



Purpose: For Information

# Committee report

Committee	<b>PENSION FUND COMMITTEE</b>
Date	<b>27 JULY 2022</b>
Title	<b>KNOWLEDGE AND UNDERSTANDING UPDATE</b>
Report of	<b>PENSION FUND MANAGER</b>

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## EXECUTIVE SUMMARY

1. While there is no legislative requirement for pension fund committee members to have a minimum level of knowledge and understanding to undertake their roles in overseeing all aspects of the pension fund, it is considered good practice that committee members obtain sufficient understanding of all aspects of the fund, to ensure that appropriate decisions can be made.
2. Appendices to this report contain a record of development activities undertaken by current committee members, including online learning activities, attendance at local development sessions, and attendance at external events.

## RECOMMENDATION

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| <ol style="list-style-type: none"><li>3. That the committee note the report.</li><li>4. That committee members agree to complete the recommended online training modules and provide evidence of their completion.</li><li>5. That the committee agree that the fund will participate in the Hymans Robertson National Knowledge Assessment once launched, and that all committee members will participate in the survey.</li></ol> |
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## ONLINE DEVELOPMENT ACTIVITIES

6. Appendix 1 to this report provides information on the progress of committee members in completing the seven modules of the Pension Regulator's (TPR) online learning toolkit, as well as completion of the Council's mandatory information security training modules.

7. At the time of writing, the Pension Fund Manager has received evidence from three committee members of their completion of the TPR toolkit. The link to the toolkit can be found in the background papers section of this report.
8. As part of the risk register (covered under item 4a on this meeting's agenda), the fund acknowledges the key issue of data security. One of the key mitigations is that all committee members and officers complete the Council's learning and development modules for Data Protection Awareness, Information Security Awareness and Cyber Security Awareness.
9. At the time of writing, no councillor members of the committee have completed any of the three proposed modules. It is noted that not all staff supporting the pension fund have completed all the required modules. Staff have committed to complete the outstanding modules before the next pension fund committee meeting.
10. The link to the council's learning and development portal is provided in the background papers section to this report. This can be accessed using councillors' @iow.gov.uk email address and password.

#### INTERNAL AND EXTERNAL EVENTS

11. The Pension Fund Manager has organised a virtual development session to be held at 11am on Wednesday 14 September 2022. This session will be delivered by Hymans Robertson and will cover the process by which the fund's strategic asset allocation is determined, as part of the triennial valuation.
12. Committee members are asked to confirm their attendance at this very important development session, which will form the basis for a decision on any amendments to the current allocation which will be presented at a future meeting of this committee.
13. Committee members are also asked to review the attendance records for external development events publicised by the Pension Fund Manager and provide information on other events that they may have attended, which can be added to the development records.

#### HYMANS ROBERTSON NATIONAL KNOWLEDGE ASSESSMENT

14. In 2020, Hymans Robertson launched the first National Knowledge Assessment (NKA), a tool to measure the levels of knowledge and understanding of committee and pension board members. The fund participated in this assessment in 2020.
15. Hymans have announced that they intend to launch a second NKA in mid-September 2022, inviting all LGPS funds to participate. It is expected that the assessment will take between 15-20 minutes to complete.
16. It is proposed that the fund participates in the assessment again, particularly given the number of changes to the membership of both committee and board since the last assessment.
17. This assessment will provide key evidence and information on the management of the fund and will provide useful information in helping to understand where to focus our future training requirements, and wider information for the LGPS as a whole.

18. On completion of the survey, the fund will receive:
- (a) A fund-level result report.
  - (b) Individual participant scores.
  - (c) Benchmarked Fund results against other LGPS funds and tracked against 2020 results.
  - (d) Benchmarked engagement scores.
  - (e) Hymans' analysis and suggested next steps.
  - (f) A recommended training plan tailored for both Committee and Board.
19. The committee is asked to confirm active participation in this assessment.

## CORPORATE PRIORITIES AND STRATEGIC CONTEXT

### Corporate Aims

20. There is nothing contained in this report which directly contributes to the priorities contained in the [Corporate Plan 2021 - 2025](#).

### Pension Fund Strategic Aims

21. The primary objective of the fund is to provide pension and lump sum benefits for members on their retirement and/or benefits on death, before or after retirement, for their dependents, in accordance with the Local Government Pension Scheme (LGPS) regulations and statutory provisions. The committee aims to operate the fund in such a manner that, in normal market conditions, all accrued benefits are fully covered by the value of the fund's assets and that an appropriate level of contributions is agreed by the employer to meet the cost of future benefits accruing.
22. The fund has also agreed the following objectives, which are supported by information in this report:
- (a) Ensure compliance with the LGPS Regulations, other relevant legislation and the Pensions Regulator's Codes of Practice.
  - (b) Ensure Fund is managed, and its services provided, by people with the appropriate knowledge and understanding.
  - (c) Data is protected to ensure security and authorised use only.

## FINANCIAL / BUDGET IMPLICATIONS

23. The cost of participating in the Hymans Robertson National Knowledge Assessment for 2022 is expected to be similar to that of the 2020 assessment, which was £5,000. This cost will be confirmed in due course.
24. The Pensions Regulator's online toolkit and the Council's learning and development portal have no additional cost to the pension fund.

## LEGAL IMPLICATIONS

25. The Isle of Wight Council is the administering authority for the Isle of Wight Council Pension Fund. An administering authority is defined in the Local Government Pension Scheme Regulations 2013 as "a [local authority] required to maintain a pension fund under the local government pension scheme regulations".

26. The Pension Fund Committee is a committee under section 101 of the Local Government Act 1972, with delegated authority to discharge the council's statutory duties in respect of the LGPS.
27. While there are no current legal requirements for a minimum level of knowledge and understanding for committee members (unlike the statutory obligations for board members under the Public Service Pensions Act 2013), it is important that members have a good understanding of all aspects for fund management, to ensure that appropriate decisions can be made.

#### EQUALITY AND DIVERSITY

28. The council, as a public body, is required to meet its statutory obligations under the Equality Act 2010 to have due regard to eliminate unlawful discrimination, promote equal opportunities between people from different groups and to foster good relations between people who share a protected characteristic and people who do not share it. The protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.
29. There are no implications for any of the protected characteristics arising from items covered in the report.

#### RISK MANAGEMENT

30. Maintaining sufficient levels of knowledge and understanding will ensure that committee members are able to make informed decisions, that are evidence based, and compliant with the requirements of the LGPS.

#### APPENDICES ATTACHED

31. Appendix 1: Isle of Wight Pension Fund Committee development records 2022-23.

#### BACKGROUND PAPERS

32. The Pensions Regulator public service pensions online learning modules:  
<http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx>
33. Isle of Wight Council Learning and Development portal:  
[Catalogue \(learningpool.com\)](http://learningpool.com)

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