

FALKIRK COUNCIL

Subject: FALKIRK COUNCIL PENSION FUND - TRAINING ARRANGEMENTS
Meeting: PENSIONS COMMITTEE
Date: 13 September 2012
Author: CHIEF FINANCE OFFICER

1. INTRODUCTION

- 1.1 This report outlines the training arrangements that will be made available to assist the Pensions Panel and Pensions Committee attain the level of skill and knowledge that is commensurate with their role.

2. BACKGROUND

- 2.1 The Local Government Pension Scheme is a statutory scheme and therefore does not have trustees per se. However, those who sit on a local authority pensions committee or advisory panel are effectively acting as trustees through the role they exercise in overseeing the health and well-being of the Fund.
- 2.2 Pension fund activities extend into areas such as financial markets, financial products, procurement, accounting, investment performance, corporate governance, actuarial practices and risk management. The breadth of knowledge required to understand and challenge information presented is daunting and it is incumbent on the Fund to provide appropriate levels of training.
- 2.3 The imperative for “trustee training” was set out a number of years ago, by Paul Myners in the UK Government’s *Institutional Investment in the United Kingdom: A Review* and more recently restated in the Hutton Report - “every public service pension scheme (and individual LGPS Funds) should have a properly constituted, trained and competent Pension Board”. Codes of Practice published by the Pensions Regulator¹ and CIPFA² now provide a framework against which trustee skills and knowledge can be assessed.
- 2.4 In view of the need to have comprehensive training arrangements, a training policy for the Fund was agreed by the Investment Committee at its meeting on 1st March, 2012. The policy can be viewed at <http://www.falkirk.gov.uk/pensions> by following the links to the Local Government Pension Scheme followed by Annual Reports and Policies.

3. TRAINING

- 3.1 On joining the Committee or Panel, individuals are required to attend an introductory training session to be briefed on their trustee role and to receive a high level overview of scheme administration and investment activities.

¹ The Pensions Regulator - Code of Practice on Trustee Knowledge and Understanding (2009)

² CIPFA – Code of Practice on Public Sector Pensions Finance Knowledge and Skills (2011)

- 3.2 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.
- 3.3 Training opportunities for Committee members will include the following:
- 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.
- 3.4 Pensions Panel representatives 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.
- 3.5 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.
- 3.6 The introductory training event was held on 16th August, 2012. A further event for Panel and Committee will be arranged before the next cycle of meetings in November/December
- 3.7 A record of attendance at meetings and training events will be maintained and published in the Pension Fund Annual Report and Accounts.
- 3.8 Due to the training requirements placed on the Committee and Panel, substitutes are not allowed.

4. CONCLUSION

- 4.1 There is a clear expectation that individuals, who sit on the Pensions Committee or Pensions Panel, will receive appropriate training in the range of Pension Fund activities to equip them with the skills and knowledge to perform their "trustee" roles. Attendance at meetings and training provision are monitored and reported.
- 4.2 The Chief Financial Officer will identify appropriate training opportunities for consideration by the Committee and Panel.

5. RECOMMENDATION

5.1 The Pensions Committee is asked to note the contents of this report.

Chief Finance Officer

Date: 5 September 2012

Contact Officer: Alastair McGirr

LIST OF BACKGROUND PAPERS

NIL