

STAFFORDSHIRE LOCAL PENSIONS BOARD

ANNUAL REPORT for 2024/25

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Introduction

This is the tenth annual report from the Staffordshire Local Pension Board ("the Board"), the Board having been established by Staffordshire County Council Pensions Committee during spring 2015.

The Board is required by the Public Service Pensions Act 2013 to assist the Administering Authority, to secure compliance with the LGPS Regulations and help ensure that the Staffordshire Pension Fund is managed and administered effectively and efficiently and complies with the Code of Practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

Executive Summary

The opinion of the Board is that we do not have any concerns about the Staffordshire Pension Fund or its administration. The Board feel that the Fund is administered in line with regulations and is well managed in the best interest of Scheme members and participating Scheme employers.

Board Members

The Board currently consists of seats for four members: two representing Scheme employee members and two representing Scheme employer members drawn from employer organisations.

Becky Smeathers resigned from the Board during the course of 2024/25. She has since been replaced by Victoria Lambert, whose appointment to the Board was approved by the Pensions Committee on 4 July 2025.

Employer Representatives

Corrina Bradley – Vice Chair of the Board, Staffordshire Fire
(reappointed 4 July 2025)

Victoria Lambert – Staffordshire Police
(appointed 4 July 2025)

Scheme Member Representatives

Rob Birch – Active Scheme member
(reappointed 4 July 2025).

John Mayhew – Chair of the Board and active Scheme Member
(reappointed 4 July 2025).

Meeting Attendance

The Board has met on four occasions during the year and also attended joint training events (including on-line knowledge assessments) and briefing events with the Pensions Committee. Meetings took place face to face in line with the Board rules. In addition to Board meetings, one or more of the members have attended Pensions Committee and Pensions Panel meetings to ensure that there is a full understanding of the decisions made, and discussions undertaken. Board members have also been involved in the risk assessment and review process, with the Officer Working Group, which takes place periodically throughout the year to provide a scrutiny function of that process.

Pensions Board Meeting attendance in 2024/25

Meeting	28 June 2024	27 September 2024	20 December 2024	28 March 2025
Rob Birch	Present	Present	Present	Present
Corina Bradley	Present	Present	Present	Present
John Mayhew	Present	Present	Present	Present
Becky Smeathers	Present	Apologies	Apologies	N/A

Board attendance was strong in 2024/25 and with the welcome addition of Victoria Lambert to the Board, we anticipate good attendance in 2025/26.

The Board Chairs from the 8 LGPS Central Pool Partner Funds also hold collaborative meetings in March and October each year. Whilst these are attended routinely by the Chair of the Board, there is an open invitation to other Board members to attend. Matters and any actions arising from these meetings are discussed routinely with Fund Officers at Board meetings.

Work Programme

During the year Board members have continued to monitor the Fund's compliance with the Regulations, the Risk Register, and have taken particular interest in the development of the LGPS Central Pool arrangements.

In addition, Board members review Internal and External Audit Reports to ensure that there are no significant or high-level recommendations being made and that all other recommendations are being acted upon within a reasonable timeframe.

An identified Board member attends the quarterly risk register assessment meetings with Fund Officers and participates in the discussions and scrutiny involved in identifying and reviewing the wide range of risks faced by the Staffordshire Pension Fund. Emerging risks remain of particular concern to the Board, who have taken an interest the impact of the global economic challenges and the Fund's approach to sustainability and ethical investment, which includes issues such as carbon emissions, pesticides, slavery and human rights and energy. Also of interest is the ongoing threat of cyber security and the approach to mitigating this risk is monitored by the Board.

Board members have noted the content of the Climate Change Strategy and the Climate Stewardship Plan, which seeks to ensure the Fund's responsible investment beliefs are incorporated into the Fund's investment decision making process and as a result, investments support long term sustainable benefits for the economy, environment, and society, as well as for Scheme members. The Board is supportive and endorses the plan, what it seeks to achieve and how it will do so.

Breaches

1The Board has a responsibility to report upon any matter that appears to be materially significant. And it is pleasing to report that there were no significant issues of concern raised with or by the Board during the year.

Whilst, as in previous years, there are still some Scheme members for whom incorrect address details are held, the Board accepts that this is an inherent issue characteristic of all large Pension Funds, largely due to deferred Scheme members who have not updated their personal details. The Board will continue to monitor the compliance with data targets set by the Pensions Regulator and ensure that issues within the control of the Fund are addressed appropriately.

Risk Register

The Pensions Committee at its meeting of 28 June 2024, once again, accepted the content and recommendations of the Board's review of the Pension Fund's Risk Register carried out during 2023/24 and requested the Board to continue to play an active role in the ongoing review process.

This work has been carried out by individual Board Members attending when available, as observers, a series of meetings of the Officer Working Group where the Risk Register is discussed in line-by-line detail.

The view of the Board is that the Risk Register is robust, comprehensive and provides an appropriate approach to risk management. The risk rating through RAG colour coding (a 'traffic light' indicator) is an understandable way to identify and categorise the risks and assess the impact of suitable mitigations where applicable.

The Board considers that the Officer Working Group manages the whole process through an appropriate procedure, has ownership of both the individual risks and the whole register and takes their responsibility seriously.

It is reassuring to note that the members of the Officer Working Group take a proactive approach to identifying emerging risks and are realistic about their assessment of the level of risk and the ability to mitigate against issues which are at times unknown or uncertain. This enables them to identify where risks remain high and ensure there is a higher level of vigilance in monitoring the risks as they develop.

Online governance arrangements

Following the pandemic all meetings, with the exception of some training events, have taken place as face-to-face meetings. This is in line with the County Council constitution and although the Scheme Advisory Board guidance does permit meetings of Pensions Boards to be held online, Board meetings will continue to take place in person.

All information is readily accessible prior to meetings of the Board. Training, both in person and online or hybrid, has been accessible and well attended by Board members. The Board are also pleased to note that Committee members also benefit from the full range of training that is made available.

In addition, Board members are pleased that they were able to take part in the National Knowledge Assessment undertaken by Hymans Robertson, the Fund's Actuary and Investment Consultant. It is reassuring that the scores achieved by Board Members were strong overall, with higher-than-average scores achieved for investment performance and risk management.

LGPS Central Pool arrangements

The costs of running LGPS Central Ltd continue to be an ongoing concern with regards to value for money.

It is not within the Board's remit to engage directly on the subject of LGPS Central Ltd.'s costs, but the Board does note, and is reassured by, the efforts of the Pensions Committee and Fund Officers to ensure the pool delivers on our expectations. We see evidence that there is effective engagement and challenge of the LGPS Central pool when needed, in order to ensure value for money is delivered by LGPS Central Ltd.

The Board also notes the intentions of Central Government to push ahead with further amalgamation of asset pools as part of the Pensions Review and Fit for the Future reform and will take a keen interest in developments.

Audit Reports

The Board receives and monitors internal Audit Reports and is updated on progress against any outstanding recommendations at each quarterly meeting.

At the September and December meetings, the Board was presented with audit reports related to governance arrangements and pensions administration and was reassured that in both cases, these reports provided substantial assurance.

At the March meeting, the Board was presented with the Strategic Asset Allocation audit report and noted that substantial assurance had also been given by Internal Audit.

Other Matters

The global economic uncertainty and concerns around the continuing war in Ukraine and the potential impact of US Tariffs on global trade will remain for the foreseeable future. Board members are content with the approach being taken by

the Fund's governance mechanisms to ensure this is managed and global economic circumstances are appropriately considered.

The strong investment performance of the Fund, as previously evidenced in the formal valuation report in March 2024 has continued into 2024/25. This is excellent news and is particularly welcomed by many of the Fund's Scheme employers, who will have noted that their contribution rates were able to be adjusted favourably because of the strong funding position. The Board understands that an Actuarial Valuation is a short-term measure as part of a longer-term strategy and will continue to monitor the ongoing performance over the coming years.

The Board also take an interest on the sustainability aspects of the Fund and is pleased with the plans for responsible and sustainable investment as outlined in the Climate Stewardship Plan. The Board note that there is a real focus on ensuring the investments do more than deliver financial security. Although paying benefits remains the primary function of the Fund, it also seeks to ensure a sustainable future is supported through responsible and carefully considered investment in such a way that supports environmental and social sustainability.

The Board will continue to monitor the performance of the Fund over the coming year.

Finally, the Board notes the outcome of the County Council elections in May 2025 and the change in control at the County Council. The Board looks forward to supporting the newly formed Pensions Committee in their role, and to continue supporting officers in administering their Fiduciary duties in relation to the Staffordshire Pension Fund.

Matters Reported to the Board

The Board has a responsibility to report upon any matter that appears to be materially significant.

Nothing has come to the Board's attention during the year.

Conflicts of Interest

Declarations of interest are recorded on a declaration form completed by Board members which should be regularly reviewed and updated as appropriate. There may also be conflicts of interest with regards to items under discussion. Any conflicts that arise during the year are shown in the minutes.

No conflicts of interest have been declared during the meetings over the year 2024/2025.

Training

The Board has a duty to monitor its own training needs to ensure that each member has the knowledge required to exercise their responsibilities. The Board, individually, undertake training through the Pension Regulators Public Service Toolkit and has adopted the CIPFA Knowledge and Skills Framework to audit their understanding. The Board's members have also been working through training provided online by Hymans Robertson. This training is made available to all Board members, as well as members of the Pensions Committee. This training is regularly updated as new issues emerge that Board Members need to be aware of. This helps to ensure that those responsible for governance of the Fund have the required skills and knowledge to be both compliant with regulations and competent in the oversight of the management of the Fund.

The latest Knowledge Progress Assessment of Board members is shown in Appendix A. Training will continue to be targeted to the developing needs of the Board and its work programme. The Knowledge Progress Assessment will also be used to inform and identify where knowledge gaps need to be addressed.

Costs and Expenses

The costs and expenses of the Board are met as part of the administration costs of the Fund. The total costs during the financial year 2024/25 were as follows:

Board Costs and Expenses	£
Training and Conference Expenses	0.00
Travel Expenses	221.00
Total	221.00

Expenses this year are relatively minor and lower than previous years due to there being no additional Training and Conference expenses.

John Mayhew
Chair of the Staffordshire Local Pensions Board
July 2025

2024 LGPS National Knowledge Assessment (NKA)

Prior to 2023, knowledge assessments were based on an internal self-assessment return. However, in 2023 the Pensions Committee and Local Pensions Board agreed to take part in the external Knowledge Progress Assessment (KPA) offered by Hymans Robertson. Following feedback, it was agreed both would continue to participate in the Hymans National Knowledge Assessment (NKA) for 2024. This slightly differed from the previous KPA as the NKA uses the overall scores, for all Pension Committees and Pension Boards taking part, as the assessment benchmark for the next 2 years. This provides an understanding of how the Committee and Board, as a collective, compares to others.

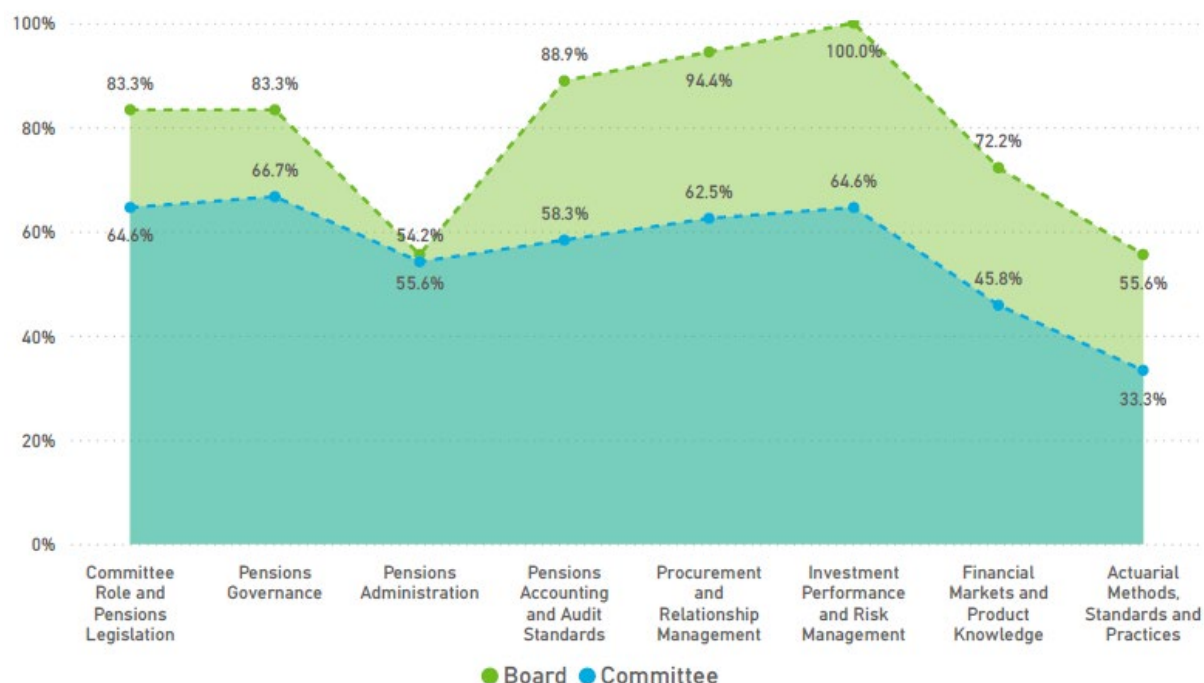
The NKA was completed during November and December 2024 and consisted of a series of multiple-choice questions across 8 core areas which were broadly aligned with the 8 technical areas of the CIPFA KSF albeit with some small differences in terminology.

The combined NKA response rate for the Committee and Board was 64.71% (11 out of a possible 17 respondents). Whilst this response rate was slightly lower than the previous year of 76.47% (13 out of a possible 17 respondents), it still provides a good picture of the knowledge level of the Committee and Board.

The average overall score for members of the Committee was 56.3% whilst for the Board it was 79.2%. This is as expected given the Board are required to have a more detailed understanding of the Fund due to their scrutiny role.

The summary of the collective NKA results for the Committee and the Board are provided in the following chart. The full NKA 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



In general, the Committee's results; averaging 56.3%, are an improvement from the previous year; which averaged 51.4%. They were also broadly in-line with the findings of the Hymans' 2024 National Knowledge Assessment where the average score for Committee participants was 60%. Of the eight core areas of knowledge, six showed an improvement from the previous year.

At 79.2%, the average Board member score for Staffordshire also improved from the previous year. Their average score was above the average Pension Board member score in the Hymans' 2024 National Knowledge Assessment of 69%. Of the eight core areas of knowledge, seven showed an improvement from the previous year.

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 Investment Performance and Risk Management section, when the Board were 35.4% higher than the Committee.

The Committee performed most strongly in the areas of Pensions Governance and Investment Performance and Risk Management.

The Board's strongest areas of knowledge were Investment Performance and Risk Management and Procurement and Relationship Management.

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.

Therefore, it is reassuring that there is a good level of collective knowledge across all 8 areas, particularly given the complexity and detail of some of the questions asked. Training sessions in 2024/25 were targeted at the areas with relatively lower scores in previous years, such as Pensions Administration and Actuarial Methods, Standards and Practices. It is also reassuring to see a sizeable improvement in other areas where training was provided in 2024/25, Committee Role and Pensions Legislation, and Investment Performance and Risk Management.

The results of the NKA will be used to inform the delivery of general and specific, more targeted, training going forwards and will be reviewed again in late 2025. The specific areas with the lowest combined scores will be the focus of training sessions during 2025/26.