

# **Firefighters' Scheme Advisory Board (England)**

## **Knowledge and Understanding Policy**

Date created: 21 January 2020

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## Policy statement

The Public Service Pension Act 2013<sup>1</sup> introduced the framework for the regulatory oversight of the governance and administration of public service pension schemes.

The Scheme Advisory Board (“the Board”) is responsible for providing advice:

- In response to a request from the Secretary of State on the desirability of making changes to the Scheme and any connected scheme
- To scheme managers and Local Pension Boards in relation to the effective and efficient administration and management of the Scheme and any connected schemes.

The Scheme Advisory Board will have an equal number of employer and member representatives<sup>2</sup> to ensure that there is a fair and transparent balance of skills, experience, and representation.

This policy is to support the Scheme Advisory Board in developing and maintaining the knowledge and understanding required to discharge their responsibilities effectively and represent the best interests of scheme employers and members.

While the Pension Regulator (TPR) does not stipulate a legal requirement for Scheme Advisory Boards to acquire and maintain knowledge and understanding in Code of Practice 14<sup>3</sup> as for Local Pension Board members, it is considered good practice for the same principles to apply.

This policy outlines:

1. [Areas of knowledge and understanding required](#)
2. [Degree of knowledge and understanding required](#)
3. [Acquiring, reviewing, and updating knowledge and understanding](#)
4. [Demonstrating knowledge and understanding](#)

## Scope

This policy applies to those individuals appointed as members of the Scheme Advisory Board by the Secretary of State.

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<sup>1</sup> <https://www.legislation.gov.uk/ukpga/2013/25/crossheading/governance>

<sup>2</sup> <http://www.fpsboard.org/index.php/about-the-board/board-membership>

<sup>3</sup> <https://www.thepensionsregulator.gov.uk/en/document-library/codes-of-practice/code-14-public-service-pension-code-of-practice/#e6e12897999d45e5bc8ead7983fd15b4>

## 1. Areas of knowledge and understanding required

Firstly, Scheme Advisory Board members should have a clear understanding of the role and responsibilities of the Board, as well as the other stakeholder groups involved in the administration and management of the Firefighters' Pension Schemes (FPS)<sup>4</sup>.

Board members should have a working knowledge of the rules of the FPS to allow them to carry out their duties, as well as knowledge and understanding of the law as it relates to the FPS, to a degree which is appropriate for them to fulfil their role. The originating orders and full history of amendments for each scheme can be found here <http://fpsregs.org/index.php/regulations>.

To assist the Board with technical, actuarial, and legal matters relating to the scheme rules and administration, the board appointed three advisers in line with regulation 4F<sup>5</sup> of the Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015.

The chair of the FPS technical group holds the post of technical adviser to the Board, while the legal and actuarial advisers are appointed via a procurement process advertised on the board webpage<sup>6</sup>. The current post holders are named on the board membership page.<sup>7</sup>

Finally, the Board should be conversant with any policies relating to the work of the Board. These include, but are not limited to:

- Terms of reference
- Committee terms of reference
- Conflict of Interest policy
- Risk register

## 2. Degree of knowledge and understanding required

To be conversant with the scheme regulations and documented Board policies, Scheme Advisory Board members should ensure that they are familiar with the documents to the extent that they have a basic understanding of which regulations are relevant to an issue under discussion, and where certain provisions may apply.

Appropriate knowledge of relevant law will vary according to each member's role and expertise. For example, a Board member with a law background will have a greater level of knowledge than would otherwise be necessary, and can share this knowledge to the benefit of the wider Board.

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<sup>4</sup> <http://fpsregs.org/images/admin/Management-Governancev1.pdf>

<sup>5</sup> <http://www.legislation.gov.uk/uksi/2015/465/regulation/4/made>

<sup>6</sup> <http://www.fpsboard.org/index.php/board-publications/invitation-to-bid>

<sup>7</sup> <http://www.fpsboard.org/index.php/about-the-board/board-membership>

Regardless of background, Board members should be familiar with common case-law with direct or consequential impact on the FPS. A list of relevant determinations can be found here <http://fpsregs.org/index.php/legal-landscape/relevant-case-law>.

Most importantly, Board members should have a sufficient breadth and depth of knowledge to ensure that they fully understand all information and advice provided to them, and how decisions made by the Board may impact the scheme and its stakeholders. They should also acquire sufficient understanding to allow them to confidently challenge any such information or advice given.

As Board members may have cause to report a breach of the law as “any other person involved in advising the scheme manager in relation to the scheme”<sup>8</sup>, they should be able to identify and challenge any failure to comply with legislation or requirements imposed by TPR.

Although the Board are not expected to be expert in all aspects of pension administration, management, governance, and law, it is anticipated that members be aware of where relevant information and assistance can be found. The following websites are a good starting point [www.fpsregs.org](http://www.fpsregs.org); [www.fpsboard.org](http://www.fpsboard.org).

### 3. Acquiring, reviewing, and updating knowledge and understanding

Training to acquire a sufficient level of knowledge and understanding is an important part of a Board member’s role, and appropriate time should be made to undertake training and development activities.

Members should undertake a personal training needs analysis and use this to review their skills, competencies, and knowledge on a regular basis in order that action can be taken to address any gaps.

Newly appointed members should familiarise themselves with the provisions of the scheme and Board policies as soon as possible after accepting a place on the Board. The secretariat can offer pre-appointment training before a formal induction.

The Board secretariat will provide Board members with the necessary support and training, including an annual induction/ refresher session. It is expected that members of the Scheme Advisory Board will attend a range of LGA-organised events to broaden their knowledge and network with FPS stakeholders. The sample training plan at [Annex 1](#) outlines the expectations on members to help them attain a good working knowledge of the scheme.

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<sup>8</sup> <https://www.thepensionsregulator.gov.uk/en/public-service-pension-schemes/scheme-management/reporting-breaches-of-the-law#781c29f545e745b59f1635784d730dc3>

Board members will be sighted on the monthly FPS bulletins<sup>9</sup> which provide updates to stakeholders on topical issues affecting the scheme and are a useful source of reference.

It is recommended that members of the Scheme Advisory Board volunteer to sit on one of the three Board committees, which consider issues affecting the scheme in greater detail before feeding back their findings to the full Board. The committees operate in three areas: administration and benchmarking<sup>10</sup>, cost-effectiveness<sup>11</sup>, and Local Pension Board effectiveness<sup>12</sup>. Joining one of the committees gives the opportunity to improve knowledge and understanding while working with practitioners from FRAs.

TPR also offers a series of courses on the Public Service toolkit, to help those involved in scheme governance to improve their knowledge. While the modules are aimed more specifically at those involved at a local level, some of the content may be useful nevertheless <https://education.thepensionsregulator.gov.uk/login/index.php>

## 4. Demonstrating knowledge and understanding

Board members' knowledge and understanding will not be formally evaluated. It is the responsibility of each member to undertake reading and research to familiarise themselves with the role of the Board and provisions of the scheme, to ensure that they are able to carry out their duties effectively.

However, the secretariat will maintain electronic records of all Board training activities and events attended, to help Board members demonstrate that they have taken steps to address any gaps in their knowledge and keep up to date with the ever-changing FPS landscape.

### Further matters

Having a diverse and well-informed Board will ensure that the best interests of all scheme members and employers are represented, and the Board are well placed to address their dual remit of providing advice to the Secretary of State upon request, and to scheme managers and Local Pension Boards in relation to the effective and efficient administration and management of the Scheme.

The Secretary of State will consider the mix of skills and experience needed on the Pension Board so that the Board can operate effectively and can exercise their responsibilities without prejudice and with independent judgement.

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<sup>9</sup> <http://www.fpsboard.org/index.php/board-publications/bulletins>

<sup>10</sup> <http://www.fpsboard.org/index.php/board-committees/administration-and-benchmarking>

<sup>11</sup> <http://www.fpsboard.org/index.php/board-committees/cost-effectiveness>

<sup>12</sup> <http://www.fpsboard.org/index.php/board-committees/local-pension-board-effectiveness>

## **Monitoring and review**

This policy will be reviewed on an annual basis by the Board secretariat.

## Annex 1 – Training analysis and expectations

Firefighters' Pensions (England) Scheme Advisory Board					
Member Name:					
Step 1 – Plan your learning					
Learning needs analysis			Personal development		
<b>1 – My role, responsibilities and duties as a Scheme Advisory Board (SAB) member</b>					
Do I know...?	Rate my skills 1 – no knowledge 5 – highly skilled	My objectives	Timescale	What learning am I planning to do?	Where to find information
What my role, responsibilities and duties are	1 2 3 4 5				Introduction to public service pension schemes: <a href="http://www.tpr.gov.uk/PS-introduction">www.tpr.gov.uk/PS-introduction</a>  Board committees <a href="http://www.fpsboard.org/index.php/board-committees">http://www.fpsboard.org/index.php/board-committees</a>  FPS stakeholders <a href="http://fpsregs.org/images/admin/Management-Governancev1.pdf">http://fpsregs.org/images/admin/Management-Governancev1.pdf</a>
Who are the Board committees	1 2 3 4 5				
What stakeholders are involved in the FPS	1 2 3 4 5				
Who the Pensions Regulator is	1 2 3 4 5				
How the Regulator's code of practice will support me in providing advice to scheme managers and LPBs on the effective and efficient running of the scheme	1 2 3 4 5				
<b>2 – The knowledge and understanding I need as a SAB member</b>					
Do I know...?	Rate my skills	My objectives	Timescale	What learning am I planning to do?	Where to find information

What I need to know about the FPS as a SAB member	1 2 3 4 5				Knowledge and understanding duty on pension board members: <a href="http://www.tpr.gov.uk/PS-knowledge">www.tpr.gov.uk/PS-knowledge</a>	
What I need to know about pensions law as a SAB member	1 2 3 4 5					Regulations and Guidance website: <a href="http://www.fpsregs.org">www.fpsregs.org</a>
How to plan, follow and record my training, knowledge and understanding	1 2 3 4 5					Scheme Advisory Board website: <a href="http://www.fpsboard.org">www.fpsboard.org</a>
<b>3 – Conflicts of interest</b>						
<b>Do I know...?</b>	<b>Rate my skills</b>	<b>My objectives</b>	<b>Timescale</b>	<b>What learning am I planning to do?</b>	<b>Where to find information</b>	
What information I need to provide to the Secretary of State	1 2 3 4 5				'Conflicts of interest' course in the Public Service toolkit: <a href="https://education.thepensionsregulator.gov.uk/login/index.php">https://education.thepensionsregulator.gov.uk/login/index.php</a>	
How to disclose potential or actual conflicts of interest	1 2 3 4 5					Conflict of Interest policy [LINK]
How to monitor and discuss the risk of potential or actual conflicts of interest	1 2 3 4 5					
<b>4 – Risk management</b>						
<b>Do I know...?</b>	<b>Rate my skills</b>	<b>My objectives</b>	<b>Timescale</b>	<b>What learning am I planning to do?</b>	<b>Where to find information</b>	
How risks will be identified and assessed	1 2 3 4 5				'Managing risk and internal controls' course in the Public Service toolkit: <a href="https://education.thepensionsregulator.gov.uk/login/index.php">https://education.thepensionsregulator.gov.uk/login/index.php</a>	
How risk assessments will be documented	1 2 3 4 5					Risk register [LINK]
What the pension board's role is in risk management	1 2 3 4 5					
<b>5 – Reporting breaches of the law</b>						

Do I know...?	Rate my skills	My objectives	Timescale	What learning am I planning to do?	Where to find information
How to identify breaches of the law	1 2 3 4 5				'Reporting breaches of the law' course in the Public Service toolkit: <a href="https://education.thepensionsregulator.gov.uk/login/index.php">https://education.thepensionsregulator.gov.uk/login/index.php</a>  Breach assessment template <a href="http://www.fpsboard.org/images/LPB/Resources/Breachassessment210119.docx">http://www.fpsboard.org/images/LPB/Resources/Breachassessment210119.docx</a>
How breaches of the law will be assessed	1 2 3 4 5				
How breaches of the law likely to be of material significance to the Regulator will be reported	1 2 3 4 5				
What my responsibility is to report breaches	1 2 3 4 5				
Who else is under a duty to report breaches	1 2 3 4 5				

## 6 – Training and development activities

Recommended activity	Timescale	Learning outcomes	Attended/ Achieved (Y/N)
Read monthly bulletin	Issued last working day of month	Keep up to date with current issues affecting the FPS in real time	
Attend induction/ refresher training	Annually	Overview of current and future FPS landscape, update on roles and responsibilities of Board members, summary of stakeholders	
Read TPR Governance & Administration survey research report <sup>13</sup>	Annually	Gain understanding of LPB/ scheme manager performance and challenges and monitor continuous improvement	
Join one of the Board committees <sup>14</sup>	Ongoing – 3 to 4 meetings per year	Gain detailed knowledge and understanding of issues affecting the scheme in one of three areas: administration, cost-effectiveness, LPB effectiveness	

<sup>13</sup> <http://www.fpsboard.org/index.php/local-pension-boards/the-pensions-regulator>

<sup>14</sup> <http://www.fpsboard.org/index.php/board-committees>

Fire Pensions annual conference	Annually - September	General overview of current scheme matters, covering governance and technical elements. Opportunity to attend one of three topical technical workshops	
<b>INSERT OTHER PLANNED EVENTS HERE (Attend any 2?)</b>			