

APPENDIX 5

TRAINING POLICY AND FRAMEWORK

Role of a Pension Board member

In accordance with [Section 5\(2\) of the Public Services Pensions Act 2013](#)¹ amendments have been made to The Local Government Pension Scheme Regulations 2013 (via The Local Government Pension Scheme (Amendment) (Governance) Regulations 2015) to provide for the establishment of a local Pension Board.

The purpose of the Pension Board is to assist the scheme manager (the administering authority) in securing compliance with:

- Scheme regulations;
- Legislation relating to governance and administration of the scheme;
- Requirements imposed by the Pensions Regulator.

Pension Board members must:

- Be conversant with the scheme rules (have a working knowledge of the LGPS regulations);
- Be conversant with documented governance and administration policies currently in force;
- Have a knowledge and understanding of the law relating to pensions (and other associated legislation) to the degree appropriate for them to carry out their role, responsibilities and duties.

Training policy

A Pension Board member will:

1. Within 6 months from the date of appointment have completed all training necessary to fulfil the legal requirements made of a Board member;
2. Continuously review their knowledge and understanding and annually undertake a skills and learning analysis to identify any gaps in their knowledge;
3. Produce a personal development plan setting out clear and simple objectives based on the administering authority's SMART objectives (see table below);
4. Complete all learning objectives and scrutinise each activity as it is undertaken;
5. Record all learning undertaken by completing the policy framework;
6. Reflect on what they have learnt to assist in the completion of future learning activities.

SMART objectives	
Specific	Target a specific area for improvement stating exactly what you need to achieve and defining precisely what you are going to do.
Measurable	Include a quality measure – how you did is as important as what you did – and show tangible evidence that you have accomplished the objective.
Achievable	If an objective is impossible to achieve you may feel de-motivated. Objectives should be a challenging and achievable stretch to success.
Realistic	Make sure that you are being realistic – state what results you can achieve given all available resources and limitations.
Time-limited	Set clear milestones and deadlines for reviewing your achievements.

¹ <http://www.legislation.gov.uk/ukpga/2013/25/section/5>

A Technical Knowledge and Skills Framework: Learning needs analysis and training requirements

1. TPR public service toolkit

- a. Conflicts of Interest
- b. Managing Risk and internal controls
- c. Maintaining accurate data
- d. Maintaining member contributions
- e. Providing information to members and others
- f. Resolving internal disputes
- g. Reporting breaches of the law

2. TPR Code of Practice No. 14: Governance and administration of public service pension schemes

- a. Governing your scheme
 - i. Knowledge and understanding required by pension board members
 - ii. Conflicts of interest and representation
 - iii. Publishing information about schemes
- b. Managing risks
 - i. Internal controls
 - ii. Managing risks
 - iii. Risk register
- c. Administration
 - i. Scheme record-keeping
 - ii. Maintaining contributions
 - iii. Providing information to members
- d. Resolving issues
 - i. Internal dispute resolution
 - ii. Reporting breaches of the law

3. Pensions legislation

- a. The legislative framework for pensions in the UK
- b. Specific LGPS regulations and statutory guidance
 - i. Understanding scheme membership and eligibility
 - ii. Understanding scheme benefits
- c. LGPS discretions and their impact on the pension fund, employers and local taxpayers
- d. Keeping up to date with changes to the rules
- e. Other related legislation
 - i. The Public Service Pensions (Record Keeping and Miscellaneous Amendment) Regulations 2014
 - ii. The Occupational and Personal (Disclosure of Information) Regulations 2013
 - iii. The Occupational Pension Schemes (Miscellaneous Amendments) Regulations 2000
 - iv. Part 8 of the Finance Act 2004

4. Pensions governance

- a. Understanding the governance structure, nationally and locally, and the roles each body plays
 - i. DCLG (Responsible Authority)
 - ii. The Administering Authority (Scheme Manager)
 - iii. The Scheme Advisory Board
 - iv. The Pensions Regulator
 - v. The Pensions Advisory Service
 - vi. The Pensions Ombudsman
 - vii. The Government Actuary
- b. Knowledge of the stakeholders of the pension fund and the nature of their interests
- c. Knowledge of consultation, communication and involvement options relevant to the stakeholders
- d. Governance policies
 - i. Cash management
 - ii. Due diligence
 - iii. Funding Strategy Statement
 - iv. Governance Compliance Statement
 - v. Investment Philosophy
 - vi. Statement of Investment Principles

5. Pensions administration

- a. Understanding best practice in pensions administration e.g. performance and cost measures
- b. Understanding the required and adopted scheme policies and procedures relating to:
 - i. Pension Administration Strategy
 - ii. Member data maintenance and record-keeping processes
 - iii. Contribution collection
 - iv. Scheme communications policy, documents and materials
 - v. Service Level Agreements
- c. Knowledge of how the pension fund interacts with HMRC
- d. Additional Voluntary Contributions – operation, investment choices, performance and payment schedule
- e. The role of the scheme employer
- f. Stewardship report

6. Pensions accounting and auditing standards

- a. An understanding of the Accounts and Audit Regulations and legislative requirements relating to internal controls and proper accounting practice
- b. An understanding of the role of both internal and external audit
- c. An understanding of the roles played by third parties

7. Investment performance and risk management

- a. An understanding of the importance of monitoring asset returns relative to liabilities and a broad understanding of ways of assessing long-term risks
- b. An awareness of the Myners principles of performance management and the approach adopted by the administering authority

- c. Awareness of the range of support services, who supplies them and the nature of the performance monitoring regime
- d. An understanding of the risk and return characteristics of the main asset classes and their role in long-term pension fund investing
- e. A broad understanding of the workings of the financial markets and of the investment vehicles available to the pension fund and the nature of the associated risks
- f. An understanding of the limits placed by regulation on the investment activities of local government funds
- g. An understanding of how the pension fund interacts with HMRC and overseas taxation systems in relation to investments

8. Actuarial methods, standards and practices

- a. A general understanding of the role of the fund actuary
- b. Knowledge of the valuation process and inter-valuation monitoring
- c. An awareness of the importance of monitoring early and ill health strain costs
- d. An understanding of the implications of admitting new employers to the fund and the cessation of those employers
- e. A general understanding of the relevant considerations in relation to outsourcings and bulk transfers
- f. A general understanding of the importance of the employer covenant and the relative strengths of the covenant across the fund employers

9. Pension services procurement and relationship management

- a. Current public procurement policy and procedures
- b. Brief overview of UK and EU procurement legislation
- c. Awareness of how the pension fund monitors and manages the performance of their outsourced providers

A Knowledge and Understanding: Training Framework has been produced based upon the units described in this appendix, a copy of which is inserted here in the paper version of this handbook.