

Meeting:	Pension Board
Date:	04/02/2025
Title:	RESULTS OF THE LGPS NATIONAL KNOWLEDGE ASSESSMENT 2024
Author:	Meirion Jones, Pensions Manager
Purpose:	For information only

1. Introduction

The Hymans Robertson National Knowledge Assessment (NKA) is a comprehensive evaluation designed to assess the knowledge and skills of key decision makers and supervisory bodies within pension funds. Participants respond to a range of questions across different topics, and their scores are used to effectively tailor training sessions.

In 2024, the Gwynedd Pension Fund took part in this assessment, with the results benchmarked against those from other funds. After completing the assessment, each participant received an individual results report detailing their performance.

The assessment covers a range of areas, including technical expertise, roles and responsibilities, and decision-making processes. It provides valuable insight into members' knowledge in alignment with the CIPFA Knowledge and Skills Framework and the Pensions Regulator's Code of General Practice, thereby promoting compliance and improving performance.

This report summarises the results for the Pension Board and discusses possible options to address any training needs identified. For a detailed overview of the results, please refer to **Appendix A**. In addition, a national report offering a wider perspective will be published by Hymans Robertson in the coming months.

1. Why is the assessment important?

While the day-to-day running of the fund is handled by fund officials, Board members play a vital role in the scheme as decision makers.

To carry out their roles effectively, Board members must be able to address all relevant topics such as investment issues, pension finance issues, pension administration and governance.

Similarly, Pension Board members must have sound knowledge of these topics to be able to mount a critical challenge in overseeing the Fund's decisions.

2. The assessment

Members and the Gwynedd Pension Fund Board were invited to complete an online information assessment.

There was a total of 9 respondents from the Committee and 5 respondents from the Board.

Each respondent was given the same set of 48 questions on the following 8 areas:

Section 1: Pensions Legislation and the Role of the Committee

Section 2: Pension Governance

Section 3: Administration of Pensions

Section 4: Pension Accounting and Auditing Standards

Section 5: Procurement and Relationship Management

Section 6: Investment Performance and Risk Management

Section 7: Financial Markets and Product Information

Section 8: Actuarial Methods, Standards and Practices

Under each subject heading, there were 6 multiple choice questions to answer. Each question had 4 possible answers, and one answer was correct.

Participants were also given the option of selecting "I have no knowledge of this area", where they weren't sure.

This allows Hymans to build a picture of each individual member's levels of knowledge in each of the subjects, but is essential to help inform the pool of the overall levels of knowledge in each field.

3. Results

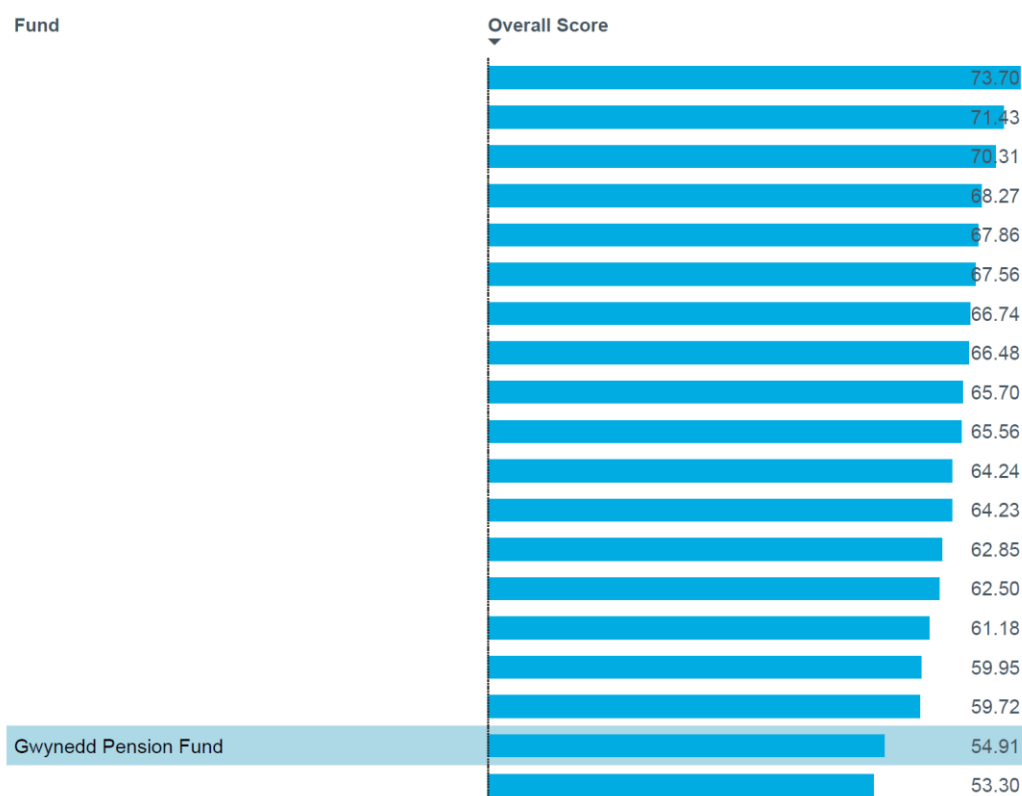
The responses for all members who participated have been collated and analysed. For each section Hymans have shown:

- The average score for each of the 8 subject areas, for both the Committee and Board.
- Each score compared with the results of the previous assessment taken by the fund, to show growth or regression in each area.
- Engagement levels for both the Committee and Board and how these levels rank against other LGPS funds.
- The most requested topics for training.

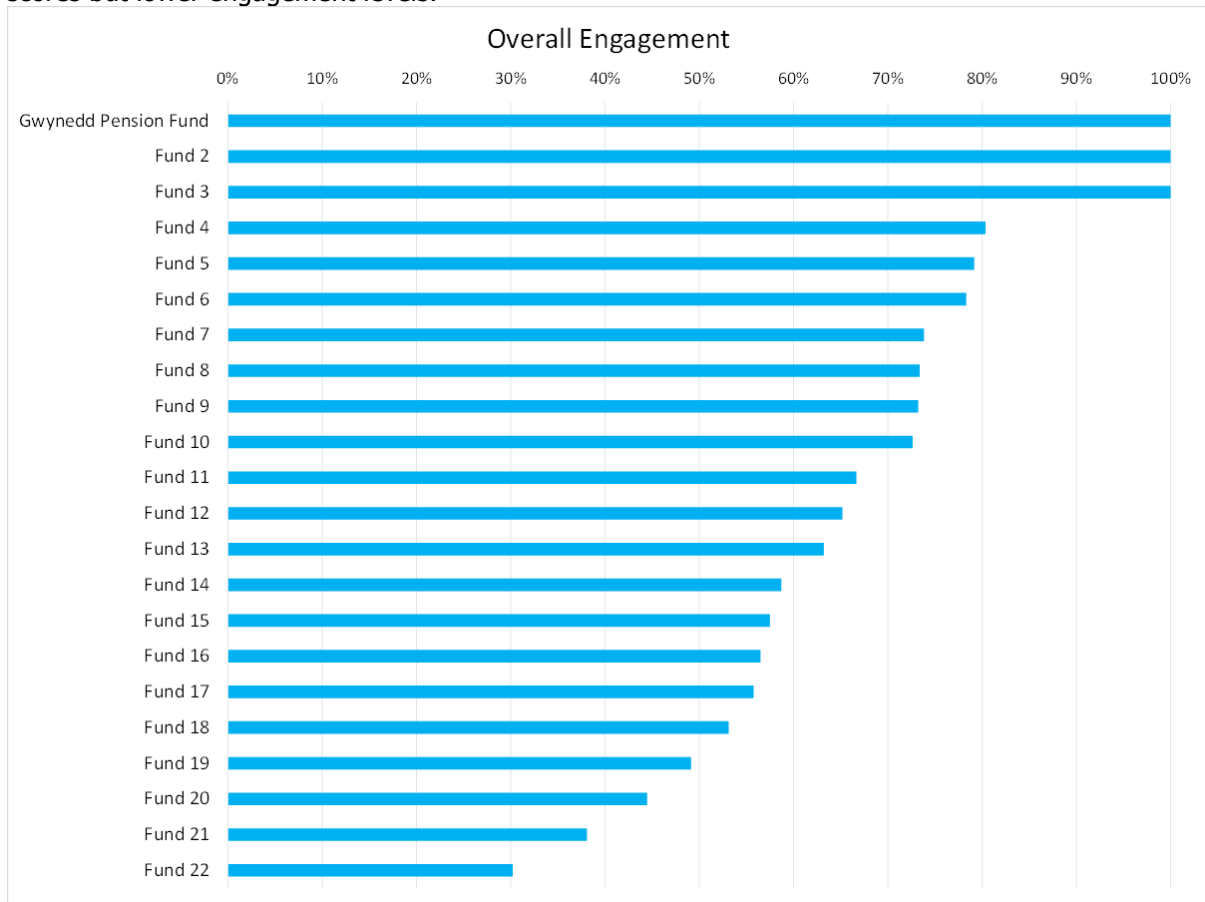
4. Overall results

The chart below shows how the overall average score for the Fund compares with that of all other funds who took part in the Assessment. The "score" shown is the average score of all participating Committee and Board members from each Fund.

Gwynedd Pension Fund ranked 18th out of 19 Funds.

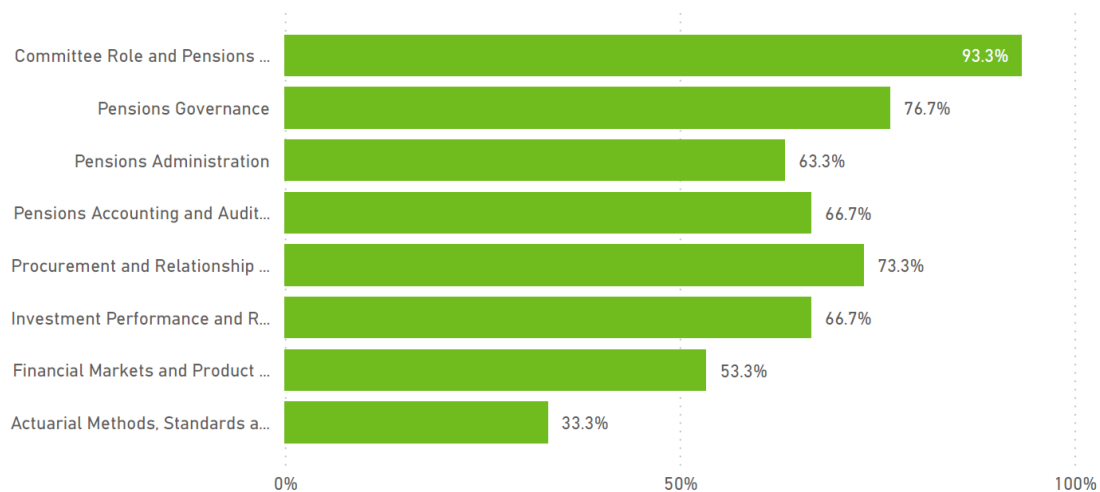


Although the Fund ranked relatively low overall, it achieved a high ranking in the engagement table. This indicates that our fund's results are more accurate compared to some funds with higher overall scores but lower engagement levels:



5. Results of the Board

The following table shows how the Board has scored on the various sections:

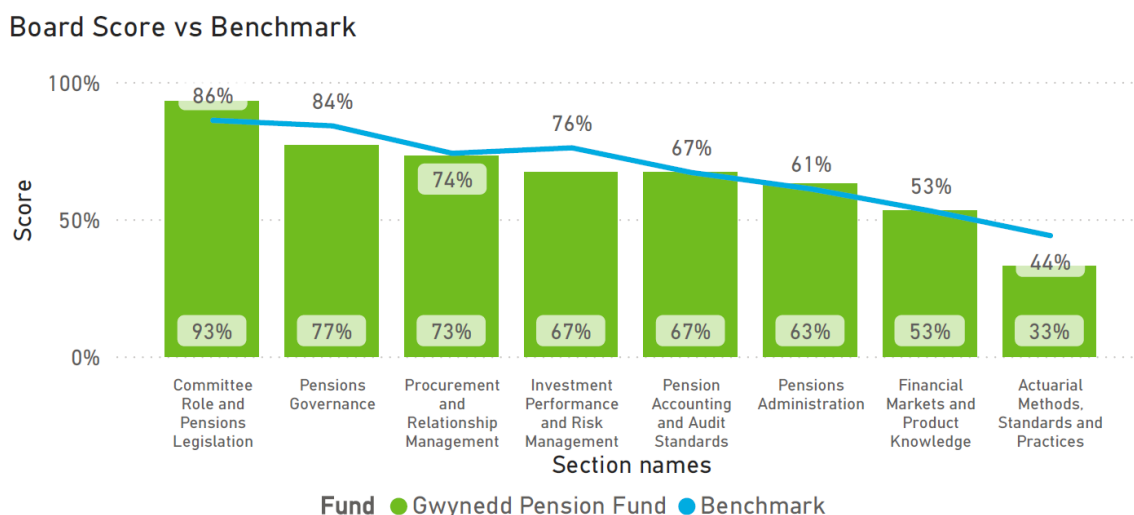


The results show that the Board has performed well in the Role of the Committee and Pensions Regulations, Pensions Governance and Procurement and Relations Management sections.

But the areas to focus any specific training on may be Actuarial Methods, Standards and Practices, as well as Financial Markets and Product Information for the Board.

As this assessment is carried out at a national level across a number of LGPS funds, Hymans is able to provide details of how the Fund's results compare to the average of all participating funds to date.

The chart below compares the Board's results, against the average scores nationally for each group. This gives an idea of the knowledge levels across these groups, relative to the national average:



It is pleasing to see that the Committee's Role and Pensions Regulations, Pensions Governance and Procurement and Relationship Management sections have scored well for the Board.

There are clearly some areas where knowledge levels are lower, and these areas would be a sensible focus of training for the Board.

6. Hyman Robertson's comments on the results

Here are Hymans Robertson's insights on the results:

"It's very encouraging that 14 participants from your Fund took part in the assessment. Overall, the results were reasonably positive and it's clear that there are areas of greater knowledge levels as well as areas in which knowledge should be developed over time.

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."

7. Collective knowledge

Beyond overall average scores, it's crucial to consider the collective knowledge of Committee and Board members. Each member brings unique experiences and perspectives, contributing more effectively to areas they are knowledgeable about. Therefore, understanding how many members scored highly in each topic is important to gauge the breadth of knowledge. A well-rounded Committee or Board should have several members excelling in each topic, ensuring they can provide guidance and challenge when needed. This is measured by analysing members who correctly answered at least 5 out of 6 questions in each topic, indicating their expertise.

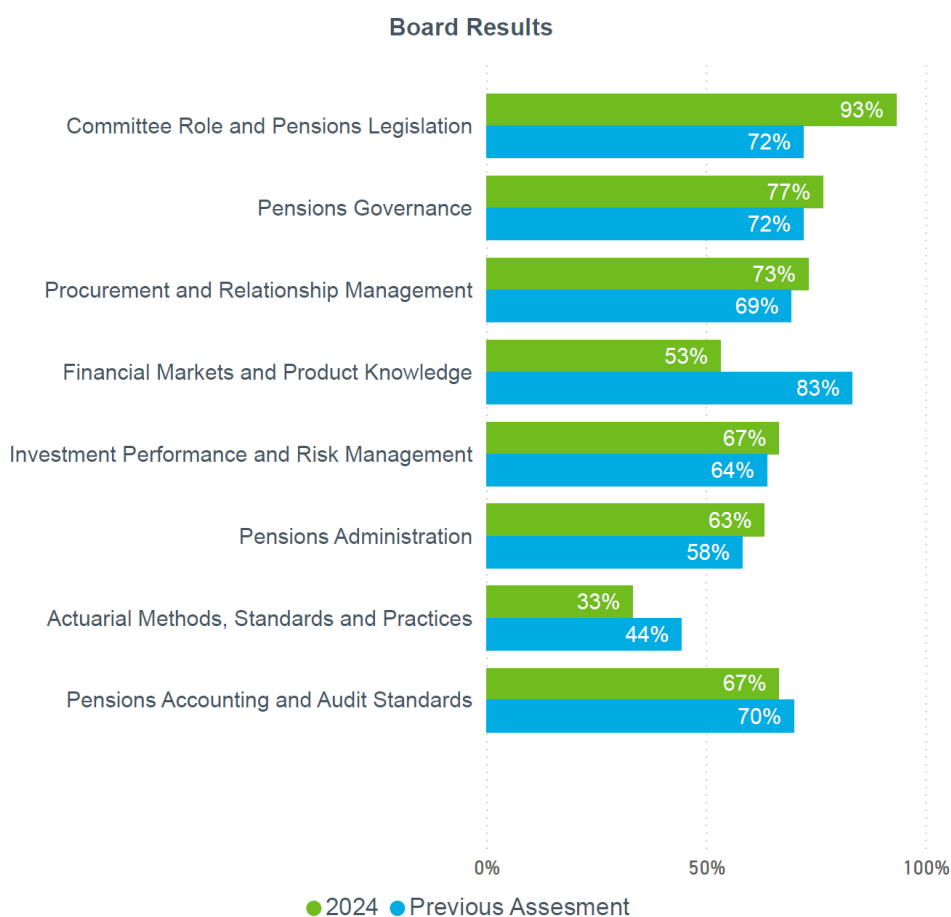
The chart below shows the percentage of members who correctly answered at least 5 out of 6 questions in each topic:



8. Comparison with previous assessment

The Fund also participated in a previous assessment. The results for each of the 8 subjects can be compared to measure progress in each area.

This is shown in the following chart:



The average score for each subject this year is compared to the score from the previous assessment.

It is worth noting that while there will be differences in the members who took part in each assessment, it is the collective knowledge of each group that matters.

The area where information seems to have developed most for the Board is the Role of the Committee and the Pensions Regulations which are encouraging.

On the other hand, knowledge levels seem to have regressed in several areas.

9. Training

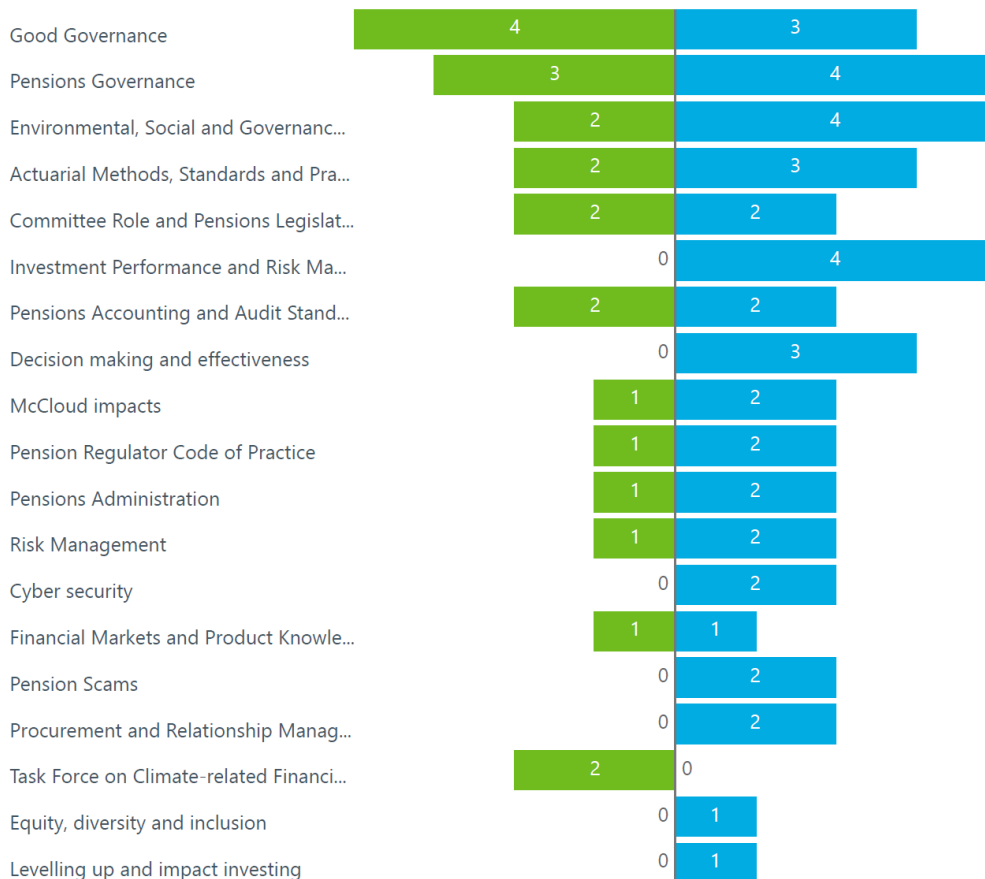
One of the final sections of the survey asked participants to identify which subjects they would like to receive training on.

A list of options was available, covering a broad spectrum of topics that we believe are most relevant to allowing Committee and Board members to perform their roles effectively. Members were also given the option to identify any other areas where they would benefit from further training.

The table below summarises the areas where members indicated that training would be beneficial.

Training requirements

● Board ● Committee



As you can see the most popular topics for the Board were:

- Pension governance;
- Good governance;

10. Training opportunities

There are several training opportunities available for LGPS pension committee and board members:

- **Fundamentals Training:** An A-Z bespoke LGPS training course designed for elected members and others who attend pension committees and local pension boards. It runs from October to December each year in three different locations and provides the necessary knowledge and skills to carry out their duties effectively.
- **Conferences:** Annual conferences related to LGPS, and public sector pensions can provide valuable insights into emerging trends, best practices, and networking opportunities with other professionals in the field.
- **Online Training Modules:** E-learning platforms e.g. The Pension Regulator's Trustee toolkit provides online courses covering topics of interest to committee members.
- **Local Government Association (LGA) Training:** The LGA offers various training and events related to the LGPS, including the fundamentals training and the annual governance conference.
- **Bespoke Training Sessions by Fund Actuary:** Customised training sessions are available, tailored to the specific needs of the fund. These can be short sessions or full training days, focusing on fewer subject matters in more detail.
- **Welsh Pension Partnership (WPP) Training:** The WPP offers a training plan designed to supplement existing Constituent Authority training plans. This includes quarterly training sessions covering major areas such as investments, administration, regulation requirements, government guidance, and market developments.
- **Webinars:** Many organisations offer webinars that address current issues facing pension committees, providing flexibility for members to participate remotely.
- **Membership in Professional Organisations:** Joining organisations such as the Local Authority Pension Fund Forum (LAPFF) or the Society of Pension Professionals can provide access to resources, training, and networking.
- **Reading Materials and Guidance Notes:** Many pension authorities and professional bodies publish guidance notes, best practice documents, and other reading materials that can serve as valuable resources for committee members.
- **Regulatory Updates:** Training sessions focused on the latest regulatory changes and compliance requirements can help ensure committee members are up-to-date with their legal obligations.

11. Next step – Training Plan

The next step in our work includes the development of a comprehensive training plan for the Pension Board, focusing on improving members' understanding and capabilities in critical areas identified in the recent National Knowledge Assessment.

The training plan will prioritise topics identified in the assessment, such as Actuarial Methods, Standards and Practices, as well as Financial Markets and Product Information, ensuring board members are well placed to make informed decisions. This will include a combination of workshops, seminars, and practical exercises led by industry experts, as well as opportunities for peer learning and discussions.

In addition, the plan will include ongoing assessments to measure the effectiveness of the training and adjust content as needed, fostering a continuous learning environment that keeps up with evolving pension fund challenges and legislative changes.

Below is a draft version of the training plan. We invite all Board members to share their comments and suggestions to help us refine and complete the plan.

Training Plan Overview

1. Objectives:

- Equip Board members with a deep understanding of Actuarial Methods, Standards, and Practices.
- Enhance knowledge of Financial Markets.
- Foster informed decision-making through practical applications and peer discussions.

2. Key Topics:

- **Actuarial Methods:**
 - Fundamentals of actuarial science.
 - Risk assessment and management techniques.
 - Valuation of pension liabilities.
- **Standards and Practices:**
 - Overview of relevant regulatory frameworks.
 - Ethical standards in actuarial practice.
 - Best practices for compliance and governance.
- **Financial Markets and Product Knowledge:**
 - Introduction to financial instruments and markets.
 - Investment strategies for pension funds.
 - Analysis of market trends and their impact on pension planning.

3. Training methodology:

- **Workshops:**
 - Hands-on sessions focusing on practical applications of actuarial methods.
 - Real-life case studies to illustrate the complexities of pensions administration.
- **Seminars:**
 - Expert-led presentations on current trends and innovations in the industry.
 - Interactive Q&A sessions to promote engagement and clarity.
- **Practical Exercises:**
 - Simulations of decision-making scenarios relevant to committee responsibilities.
 - Group activities to encourage collaboration and peer learning.
- **Peer Learning and Discussions:**
 - Facilitated discussion groups to share experiences and best practices.
 - Networking opportunities to build relationships and share insights.

4. Evaluation and Feedback:

- Regular assessments to gauge understanding and retention of knowledge.
- Feedback sessions to continuously improve the training program based on participant experiences.

5. Timeline:

- A structured timeline outlining the frequency and duration of workshops, seminars, and exercises, ensuring a balanced approach throughout the training period.

6. Resources:

- Access to online materials, guides, and industry reports to support learning.
- A repository of recorded sessions and supplementary resources for ongoing reference.

By implementing this training plan, committee members will be better prepared to navigate the complexities of their roles, fostering a culture of informed decision-making and continuous professional development.