



Committee report

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| Committee | LOCAL PENSION BOARD |
| Date | 26 OCTOBER 2022 |
| Title | KNOWLEDGE AND UNDERSTANDING |
| Report of | PENSION FUND MANAGER |

EXECUTIVE SUMMARY

1. Within its governance compliance statement for the year ended 31 March 2022 (presented as item 4 on this agenda) the fund has noted a decline in the standards of compliance with knowledge and understanding of board members, due to the change in membership over the last 12 months.
2. This report is intended to promote engagement with board members on the consolidation of their levels of knowledge and understanding, and the creation of a training programme to support both committee and board members.

RECOMMENDATION

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| 3. That board members note the summary of attendance and training, and commit to complete the recommended training before the end March 2023. |
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BACKGROUND

4. Appendix 1 to this report summarises the board members' completion of the Pension Regulators online tool kit; the Hymans Robertson LGPS Online Learning Academy online modules and the completion of the Hymans Robertson National Knowledge Assessment questionnaire 2022, as at 17 October 2022.
5. Board members are reminded of the requirements under the regulation 248A of the Pensions Act 2004, as introduced by the Public Services Pensions Act 2013, which states:

248A Requirement for knowledge and understanding: pension boards of public service pension schemes

- (1) *This section applies to every individual who is a member of the pension board of a public service pension scheme.*
- (2) *An individual to whom this section applies must be conversant with—*
 - (a) *the rules of the scheme, and*

(b) *any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme.*

(3) *An individual to whom this section applies must have knowledge and understanding of—*

(a) *the law relating to pensions, and*

(b) *such other matters as may be prescribed.*

(4) *The degree of knowledge and understanding required by subsection (3) is that appropriate for the purposes of enabling the individual properly to exercise the functions of a member of the pension board.*

6. The expectations of the Pensions Regulator in respect of the knowledge and understanding of “the governing body” of pension schemes is set out in the new combined code of practice, the relevant sections are attached as appendix 2 to this report.
7. The sections entitled ‘Working knowledge of pensions’ and ‘Building and maintaining knowledge’ build on the current requirements of the Regulator’s code of practice no 14 *Governance and administration of public service pension schemes*.
8. While the section entitled ‘Governance of knowledge and understanding’ is not directly relevant to public service schemes, it is considered best practice to take the requirements into account to ensure continued good governance.

LOCAL EXPECTATION OF BOARD MEMBERS

9. The board member role profile, which is published on the fund’s website (and linked in the background papers below) states “Members are expected to complete the Pension Regulator’s online Public Service toolkit within six months of appointment, and to attend training opportunities and maintain a wider interest in the subject, beyond formal intervention, in order to fulfil their role effectively.” A number of new board members have not complied with this requirement.

NATIONAL KNOWLEDGE ASSESSMENT

10. At its meeting on 27 July 2022, the pension committee agreed to actively participate in the Hyman Robertson National Skills Assessment 2022, which is intended to identify collective and individual levels of knowledge and understanding for committee and board members and assist in the development of a training programme to improve understanding.
11. As at 14 October 2022, only three board members (out of seven) and two committee members (out of eight) had completed the assessment. A reminder email was sent to all committee and board members on 17 October to encourage completion. A further update on progress will be provided at the meeting.

APPENDICES ATTACHED

12. Appendix 1: Record of attendance and training at 17 October 2022.
13. Appendix 2: extract from the Pension Regulators’ new code of practice – Knowledge and understanding.

BACKGROUND PAPERS

14. The Pension Regulator's online toolkit
<http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx>
15. Hymans Robertson LGPS online learning academy
<https://aspire.hymanslearning.co.uk/>
16. Role profile: Employer and Scheme Member Representatives on the Local Pension Board
<https://www.isleofwightpensionfund.org/resources/employer-and-scheme-member-representatives-on-the-local-pension-board/>

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