

# LGPS

HYMANS  ROBERTSON

## National Knowledge Assessment



**Wiltshire Pension Fund –  
Knowledge Assessment**

October 2021

## Overview

The results of the May 2021 local elections saw a number of changes to the membership of local authority Pension Committees. In order to determine the levels of knowledge and understanding within these new Committees, a number of administering authorities have sought to undertake knowledge assessments. The purpose of the assessment is to gain an immediate understanding of knowledge and understanding levels of the new Committee (and the Board), with the results feeding into training plans being developed.

Hymans Robertson's Knowledge Assessment tool, used effectively for its 2020 National Knowledge Assessment, provides LGPS funds with a useful insight into the pensions specific knowledge and understanding of the people who hold decision making and oversight responsibility within their organisations.

The findings from this assessment provide LGPS Funds with a quantitative report of the current knowledge levels of the individuals responsible for decision making and oversight. It also aids the development of more appropriately tailored training plans for both groups. This report is also a key document in evidencing your Fund's commitment to training.

### Background

Given the changes to its Pension Committee, the Wiltshire Pension Fund ("the Fund") opted to use our online knowledge assessment, to determine a baseline level of knowledge for its new Committee, across a range of topics. It also included the Pension Board in the exercise, providing a complete picture of knowledge and understanding levels across both groups. During the period the assessment was available for completion we received 16 participant responses. This report provides the participants' results broken down into 8 key knowledge areas. Each participant received an individual results report following completion of the assessment. These individual results have been provided in a separate spreadsheet, enabling individual responses to be shared with participants.

### Why does this matter?

In recent years there has been a marked increase in the scrutiny of public service pension schemes, including the 98 regional funds that make up the LGPS across the UK. The Public Service Pensions Act 2013 introduced new governance legislation, including the requirement for Local Pension Boards to be set up and extended the remit of the Pensions Regulator to public service pension schemes as set out in its Code of Practice 14<sup>1</sup>. Additionally, the Department for Levelling Up, Housing and Communities ("DLUHC") (formerly the Ministry of Housing, Communities and Local Government ("MHCLG")) in England & Wales and Scottish Ministers in Scotland, and their respective Scheme Advisory Boards have emphasised the need for the highest standards of governance in the LGPS. Indeed, for English and Welsh Funds the Scheme Advisory Board's Good Governance review includes specific recommendations regarding knowledge and understanding and training, which are set out in more detail below under "Recent events". All these measures are aimed at ensuring that all involved in the governance of LGPS Funds can evidence they have the requisite knowledge, skills and commitment to carry out their role effectively.

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<sup>1</sup> Governance and administration of public service pension schemes – issued April 2015



While fund officers may deal with the day-to-day running of the funds, members of the Committee/Board play a vital role in the scheme, and to exercise their roles effectively must be able to understand at a fundamental level all relevant fund related topics including investment matters, funding, administration and governance.

## Recent events

### Good governance review

In February 2019 the Scheme Advisory Board in England and Wales commissioned a review to consider options for enhancing LGPS governance arrangements. The aim of this review was to ensure that the Scheme was ready for the challenges ahead, while retaining local democratic accountability. Following extensive consultation and engagement with the LGPS community the SAB published 2 reports. The following recommendations from the second report relate directly to the attainment of knowledge and skills:

- *Key individuals within the LGPS, including LGPS officers and Pensions Committee members, to have the appropriate level of knowledge and understanding to carry out their duties effectively.*
- *A requirement for s151 officers to carry out LGPS relevant training as part of their CPD requirements to ensure good levels of knowledge and understanding.*
- *Administering authorities must publish a policy setting out their approach to the delivery, assessment and recording of training plans to meet these requirements.*
- *Relevant professional bodies to produce appropriate guidance and training modules for s151 officers and to consider including LGPS training within their training qualification syllabus.*

The findings of the Good Governance Review have yet to be formally adopted in statutory form, however, the Fund recognises the principles behind the recommendations and is seeking to embed them into the training culture of all key fund stakeholders. The undertaking of this knowledge assessment by the Pension Committee and Pension Board reflect that commitment to ensuring key decision makers have the required knowledge and understanding to enable them to perform their duties.

### Markets In Financial Instruments Directive II (MIFID II)

While introduced in January 2018, the impacts of MIFID II continue to be felt by LGPS Funds, particularly the requirement for Committee members to evidence their knowledge in order to be treated as professional investors. It is vital, therefore, that the Fund can evidence that knowledge requirement in this area (although it should not lose sight of the need to evidence the attainment of knowledge and understanding in all areas).



## Assessment

### Challenging test

The Knowledge Assessment is a challenging multiple-choice assessment of participants’ knowledge and understanding of relevant subject areas. There was no expectation that participants would score 100% on each subject area tested. Rather the goal of the exercise was to gain a true insight into members’ knowledge in the areas covered by the CIPFA Knowledge and Skills Framework and the Pensions Regulator’s (TPR) current Code of Practice 14. It is appreciated that TPR has consulted on a ‘combined’ Code of Practice amalgamating all existing Codes and bringing its requirements up to date on topical issues such as cyber risk. We have not specifically catered for any additional elements expected to be included within the combined Code as part of this assessment.

The opportunity was also taken to understand those areas where the member had no knowledge of a subject matter, with each question having the option “*I currently have no knowledge relating to this topic*”. This ensured the results are not skewed through guesswork on the part of the participant and ensures a more honest appraisal of knowledge levels across all areas, resulting in greater clarity over training needs, leading to better outcomes for the Fund as well as the Committee and Board members.

### Use of results

We would encourage the use of these results to better understand the areas where Committee and Board members feel comfortably informed, but crucially where further training may be of benefit.

In keeping with the theme of increased external scrutiny, it is important not only that the Committee and Board have confidence in their roles, but also that the Fund can demonstrate the steps taken to facilitate this. We would suggest you keep a record of the process used to assist the Committee and Board with training and development. This report should form part of the overall training records for both groups.

### Approach

The members of the Fund’s Committee and Board were invited to complete an online knowledge assessment. In total there were 7 respondents from the Committee and there were 9 respondents from the Board. Each respondent was given the same set of 47 questions on the 8 areas below:

1	Committee Role and Pensions Legislation	5	Procurement and Relationship Management
2	Pensions Governance	6	Investment Performance and Risk Management
3	Pensions Administration	7	Financial Markets and Product Knowledge
4	Pensions Accounting and Audit Standards	8	Actuarial Methods, Standards and Practices



Under each subject heading, there were up to 6 multiple choice questions to answer. Each question had 5 possible answers, of which one answer was correct. Participants also had the option of selecting the option *“I currently have no knowledge relating to this topic”*.

The responses allow us to build a picture of the knowledge levels of each individual member in each of the topics, but crucially to help inform you of the overall levels of knowledge in each area. Details of individual scores against each of the above 8 topics are set out in a separate Appendix to this report.

Separately the individual responses for Pension Committee and Board members to each of the questions asked have been provided in a separate spreadsheet.

## Results

The responses for all members who participated have been collated and analysed. For each section we have shown:

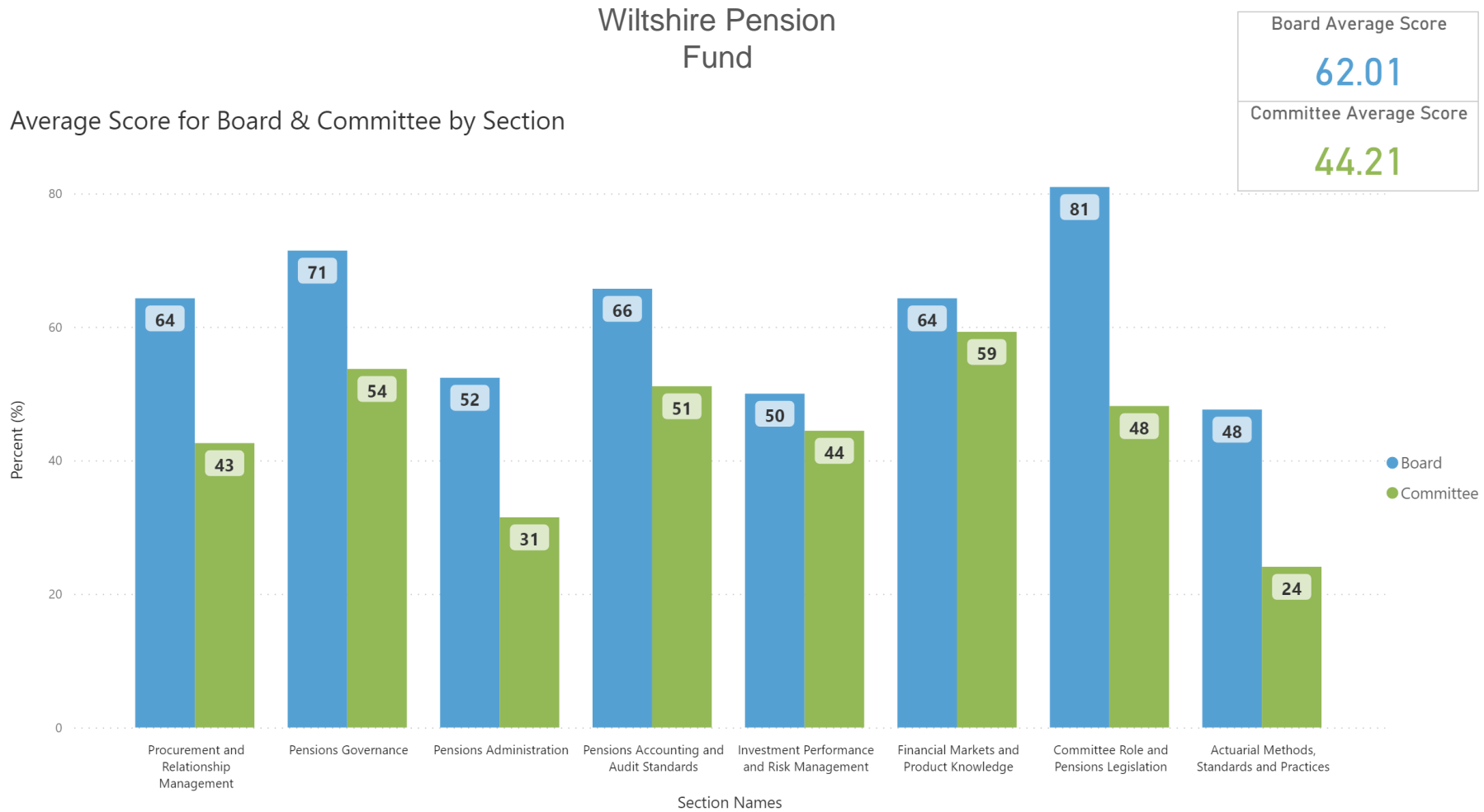
- The average score for each of the 8 subject areas, for both the Committee and Board members;
- Individual scores as a percentage against each of the 8 topics, for both groups;
- The number of correct and incorrect answers to individual questions, per respondent, together with an indication of those areas where respondents indicated they had no knowledge of the subject area; and
- Engagement levels for both the Committee and Board.

Based on the results and the responses received from participants we have also suggested priorities for inclusion within the Fund's training plan for the Fund over the next 18 months, as well as some other “next steps” to consider.



**Overall Results**

For each of the assessment's 8 areas we have shown the results of both the Committee and Board. These have been shown in the order in which the sections appeared in the survey. There is also a summary showing the average scores across all sections for the Committee and Board.



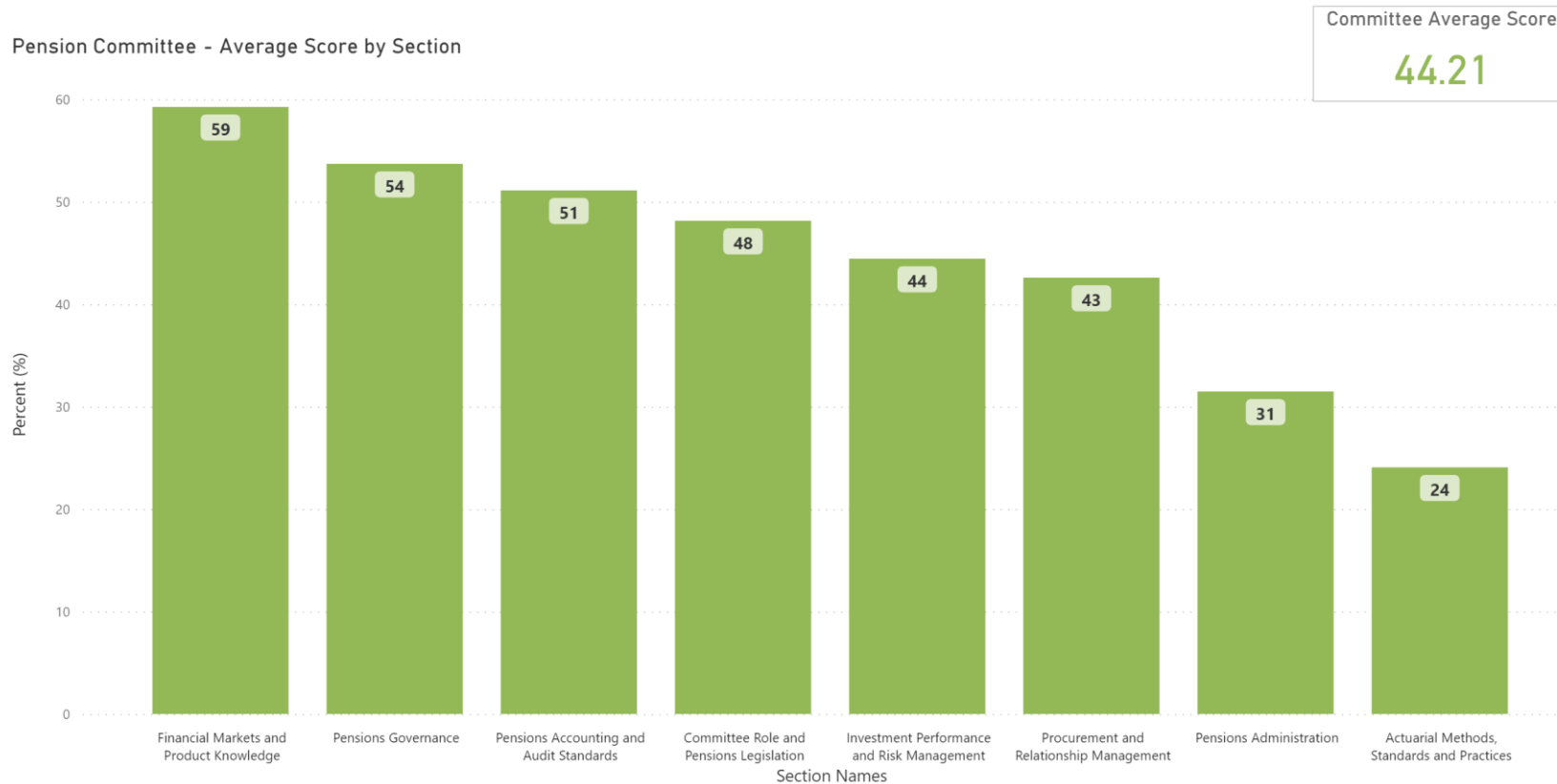
The above results indicate significant differences in knowledge levels between the Committee and Board in a number of areas. The Board outscored the Committee in each topic. This may reflect the length of time individuals have been members of the Pension Board in comparison to those on the Pension Committee, whose makeup will have changed following the local elections earlier in the year.

**Performance in each area**

The results can be ranked for each section from the highest score (greatest knowledge) to lowest score (least knowledge). This is shown separately for both the Committee and the Board. The intention is that training plans and/or timetables can be tailored to focus on the areas of least knowledge, whilst ensuring the Committee and Board maintain the high level of knowledge in the stronger areas.

**Pension Committee**

**Wiltshire Pension Fund**



The results show the scores for Financial Markets and Product Knowledge, Pension Governance and Pension Accounting & Audit Standards scoring highest for the Committee. The results show that Pensions Administration (31%) and Actuarial Methods, Standards and Practices (24%) are the two main areas where knowledge levels need to be addressed. Given the proximity of the 2022 triennial valuation addressing the lack of knowledge around Actuarial Methods, Standards and Practices should be a priority.

### **Actions**

- Given the 2022 triennial valuation is approaching, the above scores suggest the highest priority is given to improving awareness of Actuarial Methods, Standards and Practices.
- Consideration should then be given to Pensions Administration.
- While Pensions Governance has the second highest score (54%), given the expected recommendations from the SAB Good Governance review and the increasing focus of the Pensions Regulator it would be advisable to ensure priority is given to improving the Committee's appreciation of governance arrangements as they relate to the Fund.
- In terms of priority the remaining elements should be addressed in line with the Fund's business plan objectives.

Additionally, it is important that steps are taken to ensure engagement of the Committee members as they settle into their roles, by undertaking regular assessments, demonstrating they have the knowledge and understanding required to fulfil their roles. This could be achieved by:

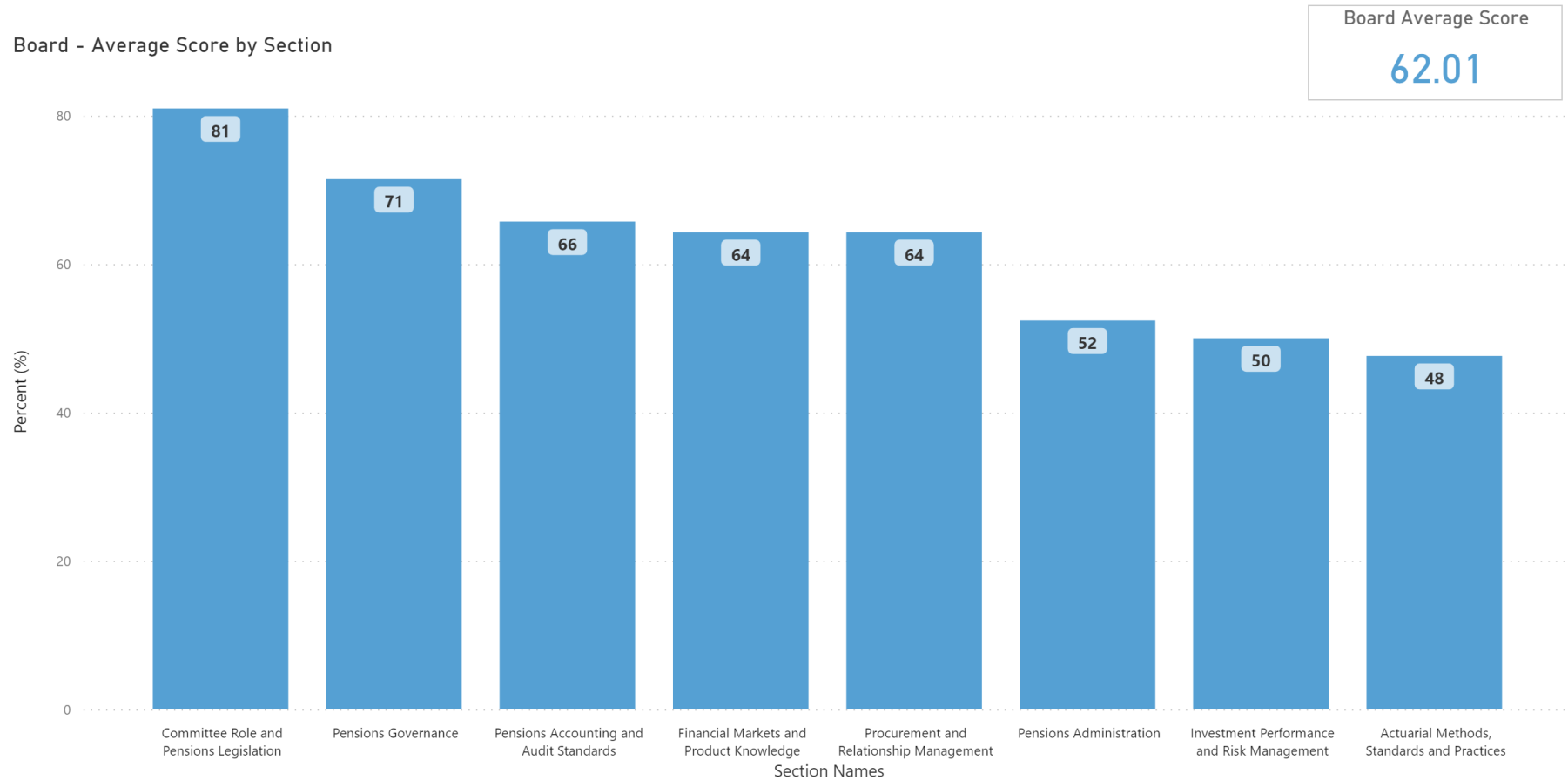
- ensuring training is delivered at a specific time (i.e. immediately prior to a Committee meeting).
- increased use of bitesize training session or training videos, to provide focus on specific topics (e.g. actuarial valuations).
- mandate that members of the Committee commit to attending training sessions or undertaking assessment.
- provision of monthly newsletters, delivering key information and messages in a timely and engaging manner, increasing the frequency of engagement with Committee and Board members and making it easier to achieve the training goals over such a wide range of topics; and
- increased visibility and promotion of the Fund's business and training plans.





Pension Board

# Wiltshire Pension Fund



It is perhaps unsurprising that the Board has scored best in Committee Role and Pensions Legislation, given the requirements for it to support the administering authority as scheme manager and to have the required knowledge and understanding to perform the role. Scores in the majority of the remaining areas are reasonably high, suggesting it is well ill-equipped to provide an informed challenge you might expect to the Committee or Officers.



As with the Committee Actuarial Methods, Standards and Practices is the lowest scorer, at 48%. Given the 2022 valuation is approaching this would be a key area to focus on.

While the Pension Board may not have decision making responsibilities in relation to the Fund, it is a requirement of the Public Service Pensions Act that each individual is conversant with the rules of the scheme and has knowledge and understanding of the law relating to pensions and such other matters as may be prescribed. The above results would suggest this is the case with the Fund's Pension Board.

**Actions**

- Given the 2022 triennial valuation is approaching, the above scores suggest the highest priority is given to improving awareness of Actuarial Methods, Standards and Practices.
- A plan should be drawn up and actioned covering all the above topics. Where required additional training on all other areas could be provided via bitesize videos, to be completed at a time convenient to each Board member (albeit within any timeframe set by officers).



**Individual responses**

**Answers**

Understanding individual scores alone is only a part of the picture. Understanding the individual responses to each question is also key in understanding whether an individual has answered the question incorrectly or has indicated they have no knowledge on a particular point. We have set out the individual responses to each question in full separately in a spreadsheet. Set out below is a summary of the number of correct and incorrect responses for each participant within each topic, along with an indication of how many areas they have indicated they have no knowledge of the subject.

**Pension Committee**

Topic		Elected Member A	Elected Member B	Elected Member C	Elected Member D	Elected Member E	Elected Member F	Elected Member G	Elected Member H	Elected Member I
<b>Committee Role and Pensions Legislation</b>	1.1	Correct	Wrong	Correct	No knowledge	Wrong	Correct	No knowledge	Wrong	No knowledge
	1.2	Wrong	Wrong	Correct	Correct	No knowledge	No knowledge	No knowledge	Wrong	No knowledge
	1.3	Correct	Wrong	Correct	Correct	No knowledge	Wrong	Correct	Wrong	Wrong
	1.4	Correct	Correct	Wrong	Correct	Wrong	Wrong	Wrong	Correct	Wrong
	1.5	Correct	Wrong	Correct	Correct	Wrong	Correct	Correct	Wrong	Correct
	1.6	Correct	Correct	Correct	Wrong	Correct	Correct	No knowledge	Correct	Correct
<b>Pensions Governance</b>	2.1	Correct	Wrong	Wrong	Wrong	No knowledge	Wrong	Correct	Correct	No knowledge
	2.2	Correct	Correct	Correct	Wrong	No knowledge	No knowledge	Correct	Correct	No knowledge
	2.3	Correct	Correct	Correct	Correct	Correct	Correct	Correct	Correct	Correct
	2.4	Correct	Correct	Correct	Correct	Correct	Correct	Correct	Correct	Wrong
	2.5	No knowledge	Correct	Correct	Wrong	No knowledge	Wrong	No knowledge	Wrong	Wrong
	2.6	Wrong	Correct	Wrong	Wrong	Wrong	Correct	Wrong	Wrong	Wrong



Topic		Elected Member A	Elected Member B	Elected Member C	Elected Member D	Elected Member E	Elected Member F	Elected Member G	Elected Member H	Elected Member I
Pensions Administration	3.1	Correct	Correct	Correct	No knowledge	No knowledge	No knowledge	No knowledge	No knowledge	Correct
	3.2	No knowledge	Wrong	Wrong	No knowledge	No knowledge	Wrong	No knowledge	No knowledge	No knowledge
	3.3	Correct	Correct	Correct	Wrong	Correct	No knowledge	Correct	Wrong	No knowledge
	3.4	Correct	Correct	Wrong	No knowledge	Correct	Correct	Wrong	Correct	Correct
	3.5	Wrong	Wrong	Wrong	Wrong	Wrong	Wrong	No knowledge	Wrong	Correct
	3.6	No knowledge	Correct	Wrong	Wrong	No knowledge	No knowledge	No knowledge	Wrong	No knowledge
Pensions Accounting and Audit Standards	4.1	Wrong	Correct	Correct	No knowledge	No knowledge	No knowledge	Correct	Correct	Wrong
	4.2	Correct	Correct	Correct	Wrong	Correct	Wrong	Correct	Correct	Wrong
	4.3	Correct	Correct	Correct	Correct	Correct	Wrong	Correct	Correct	Wrong
	4.4	Wrong	Wrong	Correct	No knowledge	No knowledge	No knowledge	No knowledge	Correct	No knowledge
	4.5	Correct	Correct	Wrong	No knowledge	No knowledge	No knowledge	Correct	No knowledge	Correct
Procurement and Relationship Management	5.1	Wrong	Wrong	Wrong	Wrong	Correct	No knowledge	Wrong	Wrong	Wrong
	5.2	Wrong	No knowledge	Correct	No knowledge	No knowledge	No knowledge	Wrong	Wrong	No knowledge
	5.3	Correct	Correct	Wrong	No knowledge	Correct	Correct	Correct	Correct	Correct
	5.4	No knowledge	Correct	Correct	No knowledge	Correct	No knowledge	No knowledge	No knowledge	No knowledge

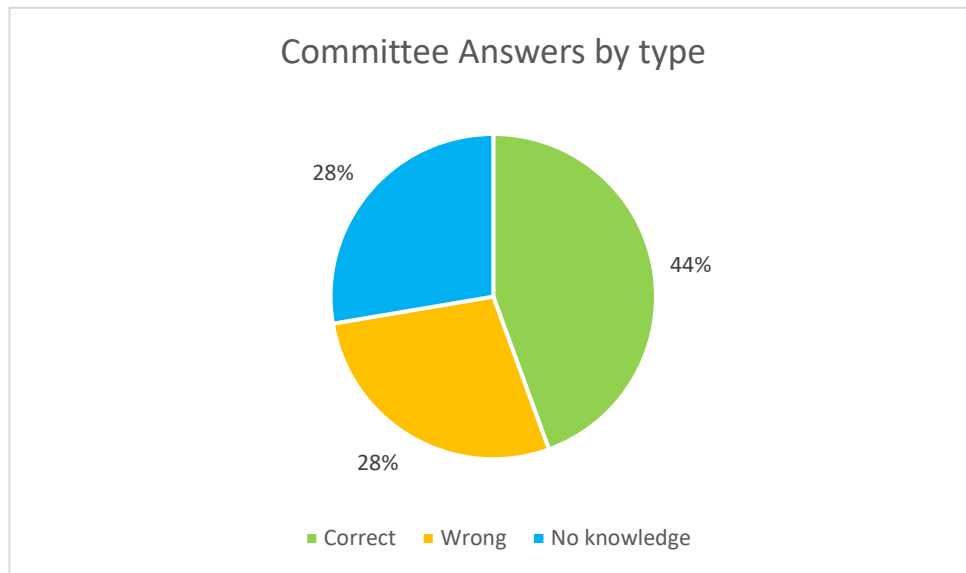


Topic		Elected Member A	Elected Member B	Elected Member C	Elected Member D	Elected Member E	Elected Member F	Elected Member G	Elected Member H	Elected Member I
	5.5	No knowledge	Correct	Wrong	No knowledge	Wrong	Correct	Correct	Correct	No knowledge
	5.6	Correct	Correct	Correct	No knowledge	Wrong	Correct	Correct	Correct	Correct
Investment Performance and Risk Management	6.1	No knowledge	Wrong	Correct	Wrong	No knowledge	Wrong	No knowledge	Wrong	No knowledge
	6.2	Wrong	Wrong	Correct	No knowledge	Wrong	Wrong	Wrong	Wrong	Wrong
	6.3	Correct	Correct	Correct	Correct	Correct	Correct	Correct	Correct	Correct
	6.4	Wrong	Wrong	Correct	Wrong	No knowledge	Correct	No knowledge	Correct	Wrong
	6.5	Wrong	Wrong	Correct	Correct	Correct	Correct	No knowledge	No knowledge	No knowledge
	6.6	Wrong	Correct	Wrong	No knowledge	Correct	Correct	Correct	Correct	Correct
Financial Markets and Product Knowledge	7.1	Correct	Wrong	Correct	Correct	Correct	Correct	No knowledge	Correct	Correct
	7.2	Correct	Correct	Correct	Wrong	Correct	Correct	Correct	Correct	Correct
	7.3	Wrong	Correct	Correct	Wrong	Correct	Correct	Correct	Correct	Correct
	7.4	Wrong	Correct	Wrong	No knowledge	No knowledge	Correct	No knowledge	Correct	Correct
	7.5	Wrong	Wrong	Correct	No knowledge	Wrong	No knowledge	No knowledge	Correct	No knowledge
	7.6	Correct	Correct	Correct	No knowledge	No knowledge	No knowledge	No knowledge	Correct	No knowledge
	8.1	Correct	Correct	Correct	No knowledge	No knowledge	Correct	Correct	Correct	Correct



Topic		Elected Member A	Elected Member B	Elected Member C	Elected Member D	Elected Member E	Elected Member F	Elected Member G	Elected Member H	Elected Member I
Actuarial Methods, Standards and Practices	8.2	Correct	Wrong	Wrong	No knowledge	No knowledge	Wrong	No knowledge	Wrong	Wrong
	8.3	No knowledge	Wrong	Wrong	No knowledge	Wrong	Wrong	Wrong	Correct	No knowledge
	8.4	No knowledge	Wrong	Wrong	No knowledge	No knowledge	No knowledge	No knowledge	No knowledge	No knowledge
	8.5	Wrong	No knowledge	Correct	No knowledge	No knowledge	No knowledge	No knowledge	Correct	Wrong
	8.6	No knowledge	Correct	Correct	No knowledge	No knowledge	No knowledge	No knowledge	No knowledge	No knowledge

The following sets out the percentage answers given by Committee that were correct, incorrect or where the respondent indicated they had no knowledge of the topic.



Given a significant number of the respondents indicated membership of the Pension Committee of less than 1 year it is encouraging that the percentage of correct answers given were over 40%. Those respondents who have been members of the Committee for longer clearly stand out in terms of their



individual results. The above table does illustrate the areas where the greatest focus should be in terms of the Fund's training plan for the coming year to 18 months. Given the incidence of no knowledge of the topic being given as a response the key areas to focus training on would appear to be:

- Pensions Administration;
- Pensions Accounting and Audit Standards;
- Procurement and Relationship Management;
- Financial Markets & Product Knowledge; and
- Actuarial Methods, Standards and Practices.



**Pension Board**

Topic		Board member 1	Board member 2	Board member 3	Board member 4	Board member 5	Board member 6	Board member 7
Committee Role and Pensions Legislation	1.1	Correct	Correct	Correct	Correct	Correct	Correct	Correct
	1.2	No knowledge	No knowledge	Correct	No knowledge	Correct	No Knowledge	Correct
	1.3	Correct	Wrong	Correct	Correct	Correct	Correct	Correct
	1.4	Correct	Correct	Wrong	Correct	Correct	Correct	Correct
	1.5	Correct	Correct	Correct	Correct	Correct	Correct	Wrong
	1.6	Correct	Correct	Correct	Wrong	Correct	Correct	Correct
Pensions Governance	2.1	Correct	Correct	Correct	Correct	Correct	Wrong	Correct
	2.2	Correct	No knowledge	Correct	Wrong	Correct	No Knowledge	Correct
	2.3	Correct	Correct	Correct	Correct	Correct	No Knowledge	Correct
	2.4	Correct	Correct	Correct	Correct	Correct	No Knowledge	Correct
	2.5	Wrong	Wrong	Correct	Correct	Correct	Correct	Correct
	2.6	Wrong	Correct	Wrong	Correct	Correct	No Knowledge	Wrong
Pensions Administration	3.1	No knowledge	Correct	Correct	Correct	Correct	No Knowledge	Correct
	3.2	No knowledge	No knowledge	Wrong	Wrong	Correct	No Knowledge	No knowledge
	3.3	Wrong	Correct	Correct	Correct	Correct	Wrong	Correct
	3.4	Correct	Correct	Correct	Correct	Correct	Correct	Correct
	3.5	Correct	No knowledge	Wrong	Wrong	Correct	No Knowledge	Wrong
	3.6	No knowledge	Correct	Wrong	Wrong	Wrong	No Knowledge	Correct
Pensions Accounting and Audit Standards	4.1	No knowledge	Correct	Wrong	Wrong	Correct	No Knowledge	Correct
	4.2	Correct	Correct	Correct	Correct	Correct	Correct	Correct
	4.3	No knowledge	Correct	Correct	Wrong	Correct	Correct	Correct





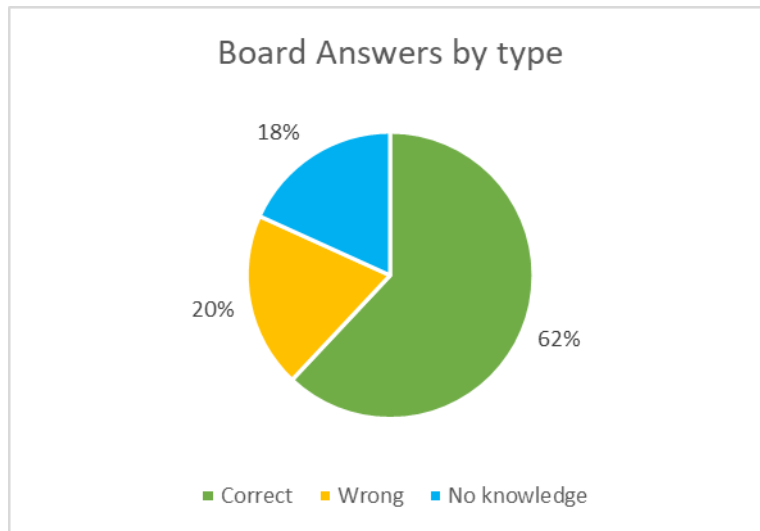
Topic		Board member 1	Board member 2	Board member 3	Board member 4	Board member 5	Board member 6	Board member 7
	4.4	Correct	Wrong	Wrong	Correct	Correct	No Knowledge	Correct
	4.5	Wrong	Correct	Correct	Wrong	Wrong	Correct	Correct
Procurement and Relationship Management	5.1	No knowledge	Wrong	Wrong	Wrong	Wrong	No Knowledge	Correct
	5.2	No knowledge	Wrong	Wrong	Correct	Correct	No Knowledge	Correct
	5.3	Correct	Correct	Correct	Correct	Correct	No Knowledge	Correct
	5.4	No knowledge	No knowledge	Correct	Correct	Correct	Correct	Correct
	5.5	No knowledge	Correct	Correct	No knowledge	Correct	Correct	Correct
	5.6	Correct	Correct	Correct	Correct	Correct	Correct	Correct
Investment Performance and Risk Management	6.1	Wrong	No knowledge	Correct	Wrong	Correct	No Knowledge	No knowledge
	6.2	Wrong	Correct	Wrong	Correct	Wrong	No Knowledge	Correct
	6.3	Correct	Correct	Correct	Correct	Correct	No Knowledge	Correct
	6.4	Wrong	Wrong	Correct	Wrong	Wrong	No Knowledge	Wrong
	6.5	No knowledge	No knowledge	Correct	Correct	Wrong	No Knowledge	Correct
	6.6	Correct	Correct	Correct	Correct	Correct	No Knowledge	Correct
Financial Markets and Product Knowledge	7.1	Correct	Wrong	Correct	Correct	Correct	Correct	Wrong
	7.2	Correct	Correct	Correct	Wrong	Correct	No Knowledge	Correct
	7.3	Correct	Correct	Correct	Correct	Correct	No Knowledge	Correct
	7.4	Correct	No knowledge	Correct	Wrong	Correct	No Knowledge	Correct
	7.5	Wrong	Correct	Correct	Wrong	Correct	No Knowledge	Correct



Topic		Board member 1	Board member 2	Board member 3	Board member 4	Board member 5	Board member 6	Board member 7
	7.6	Wrong	No knowledge	Correct	No knowledge	Correct	No Knowledge	Correct
Actuarial Methods, Standards and Practices	8.1	Correct	Correct	Correct	Correct	Correct	Correct	Correct
	8.2	No knowledge	Wrong	Correct	Wrong	Wrong	No Knowledge	Wrong
	8.3	Wrong	No knowledge	Correct	Wrong	Correct	Wrong	Wrong
	8.4	Correct	Correct	Correct	No knowledge	Correct	No Knowledge	Correct
	8.5	No knowledge	No knowledge	Wrong	Wrong	Correct	No Knowledge	Wrong
	8.6	Correct	No knowledge	Correct	Correct	Correct	No Knowledge	Wrong



The following sets out the percentage answers given by Board that were correct, incorrect or where the respondent indicated they had no knowledge of the topic.



Given the explicit requirement for Pension Board members to have the required knowledge and understanding to enable them to perform their role it is encouraging to see that the percentage of correct answers was so high. It is also encouraging to see the incidence where they suggest no knowledge of a topic is only 18%. That said, there is still a need to increase levels knowledge and understanding in order that the Pension Board can adequately support the scheme manager. Given the incidence of no knowledge of the topic being given as a response the key areas to focus training on would appear to be:

- Pensions Administration;
- Procurement and Relationship Management;
- Investment Performance and Risk Management; and
- Actuarial Methods, Standards and Practices.

#### **Actions**

- The Fund should incorporate the results of the above findings into its training plans for both Committee and Board members. As has been highlighted within the more general results particular attention in the first instance should be given to:
  - Actuarial Methods, Standards and Practices; and
  - Pensions Administration

## Commentary

It is encouraging that 16 participants from your Fund took part in the assessment, representing a 100% completion rate. Given the fact that the Pension Committee has a number of new members, with limited experience it is perhaps not surprising that the overall scores were lower than might be desired. We would fully expect there to be gaps in the knowledge of all members, no matter their role on the Committee/Board, their tenure or indeed their background in terms of pensions experience. The most important thing to emphasise is that not everybody needs to be an expert in all areas, rather there should be a spread of knowledge across your Committee and Board which is supported by advice from officers and professional advisors.

Just as important as gaining the relevant knowledge and understanding expected of a Pension Committee or Board is the application of that knowledge and understanding, including the utilisation of an individual's own background and perspective. To supplement a Fund's training plan, we recommend that case study analysis is also included as part of both the Committee and Board training plans, allowing time for reflection on how both groups react and act on issues.

### **Committee**

The results show that Financial Markets and Product Knowledge, and Investment Performance & Risk Management have the highest levels of knowledge, but that the areas to focus any specific training on might be Actuarial Methods, Standards & Practices and Pensions Administration for the Committee.

### **Local Pension Board**

The results show that the highest levels of knowledge relate to Committee Role and Pensions Legislation, but that the areas to focus any specific training for the Board should be on Actuarial Methods, Standards and Practices, given the proximity of the 2022 triennial valuation.



## Engagement

One of the key areas that we recommend funds focus on is Committee and Board engagement. With the ever-increasing pace of change in the pensions and investments world, Committee/Board engagement is critical to maintaining strong collective knowledge. There is an expectation that Committee/Board members need to be not only willing, but keen to develop their knowledge and understanding across the raft of topics upon which they will need to make, or ratify, decisions.

### Overall engagement

One measure of the engagement of members is their willingness to participate in training. As such, we have used the participation level of this survey to measure the engagement of your Committee and Board members. The table below shows the breakdown of the total number of participants from the Fund, as a proportion of those who could have responded. By comparison, when we carried out a National Knowledge assessment the average engagement score was just above 60%. It is encouraging to see that everyone participated in the assessment.

	Participants	Total Number	Participation rate
Committee	9	9	100%
Board	7	7	100%
<b>Total</b>	<b>16</b>	<b>16</b>	<b>100%</b>

### Commentary on engagement

With the number of changes to the LGPS in recent years, it is vital that Committee and Board members remain abreast of the latest developments and feel confident that they have the knowledge required to make the decisions required of them. Their level of engagement is a key driver of this. With a 100% response rate the Fund has received excellent engagement.

It is important, however, to maintain this engagement, particularly in the current climate where scheme governance is under greater scrutiny and the Scheme Advisory Board Good Governance recommendations are expected imminently.



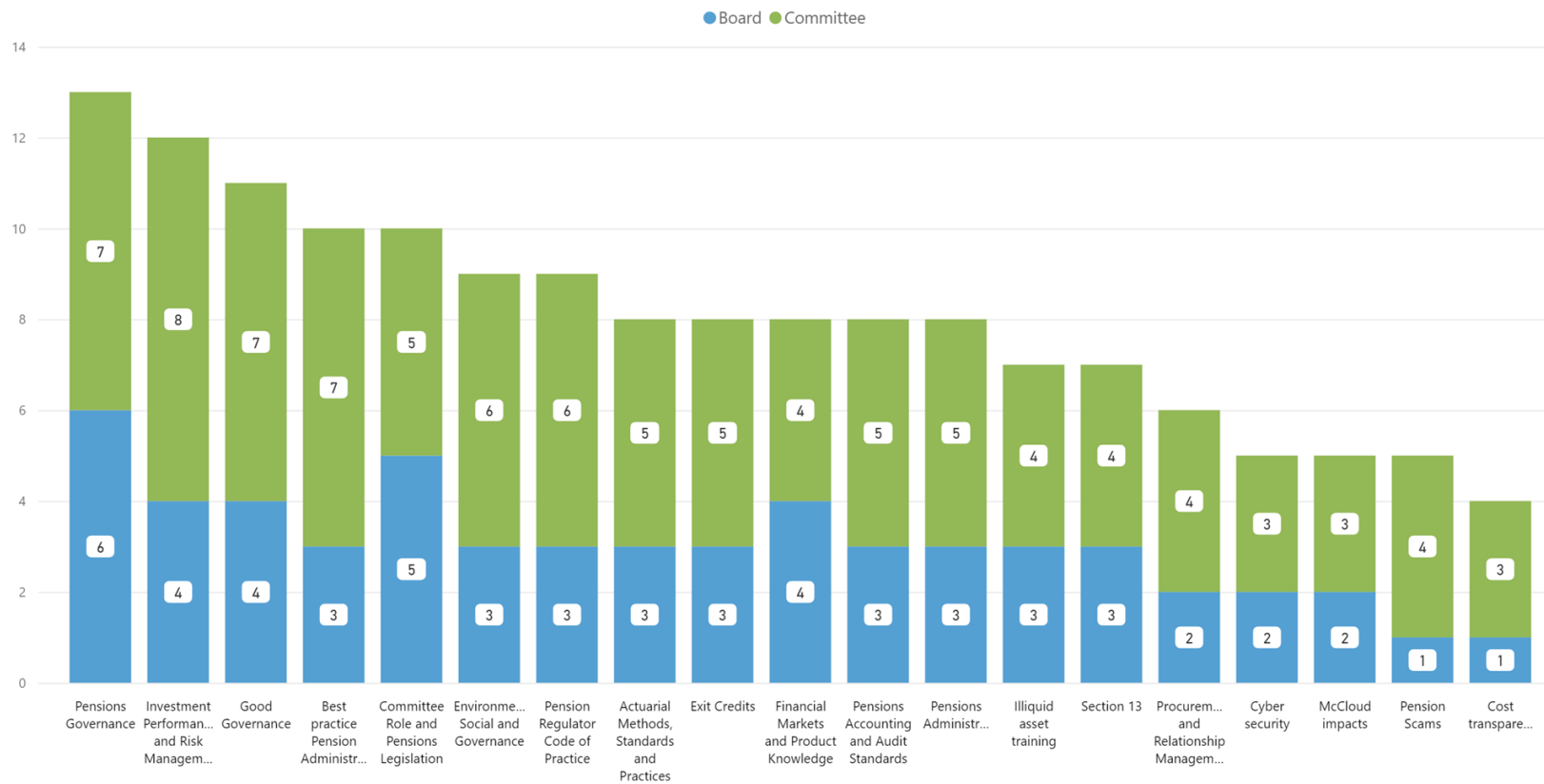
# Training

## Feedback from participants

One of the final sections of the survey asked participants to indicate which topics they would like to receive training on. There was a list of options available, covering a broad spectrum of the topics we believe are most relevant to allowing Committee and Board members to effectively perform their roles. Members were also given the option to indicate any other areas in which they would benefit from further training.

The table below summarises the areas in which members indicated training would be beneficial.

Training Requirements



While the above topics include the 8 topic headings set out in the assessment respondents were also given the choice of a number of other issues and hot topics to choose from.

It is interesting, however, that the assessment results indicate Actuarial Methods, Practices and Standards should be a priority but this has not been reflected to the same degree by respondents. While the Fund should use the feedback from the participants to feed into its training plans for the coming months it should also focus on the evidence provided by our analysis of the results of the assessment exercise.

**Suggested Training Plan**

When considering the contents of your training plan we recommend it covers the following key learning areas for an LGPS Fund:

- Fundamental learning (e.g. Regulator toolkit, CIPFA knowledge and Skills);
- Business plan objectives and key operational priorities; and
- Current topics (e.g. McCloud, ESG, etc.)

Based on the results of the knowledge assessment we have set out below a summarised set of training priorities below that the Fund should consider incorporating into its Committee and Board training plans for the coming 12 to 18 months.

2021/22 – Q3	<ul style="list-style-type: none"> <li>• Actuarial Methods, Practices and Standards + Pensions Administration</li> </ul>
2021/22 – Q4	<ul style="list-style-type: none"> <li>• Actuarial Methods, Practices and Standards</li> <li>• Investment Performance and Risk Management</li> </ul>
2022/23 – Q1	<ul style="list-style-type: none"> <li>• Committee Role &amp; Pensions Legislation</li> <li>• Pensions Governance</li> </ul>
2022/23 – Q2	<ul style="list-style-type: none"> <li>• Procurement and Relationship Management</li> </ul>
2022/23 – Q3	<ul style="list-style-type: none"> <li>• Pensions Accounting and Audit Standards</li> </ul>
2022/23 – Q4	<ul style="list-style-type: none"> <li>• Financial Markets and Product Knowledge</li> </ul>



### Training support

Tools such as this online assessment offer different ways for members to take part in training. There might be more options for online training sessions which you could take advantage of. We have noted some training materials and websites below which might help you deliver focussed sessions to your Committee and Board and keep them informed on the most pertinent pension areas.

- CIPFA Knowledge and Skills Framework
- [TPR Public Service Toolkit](#)
- [LGA fundamental training – currently a ‘physical’ attendance course](#)
- [LGA monthly bulletins](#)
- Regular topical updates from Officers – e.g. valuation planning and assumptions, McCloud, etc.
- Hymans monthly round up articles

The Fund has committed to using the Hymans Robertson On-line Learning Academy as part of the delivery of its wider training plan. The platform contains a number of bitesize training videos and short assessments for Committee and Board members across all of the 8 topics covered by this assessment, together with emerging current issues or hot topics. This will provide a strong base from which to deliver more detailed and focussed training as part of the Fund’s wider training plan. Each of the priorities highlighted above are covered by the On-line Learning Academy. Individuals will be able to view the videos and undertake the short assessments in their own time ahead of any more formal training ahead of Committee and Board meetings.





## Next Steps

Based on the results we would suggest that there should be consideration to the following next steps:

- This report and the suggested training plan should be **reviewed** by the fund's officers and results shared with the Committee and Board
- Continue the roll out of Hymans On-line Learning Academy to Pension Committee and Pension Board members;
- Set up a **structured training plan** for the next 18 months covering the three key learning areas and incorporating the main areas highlighted in this report
- Consider the most **pressing** training requirements over the next 6 to 8 months, to ensure members have the required knowledge – e.g. Actuarial Methods, Standards & Practices
- **Assess** the full range of tools available to the Fund to assist with training, including the On-line Learning Academy, TPR Toolkit, etc.
- Consider ways of **maintaining** the engagement of both the Board and Committee. This could include providing them with more information, training materials, briefing notes etc.
- Ensure that the Fund's training strategy is up to date and **appropriate** for purpose
- Look to conduct a **case study workshop** with your Committee and Board. This will gain officers a further insight into the **practical application** of both groups knowledge and understanding. This could be presenting various scenarios e.g. how the administration teams will deal with the McCloud judgement and allowing group discussion on how the Committee and Board would deal with selected case studies in their role as decision makers and oversight bodies. Hymans Robertson can facilitate a case study workshop for your Committee and Pension Board, as well as preparing an observation report for the Fund.



### Hymans Support

We are happy to run training sessions, and/or provide training materials covering any of the topics covered in this report. The value of a face-to-face session for this type of training lies in members being able to ask relevant questions and interrogate the trainer on the specific areas they want to develop knowledge in. We understand that at present this might exclude physical attendance, but we are happy to set up video conference calls to assist with the ongoing training of both groups now.

If you wish to discuss the contents of this report further, please get in touch.

Prepared by

A handwritten signature in black ink, appearing to read 'Peter Riedel', is placed over a light grey dotted rectangular background.

Peter Riedel

Senior Technical LGPS Governance, Administration and Projects (GAP) Consultant

On behalf of Hymans Robertson LLP



## Reliances and Limitations

This report has been prepared for the Wiltshire Pension Fund.

This report must not be released or otherwise disclosed to any third party except with our prior written consent, in which case it should be released in its entirety.

Hymans Robertson LLP do not accept any liability to any party unless we have expressly accepted such liability in writing.

This report has been prepared by Hymans Robertson LLP, based upon its understanding of legislation and events as at October 2021.

