

PENSIONS COMMITTEE – 22 MARCH 2024

Report of the Director of Finance

TRAINING NEEDS ANALYSIS & TRAINING POLICY 2024/25

Recommendation of the Chair

1. That the Pensions Committee:
 - (a) notes the results of the 2023 Knowledge Progress Assessment at Appendix 1 in relation to the requirements of the CIPFA Knowledge and Skills Framework (CIPFA KSF);
 - (b) approves the resultant 2024/25 Training Plan; and
 - (c) notes the Staffordshire Pension Fund's Training Policy, attached at Appendix 2.

Background

2. Section 248A of the Pensions Act 2004, as amended by the Public Services Pensions Act 2013, requires that trustees of occupational pension schemes should be trained and have knowledge and understanding of the law relating to pensions, the role of trustees, the principles of scheme funding and investment, and the management and administration of pension scheme benefits.
3. In May 2021, the Chartered Institute of Public Finance and Accountancy (CIPFA) issued an updated Knowledge and Skills Framework (KSF) for LGPS Committee Members and LGPS Officers, together with a separate Code of Practice (an electronic copy can be provided to Members on request). Whilst this was a recommendation from the Good Governance Project, the CIPFA KSF is something that the Staffordshire Pensions Committee has adopted for several years now, to demonstrate its own good governance and commitment to training.
4. The CIPFA KSF is designed to be used by LGPS Officers and the scheme's decision-making bodies (i.e. Pensions Committee) as a framework in the assessment of knowledge and skills, the delivery and recording of training, and ultimately the development of knowledge and understanding of all those with a responsibility to manage and administer an LGPS Fund.
5. The CIPFA KSF identifies eight core technical areas where Pensions Committee Members are expected to have a general awareness and understanding of the key elements in each area. Fund Officers are expected to have a greater depth of knowledge of the areas relevant to their role. The eight core areas are:
 - Pensions Legislation 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 Products
 - Pension Services Procurement, Contract Management and Relationship Management.
6. Local Pensions Board Members still have a separate and mandatory CIPFA KSF, however, as the revised Pensions Committee and Senior Fund Officer CIPFA KSF is more detailed and granular, it makes sense for Board members to complete the same KPA and training.

2023/24 Training

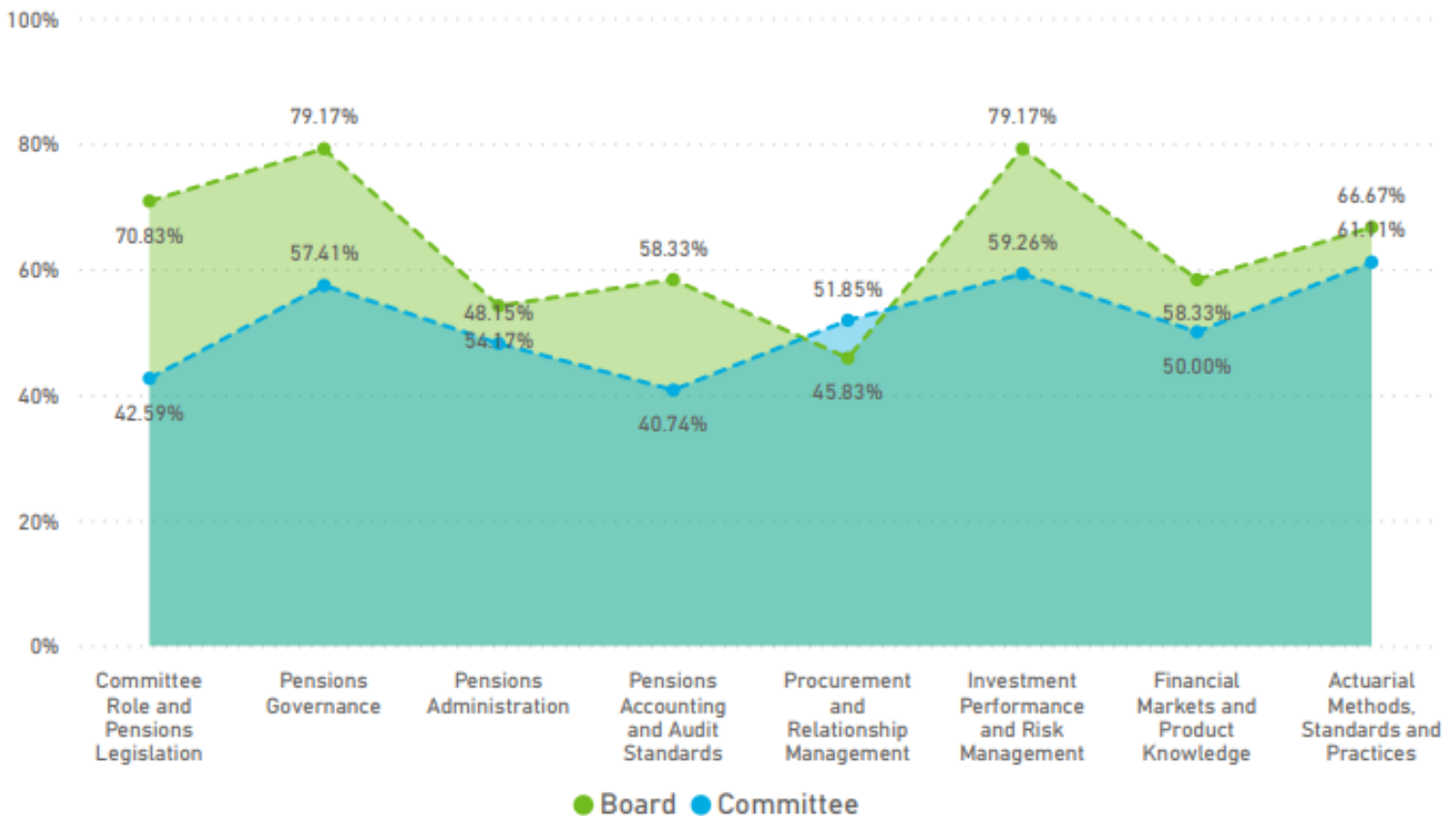
7. Throughout 2023/24, training continued to form part of Pensions Committee meetings covering topics relevant to agenda items covered on those days; Risk management, Cyber Security and Benchmarking were some of the areas covered in this way.
8. Two focussed joint training days with Pensions Committee and Pensions Board Members also took place, which covered: Strategic Asset Allocation, Public Sector Procurement Rules and Regulations, and Investment Performance Measurement and Analysis.
9. 1 new member of the Local Pensions Board attended the Local Government Association's Pensions Fundamentals Training in October through December 2023, which again acted as a useful introduction to the wide range of topics covered.
10. On-line access also continued to be provided to the Hymans Robertson's Aspire Training Platform and the Pension Regulators Toolkit.

2023 Knowledge Progress Assessment (KPA)

11. Whilst in previous years knowledge assessments have been based on a self-assessment, in 2023 the Pensions Committee and Local Pensions Board agreed to take part in the external KPA offered by Hymans Robertson. The assessments were completed during December 2023 and January 2024 and assessment consisted of a series of multiple-choice questions across the 8 core areas. These 8 areas were broadly aligned with the 8 areas of the CIPFA KSF with some small differences in terminology.
12. The combined KPA response rate for the Pensions Committee and Local Pension Board was 76% (13 out of a possible 17). This overall response rate was encouraging and gives a good picture of the knowledge level of the Committee and Board.
13. The average overall score for the Pensions Committee was 51.4% whilst for the Local Pensions Board it was 64%. This is as expected given the Board are required to have a more detailed understanding of the Fund due to their scrutiny role.

14. The summary of the collective KPA results for the Pensions Committee and the Local Pensions Board are provided in the following chart and in more detail in Appendix 1. The full KPA report from Hymans has also been provided to all Committee and Board Members together with the detail of their individual results.

Average Score for Board & Committee



15. In general, the Committee's results; averaging 51.4%, were in-line with the findings of the Hymans' 2022 National Knowledge Assessment where the average score for Committee participants was 51%. At 64%, the average Pension Board score for Staffordshire was above the average Pension Board member score in the Hymans' 2022 National Knowledge Assessment of 61%.
16. As well as the overall results, it can be seen from the detail that:
- The performance for the Committee and Board diverged the most in the Committee Role and Pensions Legislation section, where the Board were 28.2% higher than the Committee.
 - The Committee performed most strongly in the areas of Actuarial Methods, Standards and Practices and Investment Performance and Risk Management; and
 - The Board's areas of strongest knowledge were Pensions Governance and Investment Performance and Risk Management.

17. It is to be expected that there are differences in individual members' levels of knowledge and experience, however, as stated in the CIPFA KSF, it is the collective knowledge of the Pensions Committee and Local Pensions Board that should be relied upon.
18. Therefore, it is reassuring that there is a good level of collective knowledge across all 8 areas, given the complexity of some of the questions asked. It is also pleasing to see relatively higher scores for those areas where training was provided in 2023/24, such as Investment Performance and Pensions Governance.
19. The results of the KPA will be used to inform the delivery of general and specific, more targeted, training going forwards and will be reviewed again in late 2024. The specific areas with the lowest combined scores are shown in Appendix 1, and it is intended to incorporate these areas in training sessions during 2024/25.

2024/25 Training Plan

20. As with all training plans, some flexibility in terms of times and methods of delivery will be required. Where appropriate, training will be incorporated into scheduled Committee and Board meetings in June, September, December, and March and two dedicated training sessions for both Committee and Board members will be held in July and November. Joint training opportunities within the LGPS Central pool, and outside of scheduled training, may also be offered from time to time. Access to Hymans Robertson's online LGPS Learning Academy, called ASPIRE, will be maintained for all Committee and Board members.
21. Having considered the detailed results from the 2023 KPA, training proposed (and the area of the CIPFA KSF it relates to) for 2024/25 is likely to include the following:
 - July 2024 – **Pensions Legislation and Guidance** and **Pensions Governance**; Overview of the roles and responsibilities of the Pensions Committee and Pensions Board.
 - July 2024- **Investment Strategy, Asset Allocation, Pooling, Performance and Risk Management** and **Financial Markets and Products**; Responsible Investment, Stewardship and Engagement, as Responsible Investors, how we can engage with companies in which the Fund invests to make a difference.
 - September 2024- Northern Trust Training & Presentation on Performance & AI, **Investment Strategy, Asset Allocation, Pooling, Performance and Risk Management**.
 - December 2024 - CEM Benchmarking –refresher training at Committee on Performance Measurement, Cost Benchmarking and Risk Management; **Investment Strategy, Asset Allocation, Pooling, Performance and Risk Management**.

- September / November / December 2024- Pensions Administration, Pensions Accounting & Audit Standards, The Pensions Regulators General Code of Practice, McCloud judgment, Pensions Scams. **Pensions Administration and Communications, Pensions Legislation and Guidance**
- October – December 2024 – Local Government Association offer 3-day **Pensions Fundamentals** training, which is routinely offered to all new Pensions Committee and Pensions Board members, but this can also be attended as a refresher.

Aspire Online Learning Academy

22. As well as the free access to the Pensions Regulators Trustee Toolkit:

<https://trusteetoolkit.thepensionsregulator.gov.uk/>

Pensions Committee and Local Pensions Board Members, have been provided with access to Hymans Robertson's online LGPS Learning Academy, called ASPIRE, which covers all the key areas of the CIPFA KSF. This can be accessed by following the link below:

<https://aspire.hymanslearning.co.uk/learn>

23. Whilst it was pleasing to see many Pensions Committee and Local Pensions Board Members originally accessing the modules on Aspire, it is fair to say that continued take up and routine use could be significantly improved. Members who have not yet found the time to work through any of the ASPIRE modules are encouraged to do so, given it is a valuable and tailored LGPS training resource that can assist everyone in keeping up to date with topical issues whilst also enhancing their wider LGPS knowledge and understanding, in accordance with the Fund's Training Policy.
24. Hymans refreshed version of ASPIRE offers more, but shorter, learning modules, which align with the CIPFA KSF. They have also updated many of the videos, jargon busters and knowledge checks. Badges are also awarded to users depending on the number of questions correctly answered members are encouraged to use this resource to enhance their understanding.

Training Policy

25. As with all areas of Pensions, it is best practice and further demonstrates good governance to set out the Pension Fund's approach to the Training of all individuals charged with the oversight of the Fund, by having a policy on such. The Staffordshire Pension Fund's Training Policy is attached at Appendix 2 for approval.
26. The policy incorporates the requirements of the latest CIPFA KSF and includes a set of seven statements which the Pensions Committee formally adopted at their meeting on 25 March 2022. These can be found on pages 2 and 3 of the Training Policy.

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Background Documents:

CIPFA Knowledge and Skills Framework
CIPFA Code of Practice on Knowledge and Skills
Scheme Advisory Board Good Governance Report
Hymans Robertson Online Learning Academy
The Pensions Regulators Trustee Toolkit

Equalities Implications: There are no direct equalities implications arising from this report.

Legal Implications: There are no direct legal implications arising from this report.

Resources and Value for Money Implications: All Training Costs will be paid for by the Staffordshire Pension Fund

Risk Implications: There is a risk of inappropriate decisions being made if Pensions Committee members do not have an appropriate level of knowledge and understanding.

Climate Change Implications: There are no major climate change implications arising from this report.

Health Impact Assessment screening – There are no health impact assessment implications arising from this report.

Appendix 1

Staffordshire Pensions Committee and Staffordshire Local Pensions Board 2023 Knowledge Progress Assessment

Average Score for Committee & Board

Core Area of Knowledge	Committee & Co-optees	Board	Combined
1. Committee Role and Pensions Legislation	42.59%	70.83%	56.71%
2. Pensions Governance	57.41%	79.17%	68.29%
3. Pensions Administration	54.17%	48.15%	51.16%
4. Pensions Accounting and Audit Standards	40.74%	58.33%	49.54%
5. Procurement and Relationship Management	51.85%	45.83%	48.84%
6. Investment Performance and Risk Management	59.26%	79.17%	69.22%
7. Financial Markets and Product Knowledge	50.00%	58.33%	54.17%
8. Actuarial Methods, Standards and Practices	61.11%	66.67%	63.89%
Average Overall Score	51.4%	64%	57.7%
Participants	9/13	4/4	13/17
Participation Rate	69.23%	100.00%	76.47%