



North East Scotland Pension Fund

nespf

Training Policy

May 2026

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Purpose Statement

This statement details the training agenda for members of the Pensions Committee and Pension Board of the North East Scotland Pension Fund (NESPF), as administered by Aberdeen City Council.

The training policy is designed to support the Pensions Committee and Pension Board in performing and developing their individual roles, with the ultimate aim of ensuring NESPF is managed by members with the necessary skills and knowledge to effectively carry out their responsibilities.

Application & Scope

Expectations

The role of Pensions Committee or Pension Board member is an important one and there are certain expectations placed upon members, including:

- A commitment to attend and participate in training events and to adhere to the principles of this Training Policy;
- The ability to use acquired knowledge to participate in meetings and to ask questions constructively of the information provided by officers, advisers and others;
- Judge the information provided in a fair and open-minded way that avoids pre-determining outcomes; and
- Operate within the Terms of Reference for the Pensions Committee and the elected member Code of Conduct or the Terms of Reference for the Pension Board.

All Pension Fund Committee and Board members (including substitutes) to whom this policy applies are expected to continually demonstrate their own personal commitment to training to ensure they have the necessary skills required to support them in their decision-making role.

Induction Process

On appointment to the Pensions Committee or Board, a member will receive a formal induction by the Scheme Manager, as well as copies of and/or access to the key documentation relevant to the Fund and other useful information, including;

- [guide to the Local Government Pension Scheme \(LGPS\)](#)
- [the latest Annual Report and Accounts](#)
- [the most recent Actuarial Valuation and Funding Strategy Statement](#)
- [the Governance Policy and Compliance Statement](#)
- [the Statement of Investment Principles and Compliance with Myners Principles](#)
- [copy of the Local Government Pension Scheme \(Scotland\) Regulations](#)

The induction will provide an overview of the structure and operation of the Fund and insight into the responsibilities of their respective role.

Policy documentation is available to Committee and Board members via the Pension Fund website at www.nespf.org.uk and members should familiarise themselves with the information held on the site.

As part of the induction process:

- 1) Members of the Pensions Committee and Pension Board **must** complete, by their first meeting or within the first three months of their appointment, whichever is earlier, the online training course provided by The Pensions Regulator in their Public Service Toolkit. The tPR training course should be refreshed every 2 years.
- 2) Members of the Pensions Committee and Pension Board **must** complete, within the first twelve months of their appointment, the online training courses available on the Hymans Online Learning Academy (LOLA), with the first introductory module being completed before their first meeting. All LOLA modules should be refreshed every 2 years.

This forms the **mandatory** element of the training plan for Pensions Committee and Pension Board members.

Training Plan

Myners Principles

As per the Myners Principles, administering authorities should ensure that:

- decisions are taken by persons or organisations with the skills, knowledge, advice and resources necessary to take 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.

CIPFA Knowledge and Skills Framework

An updated Code of Practice and Knowledge and Skills Framework was published by CIPFA in 2021. The Fund has formally adopted the Framework and will assess all relevant individuals against the suggested standards ([Appendix I](#)).

The CIPFA framework sets out the following key areas:

- Pensions legislations and guidance
- Pensions governance
- Funding strategy and actuarial methods
- Pensions administration and communications
- Pensions financial strategy, management, accounting, reporting and audit standards
- Investment strategy, asset allocation, pooling, performance and risk management
- Financial markets and product knowledge
- Pensions services procurement, contract management and relationship management

Pensions Committee and Board members are expected to have collective understanding of these areas of knowledge and skills.

Markets in Financial Instruments Directive (MiFID II) Requirements

Since the introduction of MiFID II from 3rd January 2018, financial institutions including the Local Government Pension Scheme (LGPS) are required to opt up to be classified as an elective professional client, to allow continued access to the full range of vehicles investment managers need to deliver the investment strategy.

To maintain this status, the Pension Fund needs to be able to demonstrate its expertise, experience and knowledge, such that the investment managers can gain reasonable assurance that it is capable of making investment decisions and understanding the nature of risks involved.

This training policy helps to ensure the assessed levels of expertise, experience and knowledge are maintained. The Pension Fund is required to keep this information under review and notify the investment managers of any changes to the collective circumstance which could affect its status.

Pension Board Specific Requirements

In accordance with Section 248A of the Pensions Act 2004, and redrafted by the Public Service Pensions Act 2013, the members of the NESPF Pension Board must be conversant with:

- the rules of the scheme (the Local Government Pension Scheme (Scotland))
- any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme

NESPF Pension Board members should also have knowledge and understanding of:

- the law relating to pensions
- such other matters as may be prescribed

CIPFA have published a separate [Technical Knowledge and Skills Framework](#) for Local Pension Board members.

Training Arrangements

The Pension Fund recognises that attaining, and then maintaining, relevant knowledge and skills is a continual process for Pensions Committee and Pension Board members, and that training is a key element of this process.

Training is therefore ongoing for members and consideration will be given to the various training resources available, these may include (but are not limited to):

- employer and scheme member events hosted by the Pension Fund
- internally developed training days and pre/post meeting sessions
- seminars and conferences that are offered by industry wide bodies, specifically the LAPFF annual conference, LGC conferences and Pensions UK (formerly PLSA) conferences

- on-line training including use of the Hymans Online Learning Academy (LOLA)
- seminars and training events offered by the Fund’s investment managers and advisors
- use of the secure ‘trustee’ area of the Pension Fund website
- in addition to the above, Fund officers are available to answer any queries from Committee and Board members.

Training is provided to members of the Pensions Committee and Pension Board through the above range of opportunities in respect of the following topics;

Scheme Governance	Investment Strategy	Support Services
LGPS Status and Legal Framework	Asset Classes	Custody Services
LGPS Regulations	Risk	Service Organisation
Role of Elected Members	Investment Structure	Role of the Chief Officer – Finance
Advisors and their Role	Investment Management and Performance Monitoring	Role of the Pensions Manager and Pensions Team
Actuarial Valuation and Funding Strategy Statement		
Myners Principles		
Risk Management		

Hymans LOLA

Hymans Online Learning Academy (LOLA) consists of 8 core modules, mirroring their LGPS National Knowledge Assessment topics, and covers all key areas needed to successfully manage the running of a Pension Fund:

- Module 1 – Committee Role and Pensions Legislation
- Module 2 – Pensions Governance
- Module 3 – Pensions Administration
- Module 4 – Pensions Accounting and Audit Standards
- Module 5 – Procurement and Relationship Management
- Module 6 – Investment Performance and Risk Management
- Module 7 – Financial Markets and Product Knowledge
- Module 8 – Actuarial methods, Standards and Practices

There is also a “current issues” module which is regularly updated.

The Pensions Regulator’s E-Learning Toolkit

The Pensions Regulator has developed an on-line toolkit to help those running public service pension schemes to understand governance and administration requirements. There are eight short modules covering:

- Conflicts of Interest
- Managing Risk and Internal Controls
- Maintaining Accurate Member Data
- Maintaining Member Contributions

- Providing Information to Members and Others
- Resolving Internal Disputes
- Reporting Breaches of Law
- Pensions Scams (optional)

TPR's Toolkit is expected to be refreshed following implementation of their General Code and therefore the modules set out above are subject to change.

Pension Committee and Board members should highlight to Officers any areas where further training would be desirable or required, following subjects covered in Committee meetings or attendance at any external training events or conferences.

Policy Performance

Training attendance records will be maintained by the Pension Fund. These will be reported to the Pensions Committee and Board on an annual basis for consideration.

Where instances are identified of a Pension Board member not meeting the minimum training requirements (i.e. failing to attain and/or maintain the appropriate levels of knowledge and understanding as required under S.248A of the Pensions Act 2004, as amended by the Public Service Pensions Act 2013), an initial discussion will be held to establish whether there are any extenuating circumstances; followed by:

- no further action (if extenuating circumstances are shown);
- agreement of an improvement plan; and
- If no improvement can be demonstrated over a reasonable period of time, necessary steps will be taken to remove the Board member and seek a new appointee.

Supporting Procedures & Documentation

This policy is supported by the policies and procedures that make up the wider governance framework and those prescribed by the Local Government Pension Scheme (Scotland) Regulations. Copies of which are available online at www.nespf.org.uk.

In addition to this training policy, both the Convener and Vice Convener of the Pensions Committee have been provided with a description of their roles and provided further details of training requirements ([Appendix II](#)).

Responsibilities

All training costs are met directly by the Pension Fund.

The Pensions Committee will review this policy annually, or in the event of a policy revision and taking account of the results from any training needs analysis and emerging issues.

Day to day responsibility for the implementation of this policy sits with the Chief Officer-Finance and dedicated staff within the Pension Fund section.

Any questions or feedback on this document should be forwarded to the NESPF Governance Team at:

Resources
Level 1, 2MSq
Marischal Square
Broad Street
Aberdeen
AB10 1LP

Email: governance@nespf.org.uk
Web: www.nespf.org.uk

CIPFA Knowledge and Skills Framework

This framework identifies the level of knowledge required **by Pensions Committee members** to ensure that they can carry out effective decision making in respect of the Fund. A [separate Framework](#) is in place in respect of the Pension Board.

Level of knowledge required

For Committee members:

- An awareness i.e. recognition that the subject matter exists
- A general understanding i.e. understanding the basis in relation to the subject matter
- A strong understanding i.e. a good level of knowledge in relation to the subject matter but not necessary at a detailed level

CIPFA Knowledge and Skills	
Pensions and Guidance	<p>Legislations</p> <p><u>General Pensions Framework</u></p> <p>A general understanding of:</p> <ul style="list-style-type: none"> • the pensions legislative framework in the UK • other legislation that is relevant in managing an LGPS fund, e.g. freedom of information, General Data Protection Regulation (GDPR) and local authority legislation <p><u>Scheme-specific legislation</u></p> <p>A general understanding of:</p> <ul style="list-style-type: none"> • the legislation and statutory guidance specific to the scheme and the main features relating to benefits, administration, funding, governance, communications and investment, including the LGPS (Scotland) Regulations 2018 and the LGPS (Scotland) (Management and Investment of Funds) Regulations 2010

	<p>An awareness of:</p> <ul style="list-style-type: none"> • LGPS discretions and how the formulation of the discretionary policies impacts on the Fund, employers and scheme members • the latest changes to the scheme rules and current proposals or potential changes to the scheme (regularly updated) <p><u>Guidance</u></p> <p>A general understanding of:</p> <ul style="list-style-type: none"> • the requirements of statutory guidance from the Responsible Authority, Scottish Government • the requirements of tPR's Code of Practice <p>An awareness of:</p> <ul style="list-style-type: none"> • the requirements of guidance from the Scheme Advisory Board • the requirements of guidance from the Government Actuary's Department • other guidance relevant to the LGPS, such as from CIPFA
<p>Pensions Governance</p>	<p>An awareness of:</p> <ul style="list-style-type: none"> • the main features and requirements of the LGPS regulations relating to pension scheme governance. • statutory and other guidance relating to pension scheme governance including statutory governance guidance, tPR Code of Practice, CIPFA/SOLACE, Scheme Advisory Board guidance and the Myners Principles. <p><u>Pension regulators, Scheme Advisory Board and other bodies</u></p> <p>A general understanding of:</p> <ul style="list-style-type: none"> • how the roles and powers of the Scottish Government, tPR, the Money and Pensions Service and the Pensions Ombudsman relate to the workings of the scheme • the role of the Scheme Advisory Board and how it interacts with other bodies <p><u>General constitutional framework</u></p> <p>A general understanding of:</p>

- the role of the administering authority in relation to the LGPS
- the role of the pension committees in relation to the Fund, administering authority, employing authorities, scheme members and taxpayers

An awareness of:

- the role and statutory responsibilities of the Chief Financial Officer (CFO) and monitoring officer

Fund specific governance

A strong understanding of:

- the terms of reference and delegated responsibilities of the Pensions Committee (including any sub-committees), the Pension Board and any other delegated responsibilities to senior officers
- how breaches of law are recorded and managed, and if necessary reported to tPR, including each individual's personal responsibility in relation to breaches

A general understanding of:

- the stakeholders of the Fund and the nature of their interests
- who the key officers responsible for the management of the Fund are, how the pension team is structured and how services are delivered
- the Fund's strategies, policies and other key documents
- how risk is monitored and managed, and the Fund's current key risks
- how conflicts of interest are identified and managed
- the Fund's knowledge and skills policy and associated training requirements
- how the effectiveness of the Fund's governance is reviewed

An awareness of:

- the Fund's process for dealing with complaints, including its Internal Dispute Resolution Procedure

Service Delivery

A general understanding of:

- the required budget and resources needed to manage and administer the Fund

	<ul style="list-style-type: none"> • the annual business planning cycle and budget setting • the Fund’s key performance indicators and other performance measures • the Fund’s business continuity policy and cyber security policy
Funding strategy and actuarial methods	<p>An awareness of:</p> <ul style="list-style-type: none"> • the LGPS regulations main features and requirements relating to funding strategy and the setting of employer contributions including associated guidance <p>A general understanding of:</p> <ul style="list-style-type: none"> • the role of the Fund actuary • the funding strategy statement and the expected delivery of the funding objectives • the key risks to the Fund relating to the funding strategy <p><u>Valuations</u></p> <p>A general understanding of:</p> <ul style="list-style-type: none"> • the valuation process, including developing the funding strategy in conjunction with the Fund actuary, and inter-valuation monitoring • the importance of employer covenant, the relative strengths of the covenant across the Fund’s employers, and how this impacts the funding strategy statement adopted • any legislative and/or benefit uncertainty and the impact of this on the funding strategy • the Scheme valuation and other work carried out by the Government Actuary’s Department and the impact this has on the valuation process (i.e. cost management process/Section 13 report) <p>An awareness of:</p> <ul style="list-style-type: none"> • the costs to the employer including employer contributions and early retirement strain costs • the different types of employers that participate in the Fund <p><u>New employer and exits</u></p> <p>A general understanding of:</p> <ul style="list-style-type: none"> • the implications of including new employers into the Fund and of the exits of existing employers

	<ul style="list-style-type: none"> • the relevant considerations in relation to the different types of new employer, e.g. outsourcings, alternative delivery models and also the considerations in relation to bulk transfers
Pensions administration and communications	<p>An awareness of:</p> <ul style="list-style-type: none"> • the LGPS regulations main features and requirements relating to: <ul style="list-style-type: none"> ○ Administration and communications strategies; ○ Entitlement to and calculation of pension benefits; ○ Transfers in and out of the scheme; ○ Employee contributions; and ○ The delivery of administration and communications. <p>Including associated guidance.</p> <p>A general understanding of:</p> <ul style="list-style-type: none"> • the Fund's Pensions Administration Strategy including how it is delivered (including, where applicable, the use of third party suppliers and systems), performance measures and assurance processes • the Fund's communications policy including how it is delivered (including, where applicable, the use of third party suppliers and systems), performance measures and assurance processes • best practice in pensions administration, e.g. performance and cost measures • the Fund's processes and procedures relating to: <ul style="list-style-type: none"> ○ Member data maintenance and record-keeping including data improvement plans and relationships with employers for data transmission ○ Contributions collection <p>An awareness of:</p> <ul style="list-style-type: none"> • how the Fund interacts with the taxation system in relation to benefits administration, including the annual and lifetime allowances <p>A general understanding of additional voluntary contribution (AVC) arrangements including:</p> <ul style="list-style-type: none"> • The AVC arrangements that exist • The choice of investments to be offered to members • The provider's investment and fund performance

	<ul style="list-style-type: none"> • The payment of contributions to the provider • The benefits that can be received by scheme members • How and when the AVC arrangements, including the investment choices, are reviewed.
Pensions financial strategy, management, accounting, report and audit standards	<p>A general understanding of:</p> <ul style="list-style-type: none"> • the Accounts and Audit Regulations and legislative requirements relating to the role of the committee and individual members in considering and signing off the Fund’s accounts and annual report • the various elements of income and expenditure to the Fund, including the operational budget • the cashflows of the Fund and how risks are managed to ensure appropriate cash is available to pay benefits and other outgoings • the role of both internal and external audit in the governance and assurance process
Investment strategy, asset allocation, pooling, performance and risk management	<p>An awareness of:</p> <ul style="list-style-type: none"> • the main features and requirements of the LGPS Regulations relating to investment strategy, asset allocation, the pooling of investments and responsible investments including associated guidance <p><u>Investment strategy</u></p> <p>A general understanding of:</p> <ul style="list-style-type: none"> • the key risks that the Fund is exposed to and how a Fund’s investment strategy should be considered in conjunction with these risks • the risk and return characteristics of the main asset classes (equities, bonds, property), and the need to balance risk versus reward when determining the investment strategy • the role of these asset classes in long-term pension fund investing • the Fund’s cashflow requirements and how this impacts on the types of investments considered <p><u>Total Fund</u></p> <p>A general understanding of:</p> <ul style="list-style-type: none"> • the importance of monitoring asset returns relative to the liabilities and a broad understanding of ways of assessing long-term risks

	<p><u>Performance of the Committee</u></p> <p>An awareness of:</p> <ul style="list-style-type: none"> • the Myners principles and the need to set targets for the committee and to report against them • the range of support services provided to the committee, who supplies them, and the nature of the performance monitoring regime <p><u>Responsible investment</u></p> <p>An awareness of:</p> <ul style="list-style-type: none"> • the latest developments and requirements in the area of responsible investment • the UK Stewardship Code and the United Nations Principles of Responsible Investment (UNPRI) and whether the Fund is signatory to these <p>A general understanding of:</p> <ul style="list-style-type: none"> • the Fund's approach to responsible investment including how views on Environmental, Social and Governance issues are incorporated into the Fund's investment strategy <p><u>Risk Management</u></p> <p>A general understanding of:</p> <ul style="list-style-type: none"> • how to manage and reduce risk and lessen impact of risk on assets when it arises
<p>Financial markets and products knowledge</p>	<p><u>Financial Markets</u></p> <p>A general understanding of:</p> <ul style="list-style-type: none"> • the primary importance of the investment strategy decision • the workings of the financial markets and of the investment vehicles available to the Pension Fund and the nature of associated risks <p>An awareness of:</p> <ul style="list-style-type: none"> • the restrictions placed by legislation on the investment activities of LGPS Funds

	<p><u>MiFID II</u></p> <p>A general understanding of:</p> <ul style="list-style-type: none"> • MiFID II requirements relating to the knowledge of decision makers
<p>Pensions procurement, management relationship management</p> <p>services contract and management</p>	<p><u>Understanding public procurement</u></p> <p>An awareness of:</p> <ul style="list-style-type: none"> • the main public procurement requirements of UK and EU legislation and the use of national frameworks within the context of the LGPS <p><u>Fund suppliers</u></p> <p>An awareness of:</p> <ul style="list-style-type: none"> • the key decision makers in relation to the Fund’s procurements • how the Fund’s suppliers are monitored, including: <ul style="list-style-type: none"> ○ The Myners Principles, and ○ The need for strategic objectives for investment consultants <p>A general understanding of:</p> <ul style="list-style-type: none"> • the Fund’s suppliers and providers, and their roles in the management of the Fund <p><u>Supplier risk management</u></p> <p>A general understanding of:</p> <ul style="list-style-type: none"> • the nature and scope of risks for the Pension Fund and of the importance of considering risk factors when selecting external suppliers and providers • how the Pension Fund monitors and manages the performance of their external suppliers and providers, including business continuity and cyber risk

Local Pension Boards: A Technical Knowledge and Skills Framework

Pensions Legislation	<p>A general understanding of the pensions legislative framework in the UK.</p> <p>An overall understanding of the legislation and statutory guidance specific to the scheme and the main features relating to benefits, administration and investment.</p> <p>An appreciation of LGPS discretions and how the formulation of the discretionary policies impacts on the pension fund, employers and local taxpayers.</p> <p>A regularly updated appreciation of the latest changes to the scheme rules.</p>
Pensions Governance	<p>Knowledge of the role of the administering authority in relation to the LGPS.</p> <p>An understanding of how the roles and powers of the Scottish Government, the Pensions Regulator, the Pensions Advisory Service and the Pensions Ombudsman relate to the workings of the scheme.</p> <p>Knowledge of the role of the Scheme Advisory Board and how it interacts with other bodies in the governance structure.</p> <p>Broad understanding of the role of pension fund committees in relation to the fund, administering authority, employing authorities, scheme members and taxpayers.</p> <p>Awareness of the role and statutory responsibilities of the treasurer and monitoring officer.</p> <p>Knowledge of the Myners principles and associated CIPFA and SOLACE guidance.</p> <p>A detailed knowledge of the duties and responsibilities of pension board members.</p> <p>Knowledge of the stakeholders of the pension fund and the nature of their interests.</p> <p>Knowledge of consultation, communication and involvement options relevant to the stakeholders.</p>

	<p>Knowledge of how pension fund management risk is monitored and managed.</p> <p>Understanding of how conflicts of interest are identified and managed.</p> <p>Understanding of how breaches in law are reported.</p>
<p>Pension Administration</p>	<p>An understanding of best practice in pensions administration, e.g. performance and cost measures.</p> <p>Understanding of the required and adopted scheme policies and procedures relating to:</p> <ul style="list-style-type: none"> • members data maintenance and record-keeping processes • internal dispute resolution • contributions collection • scheme communications and materials <p>Knowledge of how discretionary powers operate.</p> <p>Knowledge of the pensions administration strategy and delivery (including, where applicable, the use of third party suppliers, their selection, performance management and assurance processes).</p> <p>An understanding of how the pension fund interacts with the taxation system in the UK and overseas in relation to benefits administration.</p> <p>An understanding of what additional voluntary contribution arrangements exist and the principles relating to the operation of those arrangements, the choice of investments to be offered to members, the provider's investment and fund performance report and the payment schedule for such arrangements.</p>
<p>Pensions Accounting and Auditing Standards</p>	<p>Understanding of the Accounts and Audit Regulations and legislative requirements relating to internal controls and proper accounting practice.</p> <p>Understanding of the role of both internal and external audit in the governance and assurance process.</p> <p>An understanding of the role played by third party assurance providers.</p>

<p>Pensions services procurement and relationship management</p>	<p>Understanding of the background to current public procurement policy and procedures, and of the values and scope of public procurement and the roles of key decision makers and organisations.</p> <p>A general understanding of the main public procurement requirements of UK and EU legislation.</p> <p>Understanding of the nature and scope of risks for the pension fund and of the importance of considering risk factors when selecting third parties.</p> <p>An understanding of how the pension fund monitors and manages the performance of their outsources providers.</p>
<p>Investment performance and risk management</p>	<p>Understanding of the importance of monitoring asset returns relative to the liabilities and a broad understanding of ways of assessing long-term risks.</p> <p>Awareness of the Myners principles of performance management and the approach adopted by the administering authority.</p> <p>Awareness of the range of support services, who supplies them and the nature of the performance monitoring regime.</p>
<p>Financial markets and products knowledge</p>	<p>Understanding of the risk and return characteristics of the main asset classes (equities, bonds, property).</p> <p>Understanding of the role of these asset classes in long-term pension fund investing.</p> <p>Understanding of the primary importance of the investment strategy decision.</p> <p>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.</p> <p>An understanding of the limits placed by regulation on the investment activities of local government pension funds.</p> <p>An understanding of how the pension fund interacts with the taxation system in the UK and overseas in relation to investments.</p>
<p>Actuarial standards and practices</p>	<p>A general understanding of the role of the fund actuary.</p>

Knowledge of the valuation process, including developing the funding strategy in conjunction with the fund actuary, and inter-valuation monitoring.

Awareness of the importance of monitoring early and ill health retirement strain costs.

A **broad understanding** of the implications of including new employers into the fund and of the cessation of existing employers.

A **general understanding** of the relevant considerations in relation to outsourcings and bulk transfers.

A **general understanding** of the importance of the employer covenant and the relative strengths of the covenant across the fund employers.

Role Profile for Convener of the Pensions Committee

The role of the Convener of the Pensions Committee requires post holders who have a wide experience of chairing meetings effectively, are good communicators and have at least some knowledge of pensions, financial or HR matters (through Council, personal and/or career experience).

The above Knowledge Framework is developed further for the Convener (and, by implication, the Vice Convener) in the following paragraphs by introducing key skills elements unique to the Convener. This includes an expectation that the Convener should individually have the appropriate level of knowledge in relation to all the competencies in Annex I but noting that in some cases it will be necessary for a higher level of knowledge to be attained in some areas. The administering authority should ensure the Convener is provided with the appropriate training to meet these requirements, preferably within six months of appointment.

1. Convener of the Pensions Committee to preside over the determination of the following, after taking the advice of the Chief Officer – Finance and other advisors:

- The investment strategy of the Fund or Funds for which the Pensions Committee is responsible
- The contribution rates of the employing organisations whose current and retired employees are members of the LGPS
- The appointment of investment and actuarial advisors and other third party services
- The governance framework
- The communication strategy of the Fund or Funds

2. And to monitor:

- The performance of the investments, the pensions administration service, the advisors and agents of the Fund and of the Committee itself
- The costs of running the Pension Fund and Scheme
- Comments and feedback from stakeholders

3. And to approve:

- The annual report and accounts of the Fund
- Audit reports on the performance of the Pension Fund service
- Statements on Investment Principles, Governance, Administration and Communication
- The Risk Register and an annual risk analysis
- The medium term business plan and annual updates
- Training and development plans and updates
- Discretions given by statute and regulation to the Pensions Committee in relation to benefits under the LGPS

4. Work with the Chief Officer - Finance and other officers and advisors to plan an effective work programme for the Pensions Committee

5. Report to the administering authority and other employers, as stakeholders, using practical and appropriate means of communication, to give assurances about the Fund's financial statements, risk management and internal control mechanisms

6. Receive regular briefings from the Chief Officer - Finance and other advisors to understand the context and importance of forthcoming issues

EXPECTED SKILLS AND CHARACTERISTICS REQUIRED FOR CONVENER

Requirement	Essential	Desirable
1. Educational	<ul style="list-style-type: none"> • A strong understanding of pensions, financial or HR matters (through council, personal and/or career experience) • Commitment to individually achieving the required level of knowledge in relation to the CIPFA Framework competencies (or alternative requirements as set out by the administering authority) 	<ul style="list-style-type: none"> • Demonstrable evidence of knowledge kept up to date • Knowledge of pension funds and schemes
2. Work Experience	<ul style="list-style-type: none"> • Political awareness in numerous political environments • Chairing high level partnership meetings achieving effective outcomes • Has operated for 10 years at a senior level • Experience of risk and performance frameworks 	<ul style="list-style-type: none"> • Previously chaired a pensions committee or similar

3. Abilities, Intelligence & Special Aptitudes	<ul style="list-style-type: none"> • Chairing skills • Influencing and consensus building • Listening skills • Able to assimilate complex information • Communication and engagement skills 	<ul style="list-style-type: none"> • Mathematical/statistical literacy • Knowledge of public sector and local government finance
4. Adjustment & Social Skills	<ul style="list-style-type: none"> • Ability to establish and maintain good working relationships with councillors, officers and advisors • Able to direct discussions in politically sensitive environments • Able to command respect and demonstrate strong leadership • Assertive in pursuing the correct course of action • Able to work effectively with colleagues who may have different levels of experience and understanding 	<ul style="list-style-type: none"> • Diplomacy and tact
5. Motivation	<ul style="list-style-type: none"> • Enthusiastic, not easily deterred and able to convey enthusiasm to others • Committed to the objectives of the Fund 	
6. Equal Opportunities	<ul style="list-style-type: none"> • Understanding of and commitment to promoting equality of opportunity with an understanding of the pension context 	

Compliance with the Job Description

1. Pensions Legislative and Governance context

- 1.1 The pension's landscape is characterised by a complex legislative framework. In addition to the legislation of individual schemes, there are industry-wide statutes that apply in whole or in part to public sector schemes, including the way in which schemes interact with state pensions etc.
- 1.2 Also of key importance is a knowledge of the governance frameworks that apply within the pensions industry (such as the Myners principles); within individual schemes (such as the LGPS governance statement requirements); and within the organisations that administer the schemes (for example the CIPFA/SOLACE framework *Delivering Good Governance in Local Government*).

Full details of the scheme governance documentation and wider pension fund industry documentation can be found on the Pension Fund website and in the secure trustee area. In addition to this information regular training sessions are held for 'trustees' given by officers, fund managers, the scheme actuary and other advisors. In order to maintain an up-to-date knowledge of the pensions landscape the Convener/Vice Convener must commit to attending a minimum of two UK wide pension conferences per annum. Other events arising during the year that would be of value to the Convener/Vice Convener of the Pensions Committee will be brought to the attention of members by officers.

2. Pensions accounting and auditing standards

- 2.1 The accounting requirements and associated disclosures are complex and involve a large actuarial element. Consequently this demands an understanding of the regime at all levels within the finance structure in order to comply with the requirements and to communicate the requirements and their implications both internally and externally.

Officers report annually to the Pensions Committee on the scheme annual accounts. Since 2011 the scheme accounts and audit have been separated out from the administering authority financial statement. The scheme auditor reports directly to the Pensions Committee on the scheme accounts.

3. Investment performance and risk management

- 3.1 In the Local Government Pension Scheme and other schemes where contributions are invested and managed to meet future liabilities, understanding investment risk and performance constitutes a major element of the role of finance professionals. The skills required for managing and controlling investment activities are relatively specialised and at present there is no formal framework against which Funds can test their current skills and competencies.

All investment performance and risk management is reported by the Fund custodian. Regular training sessions are given to all Committee members on understanding investment performance and risk reporting. Understanding investment performance and risk are key functions of the Convener and Vice Convener of the Pensions Committee.

4. Financial markets and product knowledge

- 4.1 In those schemes with invested funds, an understanding of financial markets and products is fundamental. The depth of knowledge will depend to some degree upon the particular approach to investment management undertaken by the Fund. The investment activities of LGPS Funds for example can be split into two groups - those Funds that use external managers to manage all of their investment portfolio and those that undertake some or all of their investment activities using in-house investment managers.

The time given during the quarterly meetings of the Pensions Committee to reviewing financial markets and product knowledge is limited. This fundamental knowledge should be updated regularly not only by the Convener and Vice Convener, but all 'trustees' through attendance at a minimum of one investment conference per annum. There is a wide selection of national conferences such as the Pensions UK (formerly PLSA) Investment Conference, however there are also a wide number of conferences hosted by fund managers to which 'trustees' are invited. Likewise attendance at such events as the LAPFF annual conference provides 'trustees' with an insight into future legislation that may impact on the companies in which we invest. Forthcoming conferences are reported to the Pensions Committee regularly.

5. Actuarial methods, standards and practices

- 5.1 The scheme actuary holds a key position in the financial management of a pension scheme. A successful pension scheme financial manager will need to be able to do more than simply manage the relationship with their actuary. They will need to understand, at some levels in detail, the work of the actuary and the way in which actuarial information is produced and the impact it has on both the finances of the scheme and the employer.

The triennial valuation and funding strategy statement are two key documents in the governance of the scheme. A copy of both documents can be found on the secure 'trustee' area of the Pension Fund website. Through regular meetings with the scheme actuary the Convener/Vice Convener, will build up an understanding of the actuarial process and role and influence that key stakeholders such as the Convener and Vice Convener have in the process. Discussions held with other LGPS 'trustees' on an ongoing basis will enhance this process.