

Compliance and Reporting Committee (CRC)

HYBRID MEETING – 17 February 2025

ITEM 8 PAPER E

Knowledge and skills working group update

Current position

1. The knowledge and skills working group met on 15 January 2025 and welcomed the following new members to the working group; Catherine Pearce from AON, Ian Colvin from Hymans and Amanda Crawford from Essex Pension Fund.
2. When the working group met, the Board's response to the [LGPS Fit for the Future consultation](#) was discussed, along with the views of the group covering the knowledge and skills proposals. Within its response, the Board agreed with the intention to require administering authorities to prepare and publish a Training Strategy, but not the intention for this to be combined into one strategy covering training, governance and conflicts of interests.
3. The Board also agreed with the proposal to align the statutory requirements of knowledge to both Pension Committee and Board members and welcomed the references in the consultation document to findings of a survey issued by this working group. The Board's response also made the point that we need to consider how the broader proposals in the consultation (the expectation of increased pooling and the role of the pool in giving advice) would impact on the knowledge and skills for officers, pension committee and board members.
4. As a result of the proposals in the consultation, at the recent meeting of the Board's working group the group discussed whether the existing guidance documents could be updated or whether to create a new document. It was suggested that guidance to assist funds when creating a Training Strategy (taking into consideration the current existing documents/content) should be developed.
5. The key questions in developing new Training Strategy guidance discussed at the working group centred around identifying the gaps that exist and the priority order of certain topic areas, considering the current and future landscape. It was also suggested that a matrix could be developed to help administering authorities to set out the differing requirements for each role.

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6. Existing CIPFA guidance identifies eight core technical areas where appropriate knowledge and skills should be achieved and maintained, they 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.
7. The group felt that these eight areas remained largely relevant, with some suggested areas (listed below) where the guidance could be developed further or greater priority given:
 - Local investment
 - 'Soft' skills (decision making, communication, chairing skills etc)
 - Issues specific to dealing with lobbying and fiduciary duty
 - Performance and relationship management of pools (considering the role of funds)
 - Conflicts of interest
 - Collaboration/working with other funds
 - Reporting of training record requirements
 - Guidance on individual versus collective knowledge
 - Cyber risk
 - The role of the LGPS Senior Officer
8. As mentioned earlier, the broader proposals in the consultation may affect the knowledge and skills requirements for officers, pension committee and board members going forward. E.g. the kinds of investment knowledge pension committees need might be different when they are no longer managing assets directly and instead gaining assurance that their investment strategy was being effectively implemented by the pool. It will be important when implementing that any updated guidance aligns with the expectations in TPR's General Code of Practice and, where possible, the guidance fills the LGPS-specific gaps in the Code and assists officers to deliver a fit-for-purpose LGPS specific training strategy.

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9. As well as identifying the necessary knowledge and skills, the working group have started to consider what scheme-specific Training Strategy guidance could look like. From this, the group would move on to think about what guidance was needed to assist funds in the creation of this strategy. The group have suggested the below topics for consideration and discussion to evolve into guidance.

- Purpose of the Training Strategy and who it applies to
- Knowledge and skills principles (based on the eight core CIPFA principles but with development of some new areas)
- Training approach during key events and delivery methods
- Knowledge matrix (detailed by role)
- Budget
- Training needs assessment approach
- Approach to evaluating and monitoring effectiveness.

Recommendations:

The Committee are asked to note the contents of this report and provide any comments on the initial outline for Training Strategy guidance.
