



Meeting:	Pension Board
Date:	22/02/2021
Title:	Pension Board Training Requirements
Purpose:	Receive feedback from the Board
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1. Introduction

The Fund recognises the importance of training in ensuring pension fund committee members, pension board members and officers attain, and then maintain, the relevant knowledge and skills needed to administer the Pension Fund successfully.

In January 2010 CIPFA launched technical guidance for Elected Representatives on s101 Pension Committees and non-executives in the public sector within a knowledge and skills framework. The framework covers six areas of knowledge identified as the core requirements:

- Pensions legislative and governance context;
- Pension accounting and auditing standards;
- Financial services procurement and relationship development;
- Investment performance and risk management;
- Financial markets and products knowledge; and
- Actuarial methods, standards and practice.

The Knowledge and Skills Framework sets the skills required for those responsible for pension scheme financial management and decision making under each of the above areas in relation to understanding and awareness of regulations, workings and risk in managing LGPS funds.

In addition, in late 2019 the Scheme Advisory Board for England and Wales began a review of governance arrangements for LGPS funds. This project – termed 'Good Governance' – addressed stakeholder knowledge and skills. A clear recommendation of the Good Governance project is that the knowledge levels already statutorily required of Board members should also be required of Committee members. These recent events have reaffirmed that LGPS funds should evidence the training provided and current knowledge and understanding levels retained within their Committee and Board.

2. Approach to Training

The Funds approach to training will be supportive with the intention of providing pension fund committee members, pension board members and officers with regular sessions that will contribute to their level of skills and knowledge.

The Fund objectives relating to knowledge and skills are to:

- ensure the Fund is managed and its services delivered by people who have the appropriate knowledge and expertise;
- ensure the Fund is effectively governed and administered;

- ensure decisions are robust, are well founded and comply with regulatory requirements or guidance from the Pensions Regulator, the Scheme Advisory Board and the Secretary of State for Communities and Local Government.

To achieve these objectives members of the Board require an understanding of:

- their responsibilities as delegated to them by Gwynedd Council as an administering authority of an LGPS fund;
- the fundamental requirements relating to pension fund investments;
- the operation and administration of the Fund;
- the principles involved in controlling and monitoring the funding level; and
- effective decision making in the management of the Fund.

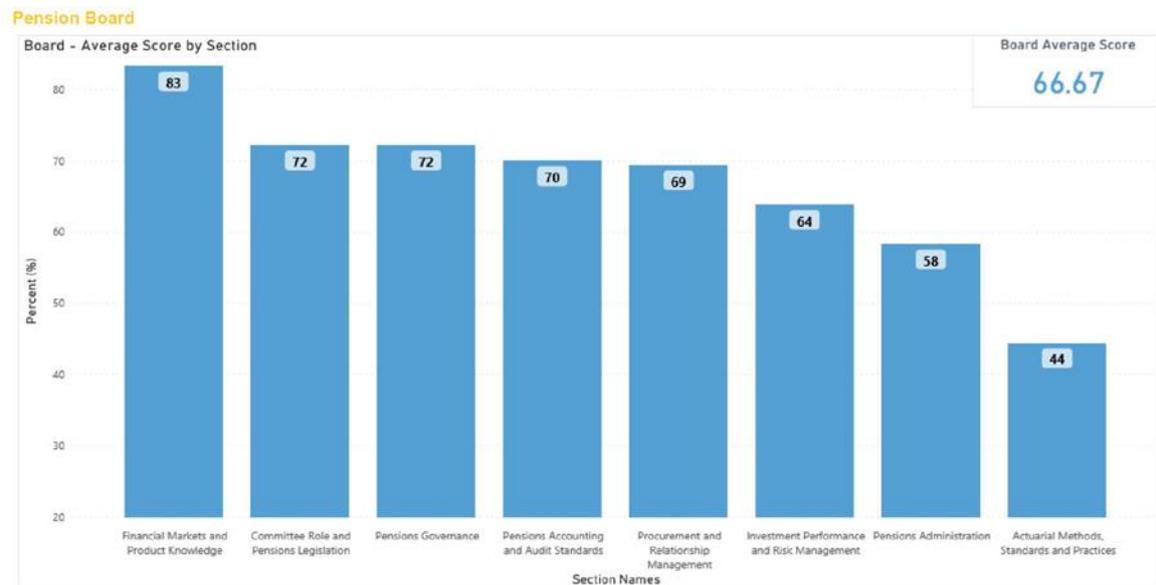
3. National Knowledge Assessment

In order to assess the current knowledge level the fund recently took part in Hymans Robertson's National Knowledge Assessment.

The Assessment took form of 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 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) Code of Practice 14.

Results

The Board's average score for this assessment was 66.67%. The following graph shows the breakdown of the results:



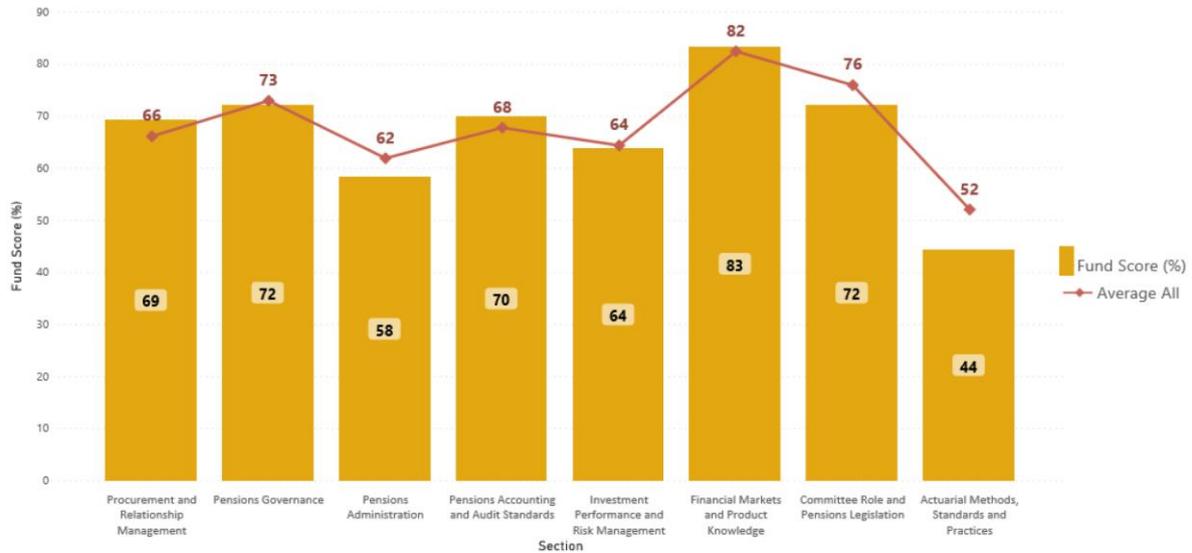
Sections on Financial markets and the Committee's role & legislation were the highest scoring areas for the Board. Governance was also answered strongly which is encouraging given the responsibility of the Board.

It does appear that the Board's knowledge in the other areas is generally good, although actuarial methods and pension administration would be the key areas to focus on.

The chart below shows how the Board scored in each section, versus the national average of all Board members who took part.

Gwynedd Pension Fund

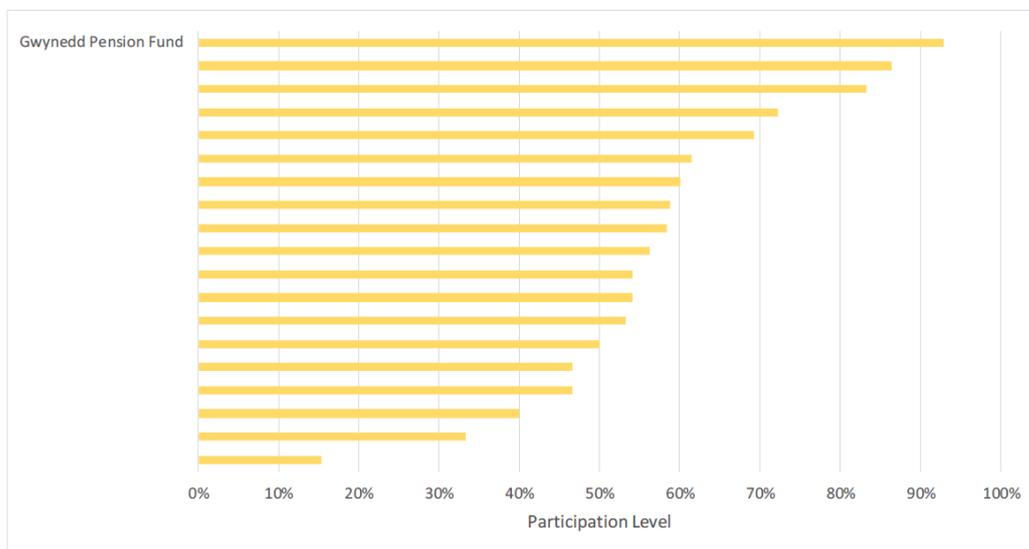
vs. Average across all funds



Engagement

One of the key areas that Hymans Robertson recommend funds focus on is Committee and Board engagement. With the ever-increasing pace of change in the pensions and investments world, member engagement is critical to maintaining strong collective knowledge. There is an expectation that they 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.

The chart below shows how our Fund's participation level compares with that of all other funds who took part. As you can see our Fund was the most engaged in relation to the completion of the assessment (100% of the Board took part).



Training Feedback

One of the final sections of the survey asked participants to indicate which topics they would like training on. The table below summarises the areas in which members indicated which training would be beneficial:



From this table, the topics most requested by the Board were:

- Good Governance
- Investment Performance and Risk Management
- Pension Governance
- Section 13
- Best practice Pension Administration
- Pensions Accounting and Audit Standards

As a result of the assessment, Hymans suggests the following Training Plan:

2020/21 – Q3	<ul style="list-style-type: none"> • The impact of COVID-19 on the Fund + actuarial methods
2020/21 – Q4	<ul style="list-style-type: none"> • Investment performance and risk management was the most requested topic for training but was one of the higher scoring areas. It would be worth investigating this further to see if there are specific training needs. Otherwise current topic subjects suggested by both PC and PB were Exit Credits and McCloud impacts
2021/22 – Q1	<ul style="list-style-type: none"> • Pensions administration + Section 13
2021/22 – Q2	<ul style="list-style-type: none"> • Pensions Governance
2021/22 – Q3	<ul style="list-style-type: none"> • Committee Role and Pension Legislation (most requested training session for Committee members)
2021/22 – Q4	<ul style="list-style-type: none"> • Valuation training sessions – purpose, role, outcomes etc. <p>This has been timed to coincide with the 2022 Actuarial Valuations.</p>

4. Delivery of training

Consideration will be given to various training resources available in delivering training to the Board. These include:

- In-house training
- Self-improvement and familiarisation with regulations and documents
- The Pension Regulator's e-learning programme
- Attending courses, seminars and external events
- Shared training with the Wales Pension Partnership (WPP)
- Regular updates from officers and/or advisers
- Circulated reading material
- Hymans Robertson's Online training

It is likely that most aspects of training will be delivered on a group basis, either at Committee and Board or through separate events to which all members will have the opportunity to attend.

In-house training

Training on specific issues, in particular on the administration of the fund, can be offered by the Fund's officers. These can be arranged for the whole Board or on a one to one basis. Topics that can be covered include:

- Calculation of benefits
- Early leavers
- Dependant benefits
- Transfer of pension benefits
- Improving benefits

There is also a wealth of information available on the fund's website:

www.gwynedd-pensionfund.wales as well as the national member's website: www.lgpsmember.org

The scheme has also produced a range of scheme literature that is available online or in paper format.

Self-improvement and familiarisation with regulations and documents

The Local Government Association (LGA) provides pensions information on the Local Government Pension Scheme (LGPS).

They have a website which has all the technical and legal information about the LGPS 2014 for Employers and Administering Authorities. The site also contains the Scheme Regulations and all supplementary guidance.

Please visit the [LGA website](#) to access all this information.

The Pension Regulator's e-learning programme

The Regulator has developed an on line tool designed to help those running public service schemes to understand the governance and administration requirements in the public service schemes code of practice. The toolkit is mainly designed for Pension Board members, but it is equally as useful as a training aid for Pension Committee members as well.

This training will enable board members to meet the minimum level of knowledge and understanding introduced in the Pensions Act 2004.

The toolkit included nine Essential Learning for Trustee compulsory modules and seven Public Sector toolkit compulsory learning modules.

The nine Essential Learning for Trustees compulsory models test member knowledge in the following areas:

- Introducing pension schemes
- The trustee's role
- Running a scheme
- An introduction to investment
- How a defined benefit scheme works
- Funding your defined benefit scheme
- Defined benefit recovery plans. Contributions and funding principles
- Investment in a defined benefit scheme

The seven Public Sector Toolkit compulsory modules test Pension Board member knowledge in the following key areas:

- Conflicts of Interest
- Managing Risk and internal controls
- Maintaining accurate member data
- Maintaining member contributions
- Providing information to members and others
- Resolving internal disputes
- Reporting breaches of the law

The Pension Regulator's toolkit programme is designed to enable you to dip in and out of the content, and learn at your own pace. All of the learning is downloadable, which means that you can also study offline.

Each course features a variety of activities to suit the way you want to learn. This includes:

- an e-learning module which includes a technical tutorial and a case study
- an assessment to test your knowledge.
- a check your scheme worksheet to help you apply the learning to your own scheme
- exercises which you can complete individually or as a group to test your knowledge or the scheme's processes
- examples and extra resources to bring the learning to life

It is estimate that each course will take one hour to complete.

The Public Service toolkit enables you to print or save a development record which proves your achievements in the programme.

Each course features an online assessment and for each one you pass your development record will be updated with your score. The development record can be downloaded at any time and as new modules are added you will be able to pass these and add them to your record too.

More information can be found on the following page:

<https://www.thepensionsregulator.gov.uk/en/public-service-pension-schemes>

Set up your own account on the following website:

<https://trusteetoolkit.thepensionsregulator.gov.uk/>

Attending courses, seminars and external events

Attendance at seminars and conferences offered by industry-wide bodies, such as those organised by the LGA, LGC Pension Investment Seminars, CIPFA, Local Authority Pension Fund Forum or PLSA.

As an example, the training offered by the LGA include:

- **an annual LGPS governance conference** – aimed at elected members and others who attend pension committees and local pension boards e.g. employer representatives, trade union and other member representatives, as well as officers.
- **fundamentals training** – an A-Z bespoke LGPS training course aimed at elected members and others who attend pension committees and local pension boards. The course runs from October to December each year, in Cardiff, Leeds and London. It provides members of pension committees and local pension boards with the knowledge and skills to enable them to carry out their duties effectively.

Currently most of these session are taking place virtually, but hopefully in the future there will be the opportunity to attend these events in person.

Shared training with the Wales Pension Partnership

The Welsh Pension Partnership (WPP) has released the following Training Plan for 2020/21 and Board members are welcome to attend all sessions.

Topic	Presenter / Training Host	Date
Monitoring		
Managing Conflict of Interest	Hymans Robertson	Q1 April – June 2020
Operator Monitoring	Hymans Robertson	
Performance metrics (including RI metrics)	Link / Russell Investments / Investment Managers & Hymans Robertson	
Market Understanding		
Progress of other LGPS pools	Hymans Robertson & External Parties	Q2 July – September 2020
Collaboration Opportunities	Hymans Robertson & External Parties	
Climate Risk	Hymans Robertson	

Assets Classes - Alternatives	Link / Russell Investments / Investment Managers & Hymans Robertson	
Review Process		
Decision Logging	Host Authority & Hymans Robertson	Q3 October – December 2020
Identifying lessons to be learnt	Host Authority & Hymans Robertson	
Regulatory Requirements		
Transparency Requirements	Hymans Robertson & External Parties	Q4 – January – March 2021
Enacting guidance and regulation	Hymans Robertson	

The following session has been organised, and an invitation has been sent to all Board members:

24/02/2021:

- Review Process
- Regulatory Requirements

Regular updates from officers and/or advisers

Training and updates at meetings (e.g. committee or pension board) can be provided by officers and/or external advisers.

Circulated reading material

Monthly bulletins are prepared by the Local Government Association (LGA). Bulletins contains important updates for administering authorities, scheme employers and software suppliers. It also provides a general update for all L G P S stakeholders.

It is proposed that these monthly bulletins are e-mailed to members of the Pension Board.

Historic bulletins can be found through the following link:

<http://www.lgpsregs.org/bulletinsetc/bulletins.php>

Other relevant reading material can also be sent by e-mail to members.

Hymans Robertson’s Online training

Hymans Robertson are currently in the process of developing an online training course for Committee and Board members that covers all the key areas that members need to understand in order to successfully manage the running of a fund, including:

- An introduction to LGPS oversight bodies, governance, legislation and guidance
- LGPS administration, including policies and procedures, pension fund auditing and accounting
- LGPS valuations, funding strategy and LGPS employers
- Investment strategy, pooling and responsible investment
- Performance monitoring and procurement
- Current issues in the LGPS
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It is likely that this training will be in the form of short and engaging 10 to 20 minute videos with extra learning materials also being provided.