

PENSIONS COMMITTEE

23 MARCH 2022

REVIEW OF TRAINING POLICY AND PROGRAMME

Recommendation

1. **The Chief Financial Officer recommends that the Fund's Training Policy and Programme also known as the Skills & Knowledge Framework be noted.**

Background

2. The Committee agreed a Training Policy and Programme for members of the Pensions Committee, Pension Investment Sub Committee and Pension Board at [its meeting on 17 March 2020](#).
3. These were based on the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice and CIPFA's Knowledge and Skills Framework for members. The latter has been updated by the June 2021 version for members and LGPS Officers. CIPFA has also announced [plans to refresh its current training and support programme for pension board members](#).
4. The Committee received updates on training at its meeting of [26 June 2020](#), its meeting of [9 October 2020](#), its meeting of [9 December 2020](#), its meeting of [16 March 2021](#), its meeting of [29 June 2021](#) and its meeting of [8 October 2021](#).
5. The training delivered by Fund Officers to members (and selected, invited Fund Officers) in the last 3 years has included:
 - The upcoming (as at) 31 March 2022 actuarial valuation and how this feeds into funding strategy (risk / asset allocation / investment pots) 09 02 2022
 - Environmental, Social & Governance Fund Review workshop 02 02 2022
 - Being an LGPS employer 02 12 2021
 - Stewardship 14 10 2021
 - Investment in infrastructure / property / private debt 21 09 2021
 - Our Statement of policy on our discretions 10 08 2021
 - How an LGPS employee member can improve their lot 20 07 2021
 - Our annual report 08 06 2021
 - Welcome to the Pensions Committee 03 06 2021
 - Admissions / bulks / terminations 22 03 2021
 - The Pensions Regulator / annual benefit statements 04 03 2021
 - Pooling 19 01 2021
 - Risk considerations in investment strategy 18 01 2021
 - Current issues / paying pensions 10 11 2020
 - Year-end / Career Average Revalued Earnings (CARE) revaluation / annual benefit statements / Pension Savings Statements 18 09 2020
 - About the LGPS / the role of the administering authority / where you fit in (governance) / valuation, funding & investment 30 06 2020
 - Responsible investment and engagement 04 02 2020

- The spectrum of capital 31 01 2020
- Investing in infrastructure / property and risk considerations in investment strategy 28 11 2019
- Fixed income investments and the administration lifecycle part 2 (additional voluntary contributions (AVCs), nominations, divorce, decisions / appeals, and the Pensions Ombudsman) 08 07 2019
- Actuarial valuations, funding strategy, risk strategy and benchmarking 19 06 2019
- Transitioning assets to LGPS Central Limited / equities / the administration lifecycle part 1 (employers, membership, transfers, leavers, and data quality) 18 12 2018

6. In addition, several workshops on responsible investment have been delivered; members have been made aware of a number of conferences being run by LGPS Central Limited and the Local Government Association; and members are made aware of [The Pensions Regulator's Trustee code of practice for public sector schemes](#) and [The Pensions Regulator's Trustee toolkit](#).

7. A meeting with the Chairs of Committee / Board / Investment Sub Committee was held on 6 September 2021 to discuss a paper that summarised our previous training deliverables; our existing training policy; a draft Officer knowledge assessment; our existing elected member training needs questionnaire; our Good Governance position statement on 'knowledge and understanding'; and the approaches used / available in the market.

8. That September 2021 meeting supported the following way forward:

- a) Not to introduce Hymans Robertson's (or another supplier's) [online training platform](#) for members of the Committee / Board / Investment Sub Committee at this stage.
- b) Continuing the existing approach that was agreed at the training session on 18 January 2021 of separate (to meetings), recorded, online, one-hour, preceded by pre-dive information in the case of deep dives, regular training sessions / deep dives that are arranged one at a time following a discussion at the preceding event to identify the preferred topic for the next event.
- c) Conducting a fresh training needs assessment of members of Committee / Board / Investment Sub Committee.
- d) Undertaking a knowledge assessment of Fund Officers.
- e) Reviewing the Fund's training policy in the light of the results from carrying out recommendations (c) and (d) above to include the production of a master list of topics that Officers would aim to cover over a training cycle.

9. In October / November 2021 the Fund conducted a Training Needs Analysis (TNA). This revealed that members of the Committee and Board felt that they had more than a basic understanding of all the prescribed areas of knowledge. The lowest average scores were in:

- Knowledge of how discretionary powers operate.
- A general understanding of the relevant considerations in relation to outsourcings and bulk transfers.
- An understanding of how the pension fund interacts with the taxation system in the UK and overseas in relation to benefits administration.
- Knowledge of the valuation process, including developing the funding strategy in conjunction with the fund actuary, and inter-valuation monitoring.

10. In January 2022 three bespoke TNAs based on the latest CIPFA material were drafted in preparation for future TNAs, for example for use as part of or after the pensions administration restructure: (1) for Committee members, (1) for Board members and (1) for senior Fund officers.

11. In September 2021 the Fund introduced financial and time off support for Fund officers who wish to obtain a qualification from the Chartered Institute of Payroll Professionals.

12. In preparation for Fund officers having more time to devote to personal development after the restructure of pensions administration, Hymans Robertson have been approached about using parts of their [online training platform](#). Whilst this platform is primarily targeted at members of pension boards / committees (and was agreed by the Chairs of Committee / Board / Investment Sub Committee at a meeting on 6 September 2021 as not to be their preferred approach to training), it could perhaps be used as part of an in-house package of personal development options for Fund Officers that would support movement up link grades through:

- a) Experienced Officers delivering bespoke training on our key processes.
- b) Using our pensions administration system supplier's training material on the Altair system.
- c) Exposing Officers to areas of administration that the Officer had not yet had the chance to work on.
- d) Attendance at external training run by the LGA or bespoke training on a particular aspect of the LGPS that is primarily targeted at employer HR / Payroll representatives, for example Hymans Robertson's training on pensionable pay / assumed pensionable pay or on ill health.

Supporting information

- Appendix 1 -The Fund's proposed Training Policy and Programme.
- Appendix 2 - TNA for Pensions Committee members
- Appendix 3 - TNA for Pension Board members
- Appendix 4 - TNA for senior Officers

Contact Points

Specific Contact Points for this report

Chris Frohlich, Engagement Manager
Tel: 01905 844004
Email: cfrohlich@worcestershire.gov.uk

Rob Wilson
Pensions Investment & Treasury Management Manager
Tel: 01905 846908
Email: RWilson2@worcestershire.gov.uk

Background Papers

In the opinion of the proper Officer (in this case the Chief Financial Officer), there are no background papers relating to the subject matter of this report.