013 and
  - the Pensions Regulator's (TPR) Code of Practice for Public Service Schemes.

### 3. To Whom This Policy Applies

- 3.1 This Training Policy applies to all members of the Pension Fund Committee and the local Pension Board, including scheme member and employer representatives. It also applies to the Chief Finance Officer and the Pensions Manager (“Senior Management Team”).
- 3.2 Less senior officers involved in the daily management of the Pension Fund will also be required to have appropriate knowledge and skills relating to their roles, which will be determined and managed by the Pension Manager and his/her team. Advisers to the Fund are also expected to be able to meet the objectives of this Policy.
- 3.3 Officers of employers participating in the Fund who are responsible for pension matters are also encouraged to maintain a high level of knowledge and understanding in relation to LGPS matters, and the Fund will provide training as and when considered appropriate by the Pensions Manager.

### 4. CIPFA and TPR Knowledge and Skills Requirements

#### 4.1 CIPFA Knowledge and Skills Framework

In 2010, CIPFA launched a knowledge and skills framework for Pension Fund Committee members. This was supplemented in 2015 with guidance for Pension Board members to enable them to properly exercise their functions under Section 248a of the Pensions Act 2004, as amended by the Public Service Pensions Act 2013.

The Framework covers eight areas of knowledge and skills identified as the core requirements:

- Pensions legislation
- Public sector pensions governance
- Pensions administration
- Pension accounting and auditing standards
- Financial services procurement and relationship management
- Investment performance and risk management
- Financial markets and products knowledge
- Actuarial methods, standards and practice

CIPFA’s Code of Practice recommends that Local Government Pension Scheme administering authorities -

- formally adopt the CIPFA Knowledge and Skills Frameworks
- ensure that the appropriate policies and procedures are put in place to meet the requirements of the Frameworks
- publicly report how these arrangements have been put into practice each year.

## 4.2 **The Pensions Act 2004 and The Pension Regulator's (TPR) Code of Practice**

Section 248a of the Pensions Act 2004, as amended by The Public Service Pensions Act 2013, requires Pension Board members to:

- be conversant with the rules of the scheme and any document recording policy about the administration of the scheme, and
- have knowledge and understanding of the law relating to pensions and any other matters which are prescribed in regulations.

The degree of knowledge and understanding required is that appropriate to enable individuals to properly exercise their functions as a member of the Pension Board. The requirements have been incorporated within the TPR Code of Practice.

## 4.3 **Application to the Falkirk Fund**

The Fund supports the principles set out in both the CIPFA Knowledge and Skills Frameworks and the TPR's Code of Practice and will strive to meet these requirements by providing a rolling programme of training with regular monitoring and reporting.

# 5. **Training Arrangements**

5.1 The Fund recognises that training is a key element in Committee, Board and senior officers having the necessary knowledge and skills.

5.2 Training will be delivered through a variety of methods including:

- in-house training sessions provided by officers and/or external providers
- joint training events with collaborative partners
- training as part of meetings (e.g. Committee) provided by officers and/or external advisers
- external training events
- circulation of reading material
- seminars and conferences offered by industry-wide bodies
- online training
- access to the Fund website and Secure portal for up to date information

5.3 In order to maintain knowledge and skills at an appropriate level (and as evidence of the commitment to good scheme governance), Committee and Board members are expected:

- to attend at least three out of the four formal joint meetings annually.
- to attend at least two training events annually
- to prioritise attendance at any training events highlighted as being essential by the Chief Finance Officer or Pensions Manager
- to work towards completion of the Regulator's Trustee Toolkit

5.4 Failure to comply with the training policy may result in individuals being unable to continue as members of the Pensions Committee or Board.

## **6. Initial Information and Induction Process**

- 6.1 On joining the Committee, Board or Senior Management Team, the individual(s) will be provided with the following documentation (or links to the documentation) to assist in providing them with a basic understanding of the Fund:
- The members' guide to the Local Government Pension Scheme
  - The latest Actuarial Valuation report
  - The latest Annual Report and Accounts
  - The Funding Strategy Statement
  - The Governance Policy and Compliance Statement
  - The Investment Strategy Statement
  - The Administration Strategy
  - This Training Policy
- 6.2 An induction/refresher training session will be held for all Committee and Board members following every set of Local Government elections. Members appointed outwith the electoral cycle will attend an individual training session with the Pensions Manager.
- 6.3 Arrangements will be made for individuals who have not yet attended an induction session to be provided with training.

## **7. Monitoring Knowledge and Skills**

- 7.1 In order to determine whether policy objectives are being met, the Fund will:
- Ask Committee and Board to complete a knowledge and skills questionnaire annually
  - Ask Independent Advisers to provide an annual report on the governance of the Fund each year, focussing on delivery of the requirements of this Policy
  - Compare attendance at meetings and at training year on year

## **8. Reporting and Key Risks**

- 8.1 A report will be presented to the Committee and Board on an annual basis setting out:
- The training provided / attended in the previous year at an individual level
  - Proposals for training in the year ahead
- 8.2 Attendance at meetings and training events will be included in the Pension Fund's Annual Report and Accounts at an individual level.
- 8.3 At each joint meeting, Committee and Board members will be provided with details of forthcoming seminars, conferences and other training events of relevance to their roles.

8.4 The key risks to delivering the aims of this Policy are:

- Changes in Committee and Board diluting knowledge and understanding
- Changes in Senior Management diluting knowledge and understanding
- Poor attendance/engagement by Committee or Board at training sessions or formal meetings resulting in a poor decision making or monitoring
- Insufficient resources being available to deliver or arrange the required training
- Training is of a poor standard

## 9. Costs

All costs related to this Training Policy will be met directly by the Fund.

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

## 10. Approval, Review and Consultation

The Training Policy has been approved by the Pensions Committee at its meeting of 6 December 2018. It will be formally reviewed and updated at least every three years or sooner if the training arrangements or other matters included within it require further consideration.

## 11. Further Information

If you require further information about anything in or related to this Training Policy, please contact:

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