

ITEM No ...6.....

**REPORT TO: PENSION SUB-COMMITTEE OF THE POLICY & RESOURCES
COMMITTEE & PENSION BOARD – 20 MARCH 2023**

REPORT ON: TRAINING & ATTENDANCE POLICY AND TRAINING PLAN 2023/24

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 88-2023

1 PURPOSE OF REPORT

This report presents Tayside Pension Fund’s Training & Attendance Policy (see Appendix 1) which is subject to annual review and the Training Plan for 2023-24.

2 RECOMMENDATIONS

The Sub-Committee is asked to

- approve the policy, noting that there are no changes to the requirements;
- approve the Training Plan for 2023/24 contained in the report, noting that any training requirements not met in prior year will be carried forward to the 2023/24 plan, and that following a training needs analysis, training will be tailored to focus on individual needs as per audit recommendations.

3 FINANCIAL IMPLICATIONS

There are no financial implications.

4 BACKGROUND

Members of the Pensions Sub-Committee owe an independent fiduciary duty to the members and employer bodies in the Fund and to the taxpayer. Such members are required to carry out appropriate levels of training to ensure they have the requisite knowledge and understanding to properly perform their role.

As Scheme Manager, Dundee City Council is also required to establish and maintain a Pension Board for the purposes of assisting with the ongoing compliance of the Fund. The Pension Board is constituted under the provisions of the Local Government Pension Scheme (Governance) (Scotland) Regulations 2015 (the “2015 Regulations”) and the Public Service Pensions Act 2013. Members of the Pension Board should also receive the requisite training and development to enable them to properly perform their compliance role.

The Training Plan covers local training sessions which will be delivered remotely throughout the coming financial year for the Pension Sub-Committee, Board and Officers. In addition to this, Sub-Committee and Board members will receive invitations to all employer events held which will provide insight and promote awareness of specific areas of pensions operations not generally covered in main stream training. There are also opportunities throughout the year to attend sessions hosted by the Scottish LGPS Investment and Governance Group as well as some industry events. Whilst these are not included in the plan, attendance is offered, and these events provide alternative training channels covering the key topics on the plan as well as other helpful information, as well as a chance to network with other LGPS Pensions Board & Committee members.

5 **TRAINING PLAN 2022/23**

Tayside Pension Fund - Training Plan 2023-2024			
Module	Delivery	Description	Date
The Pensions Regulator Trustee Toolkit - session 1	Online (self-directed)	Public Service Toolkit	Apr-Jun 23
The Pensions Regulator Trustee Toolkit - session 2		Role of Trustee Running a scheme Pensions Law	Jul-Sep 23
The Pensions Regulator Trustee Toolkit - Refresher session 3		DB Schemes: Operations Investment Funding Recovery	Oct-Dec 23
Training Needs Analysis	Questionnaire	Analysis of level of knowledge covering the following key areas: <ul style="list-style-type: none"> • Pensions legislation • Pensions governance • Pensions administration • Pensions accounting & auditing standards • Investment performance and risk management • Financial markets and products knowledge • Actuarial methods, standards and practices 	
Bespoke sessions for 2023/24 that will be delivered by officers & specialists to meet individual needs identified from analysis outcomes			
Pension Administration	Session to promote better understanding of key administration processes		
Investment Specialist Session	Session explaining key asset classes		
Risk Management	Session to promote better understanding of risk management		
Actuarial Specialist Session	Session to promote better understanding of actuarial role, practices & valuation		
ESG & Stewardship	Session to raise awareness of integration to investment process		

6 **TRAINING & ATTENDANCE POLICY**

This policy (see Appendix 1) sets out the requirements and practicalities for the training of members of both the Pensions Sub-Committee and the Pension Board. It also provides some further detail in relation to the attendance requirements and in relation to the reimbursement of expenses.

There are no amendments to the policy.

7 **POLICY IMPLICATIONS**

This report has been subject to the Pre-IIA Screening Tool and does not make any recommendations for change to strategy, policy, procedures, services or funding and so has

not been subject to an Integrated Impact Assessment. An appropriate senior manager has reviewed and agreed with this assessment.

8 CONSULTATIONS

The Chief Executive and Head of Democratic and Legal Services have been consulted in the Preparation of this report.

9 BACKGROUND PAPERS

None

**ROBERT EMMOTT
EXECUTIVE DIRECTOR OF CORPORATE SERVICES**

10 MARCH 2023

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TRAINING & ATTENDANCE POLICY

Executive Director of Corporate Services
Dundee City Council, Administering Authority

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1. Introduction

- 1.1 This training policy documents the Tayside Pension Fund (the Fund) responsibilities in relation to members of the Pension Sub-Committee and Board. The policy has been drawn up:
- To identify the level of knowledge and skills required by members, and
 - To outline the training arrangements for the Committee and its 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 and reaffirmed in the *Updating the Myners Principles: A Response to Consultation* in October 2008.
- 2.2 The revised Myners principles following the 2008 review are the accepted code of practice applying to local government pension funds throughout the United Kingdom and these principles apply to all pension committee members (elected and other appointments) and officers.
- 2.3 The first Myners principle explicitly states that:
- Decisions are taken by persons or organisations with the skills, knowledge, advice and resources necessary to make them effectively and monitor their implementation; and
 - Those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive, and manage conflicts of interest.
- 2.4 The best practice guidance from CIPFA in relation to demonstrating this first principle indicates that
- “The committee should ensure that it has appropriate skills, and is run in a way designed to facilitate effective decision making. It should conduct skills and knowledge audits of its membership at regular intervals in relation to the scope of its work and the pensions issues that are most relevant.The adoption of a training plan and an annual update of training and development needs (including monitoring progress made) would represent good practice in demonstrating that the committee is actively managing the development of its members. A statement should appear in the annual report describing actions taken and progress made.”¹***
- 2.5 The Local Government Pension Scheme (Management and Investment of Funds) (Scotland) Regulations 2010 requires administering authorities to report the extent of compliance with this first Myners principle and the Fund does so as part of the Statement of Investment Principles.

3. Governance Compliance

- 3.1 Guidance on governance matters and training has been issued 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 policy statement has been adopted:

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

¹ CIPFA: Investment decision making and disclosure in the Local Government Pension Scheme. A Guide to the Application of the Myners Principles.

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 Sub-Committee and Board to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills”

- 3.3 In addition, the Scottish Public Pensions Agency (SPPA) issued guidance in relation to the Governance Compliance Statement in April 2011, establishing the best practice standard that administering authorities are required to measure themselves against. The standards established for training are as follows:
- That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.
 - That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.
 - That the administering authority considers the adoption of annual training plans for committee members and maintains a log of all such training undertaken.
- 3.4 The Pensions Regulator provides the guidance that trustees have knowledge and understanding of (among other things) the law relating to pensions and trusts, as well as the principles relating to the funding of pension schemes and the investment of scheme assets. Pensions Act 2004 requires trustees to have knowledge and understanding of the law relating to pensions and trusts and the principles relating to the funding of occupational schemes and the investment of scheme assets. Trustees are also required to be conversant with their own scheme's policy documents.

4. Training

- 4.1 On joining the Pension Sub-Committee or Board, members must attend an initial induction session to understand the details of their role and responsibilities to allow them to participate in decision making or scrutiny of complex pension issues.
- 4.2 All members must within 6 months of joining the Committee or Board complete the Pensions Regulator's Public Service Toolkit which the Pensions Regulator deems as essential learning for those working with or running public service schemes.
- 4.3 Periodic training needs analysis will be undertaken for each member of the Committee and Board and this will be used to inform training plans.
- 4.4 Annual training plans will be prepared for the Committee and members that will be commensurate with their respective roles and responsibilities and will be aligned to the CIPFA Skills and Knowledge Framework contained in **Appendix A**.
- 4.5 A training log will be retained for each member in line with the best practice standard.
- 4.6 Training Opportunities for the Committee and Board members will include the following events:
- Internal training events;
 - Seminars and conferences offered by LGPS Scottish Investment & Governance Group;
 - Seminars and training events offered by the Fund's investment managers and advisors;
 - Online training; and
 - Professional reading.
- 4.7 The Pension Regulator online toolkit (tpr.gov.uk/public-service-schemes) is recommended for all Committee and Board Members and completion of modules will be noted in the training register.

- 4.8 A record of attendance at meetings and training events will be maintained. Officers will identify appropriate training opportunities and bring these to the attention of the Committee and Board.

5. Attendance Requirements

- 5.1 As part of their commitment to good scheme governance, Members, will be expected to attend at least two Committee / Board meetings each year and no less than two training sessions each year.

6. Reporting and Review Arrangements

- 6.1 CIPFA has recommended as good practice that the Pension Fund Annual Report includes a disclosure as to how the CIPFA Knowledge and Skills Framework has been applied for the Fund, what assessment of training needs has been undertaken and what training has been delivered against the identified training needs.
- 6.2 The Annual Training Plans will be presented to the Sub-Committee and Board for review.
- 6.3 Where there is a concern that a member of the Pension Board is not complying with the requisite training or attendance requirements, the Scheme Manager will formally engage with the member to seek improved attendance, however, should attendance requirements fail to meet the requirements, they may, in consultation with the Treasurer and Clerk, request the body appointing the member to remove that member and seek to appoint a replacement in order to ensure that the Pension Board retains the required knowledge and skills required to undertake their role. The Pension Board shall be given reasonable opportunity to review the circumstances and, where appropriate, liaise with the Scheme Manager with a view to demonstrating that such member will be able to continue to properly perform the functions required of a member of the Pension Board and request that the Scheme Manager withdraw the request. Any decision to withdraw such request will be made by the Scheme Manager in consultation with the Chair of the Pension Board.

7. Reimbursement of Expenses

- 7.1 Where available, travel arrangements will be made on behalf of Sub-Committee and Board members.
- 7.2 If pre-arrangement is not possible, Sub-Committee and Board members can apply for reimbursement of reasonable expenses such as travel costs which have been incurred in relation to agreed training.

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APPENDIX A

CIPFA Knowledge and Skills Framework

1. The training framework is based on the CIPFA Knowledge and Skills Framework guidance which identifies six areas of knowledge and skills required as core technical requirements of those working in public sector pensions finance.
2. The six areas are:
 - i Pension legislative and governance context
 - ii Pensions accounting and auditing standards
 - iii Financial services procurement and relationship management
 - iv Investment performance and risk management
 - v Financial markets and products knowledge
 - vi Actuarial methods, standards and practices.
3. The framework will be used to assess knowledge and identify future training needs to ensure effective decision-making.
4. The levels of knowledge required is categorised as follows:
 - 1 In Depth
 - 2 Understanding
 - 3 Awareness
5. The Framework and Knowledge requirements are summarised as follows:

Training Framework	Members Knowledge Requirement
Pension legislative and governance context <ul style="list-style-type: none"> • General and scheme pension legislation • Scheme Governance • Pension regulators and advisors • Legislative framework 	3
Pensions accounting and auditing <ul style="list-style-type: none"> • Audit and accounting regulations and requirement 	3
Financial Services procurement and relationship management <ul style="list-style-type: none"> • Understanding public procurement • Supplier risk management 	2
Investment performance and risk management <ul style="list-style-type: none"> • Fund performance • Performance of Advisers • Performance of Committees • Performance of Support Services 	2
Financial markets and product knowledge <ul style="list-style-type: none"> • Investment strategy • Financial markets 	2
Actuarial methods, standards and practices <ul style="list-style-type: none"> • Valuations • Bulk Transfers 	2

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