

From:	Chairman Pension Fund Committee Corporate Director of Finance
To:	Pension Fund Committee – 22 June 2023
Subject:	Training Plan
Classification:	Unrestricted

Summary:

To update the Pension Fund Committee on progress in developing the training plan for Board and Committee members & representatives.

Recommendation:

The Committee is asked to note the report.

FOR INFORMATION

1. Background

- 1.1 In November 2022, a report was prepared on the LGPS National Knowledge Assessment, for Kent Pension Fund (**Appendix 1 contains a link**). The report was prepared by Hymans Robertson and followed a previous assessment undertaken in 2020.
- 1.2 The report rated the knowledge and skills of members of the Pension Board and Pensions Fund Committee. The report also enabled benchmarking against other Funds. At the time when the assessment was completed, 16 other LGPS funds and over 200 members had participated in the National Knowledge Assessment.
- 1.3 Individuals from Kent Pension Fund were asked to undertake multiple-choice online assessment to test their LGPS knowledge. Questions were split into three categories to ascertain areas of strength and where development potentially required: (1) Technical questions (the majority of questions were in this area); (2) Roles & Responsibilities; and (3) Decision making.

2. Key Findings of the Hymans Robertson assessment (Nov 2022)

- 2.1 The Fund's overall knowledge ranking against other participating LGPS funds was found to be 10th out of 16 Funds, based upon the average score of assessed participants. Scores in the eight technical areas (as per CIPFA's

Knowledge & Skills Framework for Local Pension Boards) were as shown in Table 1. The average scores by category are shown in Table 2.

Table 1: Average scores for technical knowledge, 2022

Area of technical knowledge	Pensions Board	Pension Fund Committee
Financial Markets & Product Knowledge	80%	75%
Pensions Governance	80%	63%
Actuarial Methods, Standards & Practices	73%	58%
Procurement and Relationship Management	67%	53%
Committee Role & Pensions legislation	60%	45%
Investment performance & Risk Management	57%	47%
Pensions Administration*	47%	42%
Pensions Accounting & Audit Standards *	43%	28%

**Areas of least knowledge for both Pensions Committee Members and Pensions Board Members, November 2022. Whilst it is recognised that membership of the Committee and Board has changed since November 2022, these were identified as the lowest scoring areas for both Committee and Board.*

Table 2: Average scores by category, 2022

	Pensions Board & Pension Fund Committee combined average score
Technical <i>(the majority of questions covered this area)</i>	58%
Decision-making	51 %
Role responsibility	49 %

3. Hymans Robertson's Knowledge Assessment Report Conclusions

- 3.1 Hymans Robertson's assessment recommended training in all three categories (technical, role responsibility and decision making). The purpose of the training to allow members to effectively undertake their role for Kent Pension Fund.
- 3.2 For role responsibility and decision making, specific requirements will be provided at Pension Boards and Committee, as items arise.

- 3.3 Papers prepared by Officers will outline the specific role responsibility and decision-making required for specific subject matters, as per Agenda items. For example, role responsibility and decision making will be explained for each of the following:
- Triennial valuation of the Fund
 - End of Year accounts
 - Business Plan (including budgets)
 - Commissioning and procurement
 - New strategies and policies, as appropriate
- 3.4 For more technical topics, 'Pensions Accounting & Audit Standards' and 'Pensions Administration' will be prioritised as subjects for training. These two subject areas scored the lowest in knowledge held by members & representatives. Full details of the training plan proposals for these and the other topics is outlined in **Appendix 2**.

4 Training Requirements

- 4.1 Training is to be undertaken, recorded and monitored as per the Kent Pension Fund Training Strategy (approved at Pension Fund Committee March 2022); a link is contained in **Appendix 3**. The Strategy sets out strategic training objectives and the training vision, whilst incorporating CIPFA's 'Code of Practice on Public Sector Pensions Finance, Knowledge & Skills' and CIPFA's Knowledge & Skills Framework. Furthermore, the Kent Pension Fund Training Strategy explains the requirement for those on the Pensions Board and Pensions Fund Committee to have sufficient skills and knowledge to undertake their role.
- 4.2 The aim of the training proposals outlined in this Paper is to build on the training previously arranged for Members and to close the skills gaps identified in Hyman Robertson's assessment.

5. The Pensions Regulator's (tPR) E-learning Toolkit

- 5.1 tPR has developed an online tool designed to help those running public service schemes to understand the governance and the administrative requirements in CIPFA's Code of Practice. The toolkit is designed specifically with Local Pension Board members in mind however the material covered is of equal relevance to members of the Pension Fund Committee.
- 5.2 The Pension Fund Committee is expected to complete the toolkit and for the Local Pension Board members this is a mandatory requirement. The toolkit is an easy-to-use resource and covers short modules. These are:
- a) Conflicts of Interests;
 - b) Managing Risk and Internal Controls;

- c) Maintaining Accurate Member Data;
- d) Maintaining Member Contributions;
- e) Providing Information to Members and Others;
- f) Resolving Internal Disputes;
- g) Reporting Breaches of the Law.
- h) Pension Scams

5.3 All members are expected to complete their induction material and the TPR toolkit within 6 months of joining the Pensions Board or Pension Fund Committee. Where existing members and representatives have not completed the TPR's E-Learning Toolkit, they are expected to complete.

6. Training Delivery

6.1 All Members with a role in scrutiny or advisory in Kent Pension Fund are expected to complete the learning specified in the Training Plan of **Appendix 2**. Should members join at a date where subjects have already been covered in the Training Plan, knowledge gaps should be filled on an individual basis.

6.1 To support the Training Plan, other training methods/resources will be incorporated to pick-up hot topics and to support learning requirements as they emerge. Information and details will be circulated to Members. It is also expected that members will take personal responsibility to maintain their Pensions knowledge and to ask Officers for assistance where extra support may be required to effectively undertake their role.

6.2 To enable a sufficient level of knowledge and skill to properly exercise their function, other training methods/resources may include, but not be restricted to:

- a) Internally developed training days (i.e., presented by specialist Officers at KCC);
- b) Training delivered by Investment Managers and the Kent Fund's Consultants at Committee and Board meetings (i.e., external presenters);
- c) In-house and shared training events where it improves economy, efficiency and effectiveness;
- d) Self-improvement and familiarisation with regulations and documents;
- e) Attending courses, seminars and external events;
- f) Regular updates from officers and/or advisers;

g) Circulated reading material (i.e., LGPC bulletins and monthly updates distributed by Officers).

- 6.3 The Local Government Association have a 'Fundamentals' training course held over three-day sessions (or six sessions if undertaken online as each session is half-a-day). The course ties in with the aims and objectives of KCC's Training Strategy and introduces the subject areas in the CIPFA knowledge and skills framework. The course can be undertaken in person at London (Westminster), Manchester or online. Trainers are leaders in the field of pensions and are carefully selected by the LGA. For 2023, booking is open and training sessions are planned for October, November and December 2023. This training option is available to all Members, Officers and representatives who attend Pension Board and/or Pension Fund Committee.
- 6.4 Should there be sufficient interest, access to Hymans' Learning Academy will also be made available to support learning and development. Hyman's LGPS Online Learning Academy (LOLA), allows access to Hymans' Learning portal, whereby learning modules (videos) can be viewed on-demand. The learning portal offers jargon busters, knowledge checks and the ability for funds to track and monitor training progress. A subscription fee would be payable annually by Kent Pension Fund.

7. Reassessment by Hymans Robertson

- 7.1 It is proposed that further to the Training Plan being completed in 2025, Hymans Robertson are re-commissioned to undertake a revaluation of the knowledge held by members and representatives. Action to then be taken, dependent on the report findings.

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June 2023

Appendix 1: Hymans & Robertson Report – Knowledge Assessment

Page 171 – 188:

<https://democracy.kent.gov.uk/documents/g9078/Public%20reports%20pack%2029th-Mar-2023%2010.00%20Pension%20Fund%20Committee.pdf?T=10>

Appendix 2: Training Plan

It is expected that these sessions will be completed by Members and representatives that attend Pensions Board and Pension Fund Committee. Training is to be delivered by Officers and external partners via workshops and presentations; outlook invitations are to be sent. After each session, participants will be asked to complete a short survey to check learning objectives have been met.

Indicative Timeframe	Core Topic
September 2023	<p>Pensions Accounting & Audit Standards</p> <p><i>To provide a general understanding of the Accounts and Audit Regulations, and the role of internal and external audit</i></p>
December 2023	<p>Pensions Administration</p> <p><i>To provide a general understanding of best practice in pensions administration, together with Fund policies, resource and discretionary powers.</i></p>
March 2024	<p>Investment Performance & Risk Management</p> <p><i>To provide a general understanding of the relationship between assets and liabilities and the structure, operation and purpose of investment pooling arrangements.</i></p>
June 2023	<p>Committee Role & Pensions Legislation</p> <p><i>To provide an overview of the Committee's role and a general understanding of the legislative framework as it applies to the LGPS, in line with the CIPFA Knowledge & Skills Framework</i></p>
September 2024	<p>Procurement & Relationship Management</p> <p><i>To provide a general understanding of the public procurement requirements as they apply to the LGPS, and how performance of suppliers can be monitored.</i></p>
December 2024	<p>Actuarial Methods, Standards & Practices</p> <p><i>To provide a general understanding of the role of the Fund actuary and the formal valuation process (including the FSS and inter-valuation monitoring) and the treatment of new and ceasing employers (including employer covenant)</i></p>

March 2025	<p>Pensions Governance</p> <p><i>To provide a general understanding of the controls and measures in place to manage risks and conflicts and interest of the Fund, whilst ensuring the right skills and experience are available.</i></p>
June 2025	<p>Financial Markets & Product Knowledge</p> <p><i>To provide a general understanding of the financial context of the Fund, and the products relating to the Fund.</i></p>

Appendix 3: Kent Pension Fund Training Strategy (March 2022)

https://www.kentpensionfund.co.uk/_data/assets/pdf_file/0003/135435/Kent-Pension-Fund-Training-Strategy.pdf