

LOCAL PENSION BOARD

Report of the Head of Human Resources29th July 2015

LOCAL PENSION BOARD TRAINING – POLICY & FRAMEWORK

1.0 Purpose of Report

- 1.1 To inform the Local Pension Board of the requirement to have a training policy and framework and to appoint a training representative.

2.0 Introduction

- 2.1 The Public Service Pensions Act 2013 requires that members of a Local Pension Board (LPB) should have the capacity to become conversant and develop a knowledge and understanding of the law relating to pensions and such other matters as are appropriate in order to effectively perform their duties.
- 2.2 The Firefighters' Pension Scheme Guidance on the Creation and Operation of Local Pension Boards in England states that, where members are allowed to send substitutes to meetings, training requirements should also be considered for substitutes (para 2.38.14).
- 2.3 The Local Government Association (LGA) carried out induction training on 22nd July, prior to this meeting. They are also providing an online forum for LPB members. Over the next few weeks, information will be populated and then updated with guidance. This will assist in gaining and maintaining the knowledge and understanding required. The link is as follows:
<https://knowledgehub.local.gov.uk/group/firefighters-pension-scheme-local-pension-board-members-group-forum>

3.0 Information

- 3.1 The LPB needs to appoint a training representative to take responsibility for ensuring that the training policy and framework is developed and implemented and to liaise with LGA to ensure that the current levels of knowledge and understanding are established and training gaps identified. A copy of the proposed training policy and framework is at Appendix A.
- 3.2 There is also a requirement for Members to undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses. Part 2 of Schedule A of the Firefighters' Pension Scheme Guidance on the creation and operation of the Local Pension Boards England (May 2015) provides examples of areas of knowledge and understanding that a member of the LPB might be expected to have. A copy is at Appendix B. A personalised training plan should then be developed with the appointed training representative, who will be able to gain support from the LGA.

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4.0 Recommendation

- 4.1 That Members appoint a training representative and approve the training policy and framework at Appendix A.

JAN SAMS
Head of Human Resources
20th July 2015

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LOCAL PENSION BOARD - MEMBER TRAINING POLICY AND FRAMEWORK

1. In accordance with the Public Service Pensions Act 2013, each member and substitute of the Local Pension Board (LPB) should have the capacity to become conversant with, and will develop a knowledge and understanding of:
 - the rules of the relevant Firefighters' Pension Scheme(s)
 - the policy document recording the administration of the scheme (by the Scheme Manager)
 - the law relating to pensions and such other matters
2. It is for individual LPB members and substitutes to ensure they have the appropriate knowledge and understanding to enable them to properly exercise their functions as a member/substitute of the Local Pension Board. This knowledge and understanding must be kept up to date.
3. Some training will be provided by the Scheme Manager taking advice and guidance from the LGA.
4. LPB members and substitutes will undertake a personal training needs analysis immediately after appointment and periodically thereafter to inform the development of a personalised training and development plan. Members and substitutes are required to maintain a written record of relevant training and development.
5. Examples of knowledge required are contained in Schedule A Part 2 of the Firefighters' Pension Scheme Guidance on the creation and operation of the Local Pension Boards England (May 2015).
6. The Local Pension Board will review training and development on an annual basis.

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PART 2**Examples of knowledge and understanding of the law relating to pensions**

(please read in conjunction with paragraphs 4.17 and 4.18) (These paragraphs are set out after the following table.)

1.	<p>Background and Understanding of the Legislative Framework of the Scheme</p>
	<ul style="list-style-type: none"> • Differences between public service pension schemes like the Scheme and private sector trust-based schemes • Role of the IPSPC and its recommendations • Key provisions of the 2013 Act • The structure of the Scheme and the main bodies involved including the Responsible Authority, the Scheme Manager, the Scheme Advisory Board, the Local Pension Board and the Scheme employers • An overview of public law and how Scheme Managers are constituted and operate • Scheme and Connected Scheme rules overview (including the
2.	<p>General pensions legislation applicable to the Scheme</p>
	<p>An overview of wider legislation relevant to the Scheme including:</p> <ul style="list-style-type: none"> • Automatic Enrolment (Pensions Act 2008) • Contracting out (Pension Schemes Act 1993) • Data protection (Data Protection Act 1998) • Employment legislation including anti-discrimination, equal treatment, family related leave and redundancy rights • Freedom of Information (Freedom of Information Act 2000) • Pensions sharing on divorce (Welfare Reform and Pensions Act 1999) • Tax (Finance Act 2004)

3.	Role and responsibilities of the Local Pension Board
	<ul style="list-style-type: none"> • Role of the Local Pension Board • Conduct and conflicts • Reporting of breaches • Knowledge and understanding
4.	Role and responsibilities of the Scheme Manager
	<ul style="list-style-type: none"> • Membership and eligibility • Benefits and the payment of benefits • Decisions and discretions • Disclosure of information • Record keeping • Internal controls • Internal dispute resolution • Reporting of breaches • Statements, reports and accounts
5.	Funding and Investment
	<ul style="list-style-type: none"> • Requirement for triennial and other valuations
6.	Role and responsibilities of Scheme Employers
	<ul style="list-style-type: none"> • Automatic Enrolment • Deduction and payment of contributions • Special contributions • Employer decisions and discretions • TUPE and outsourcing (including Fair Deal and the Best Value)

7.	Tax and Contracting Out
	<ul style="list-style-type: none"> • Finance Act 2004 • Role of HMRC • Registration • Role of 'scheme administrator' • Tax relief on contributions • Taxation of benefits • Annual and lifetime allowances • Member protections • National Insurance • Contracting out (Pensions Scheme Act 1993) • Impact of abolition of contracting out in 2016
8.	Role of advisors and key persons
	<ul style="list-style-type: none"> • Officers of the Fire and Rescue Authorities • Auditor • Lawyers • Administrators – in house v. third party • Procurement of services • Contracts with third parties
9.	Key Bodies connected to the Scheme
	<p>An understanding of the roles and powers of:</p> <ul style="list-style-type: none"> • Courts • HMRC • Information Commissioner • Pensions Advisory Service • Pensions Ombudsman • The Pensions Regulator (including powers in relation to Local Pension Boards)

- 4.17 Part 2 of Schedule A of this Guidance contains a summary of some of the key areas of law relating to pensions generally and the Scheme in particular. This summary should not be relied upon as being definitive list of all the areas of law that members of a Local Pension Board need to know about and understand.
- 4.18 Given the role of the Local Pension Board to assist the Scheme Manager, members of a Local Pension Board should have sufficient knowledge and understanding to challenge any failure by the Scheme Manager to comply with the Regulations and other legislation relating to the governance and administration of the Scheme and/or any failure to meet the standards and expectations set out the Code of Practice.