

Trustee toolkit research

A report of the findings



Conducted by iQ Research Ltd
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1. Executive summary

The Trustee toolkit (the toolkit), an e-learning resource produced by the Pensions Regulator (the regulator), was designed to deliver the learning required for lay trustees of occupational pension schemes to meet their knowledge and understanding requirements.

This research assessed the toolkit's effectiveness in delivering this learning and as an agent for change to the governance of occupational pension schemes. Other trustees and interested parties use the toolkit, but this research focuses on lay trustees only as they are the audience for the toolkit.

The research results confirm that the toolkit is very effective as a learning tool in educating lay trustees of both Defined Benefit (DB) and Defined Contribution (DC) schemes. The feedback from research respondents who have used it was overwhelmingly positive.

The level of spontaneous praise given to the toolkit by trustees was considerable, with almost no negative comments being made about it by users. It was considered to be easy to use, reliable, well designed and to contain much content relevant to trustees' own schemes. Most non-users were already aware of the toolkit and many were considering becoming users.

The perceived added credibility of it being developed by the regulator provided reassurance that the content would be correct and up to date.

The flexibility of the toolkit, its clarity, visual presentation, and stability as an e-learning platform were appreciated by toolkit users. And it was particularly commended for providing a user-friendly resource, containing relevant content for all trustees, regardless of their level of experience or background. The use of real life scenarios, the overall tone and the look and feel of the application were also highly regarded.

There is also evidence that the toolkit is acting as an agent for improvement in the behaviours of trustee boards and in the governance of schemes, as trustees build a secure knowledge base, grow in confidence and improve their ability to question scheme advisers.

Almost all the trustees taking part in the research had had some traditional topic specific training, generally from scheme advisers. However, trustees who had completed the toolkit demonstrated a more rounded knowledge and understanding of the governance requirements for their schemes than those who had completed only a few modules, or who had not yet been exposed to the toolkit at all. It was also noticeable that respondents felt their confidence had been greatly increased across a wide range of areas as a direct result of the toolkit training.

Key advocates of the toolkit included professional advisers, indicating that they recognise the value and use of the toolkit.

It is clear from this research that trustees greatly value the toolkit. Many of those who had used it were acting as advocates for it, and were working to ensure it was a resource used by all trustees on their boards.

2. Background

The regulator has a set of specific objectives:

- To protect the benefits of members of work-based pension schemes;
- To promote good administration of work-based pension schemes; and
- To reduce the risk of situations arising that may lead to claims for compensation from the Pension Protection Fund.

Trustee knowledge and understanding (TKU), as required by the Pensions Act 2004, is one of the regulatory tools which underpins those objectives. The Act requires all trustees to have knowledge and understanding, in relation to their own scheme, of the following:

- Pensions and trust law
- Underlying funding principles
- Investment matters

To answer the question ‘what is it that trustees need to know and understand?’, the regulator developed a list of items which trustees could use as a resource against which to check their progress. This became the Scope guidance. An e-learning programme, the Trustee toolkit (see www.trusteetoolkit.com) was designed to deliver the knowledge necessary to enable trustees to meet the requirements of the code of practice¹ on TKU. The toolkit was published, module by module, as each was completed, between January 2006 and May 2007.

The modules comprise:

- Introducing pension schemes
- The trustee’s role
- Pensions law
- The 4 major asset classes
- How a DB scheme works
- Funding your DB scheme
- DB recovery plans, contributions and funding principles
- How a DC scheme works

¹ Codes of practice set out the standards of conduct and practice expected of those involved in running and providing pension schemes. Those standards reflect how a well-run pension scheme would choose to meet the relevant requirements

- Fund management
- Strategic investment
- Running your scheme

At the time of the research, approximately 12,000 lay trustees had registered on the toolkit website. Several months after publication of the final module iQ Research (iQ) were commissioned by the regulator to do some independent market research looking at the effectiveness of the toolkit. This report summarises the findings of that research.

3. Research objectives

The key objective of the research was to:

- Determine the effectiveness of the toolkit both as a learning tool and as an agent for change in the behaviour of lay trustees and the governance of pension schemes.

Further areas of interest were the extent to which:

- The toolkit was used in practice, and whether the learning experience could be enhanced if at least some learning could be completed in a group, whether as part of a board training session or outside board time;
- Professional advisers to schemes have influenced the take up of the toolkit among lay trustees;
- Lay trustees and other users value, recommend and use the toolkit; and
- Lay trustees demonstrate knowledge and understanding of the governance requirements for their schemes, and how the extent of this knowledge differs between those who have, and those who have not completed the toolkit.

These objectives posed a challenge in terms of the research methodology. Whilst it was not easy to test the effectiveness of the toolkit as a learning tool, it was yet more difficult to assess the impact the learning has had on behaviour. However, the research approached both of these areas utilising a mixture of open discussion, active testing of respondents' technical knowledge and self evaluation of the change in their abilities as a result of using the toolkit. We are confident that this range of techniques has produced reliable and robust results.

4. Research methodology

The qualitative research, a mix of focus groups and depth discussions, was done by iQ between November 2007 and January 2008.

An initial email invited lay trustees to take part in the research. Respondents who agreed to take part were then segmented using the following criteria:

- Type of scheme (DB or DC)
- Size of scheme (100-999 - small, 1,000-4,999 - medium and 5,000+ - large)
- Use of the toolkit (completers, part users (defined as those who had undertaken at least three modules) or non-users)

iQ then directly contacted respondents in these different segments to recruit the previously agreed sample sizes needed for the focus groups and depth interviews. There was huge enthusiasm among respondents to take part in the exercise, with 100% turnout for discussions and focus groups. The one complaint was from one trustee who was turned away, as sufficient people had turned up to a focus group.

Three focus group discussions took place in November with lay trustees who had completed the toolkit. Each group discussion lasted two hours, and was filmed and recorded for analysis purposes. The structure of the focus groups was:

Group 1	Large DB scheme (eight respondents)
Group 2	Small DB schemes (eight respondents)
Group 3	DC schemes (four respondents)

In addition, 44 depth discussions were carried out on an individual basis with a mixture of trustees between December 2007 and mid January 2008. Each discussion lasted one hour, and was recorded for analysis purposes.

The structure of the depth discussion sample was:

	Toolkit completers	Part users (at least three modules completed)	Non-users	Total
Small DB (100-999 members)	6	2	7	15
Medium DB (1,000-4,999 members)	6	1	1	8
Large DB (5,000+ members)	6	0	1	7
DC	11	3	0	14
Total	29	6	9	44

All those involved from iQ had completed the toolkit, and so were very familiar with the relevant material. The focus groups were led and moderated by Janette Weir, an iQ director experienced in pensions. The depth discussions were either led by or reviewed by Janette.

The sample was designed to explore differences and allow comparisons between:

- DB and DC lay trustees;
- Lay trustees of different size schemes; and
- Toolkit completers, part users and non-users

It proved difficult to recruit lay trustees from exclusively DC schemes, and a number of the trustees questioned about DC issues were trustees of DB/DC schemes which provide substantial DC benefits and were specifically asked to focus on DC issues.

Whilst some of the material used during the focus groups and depth discussions varied according to whether DB or DC trustees were involved, all followed the same structured process which was designed to elicit respondents:

- Experience and understanding of trusteeship;
- Learning activities either prior to or instead of using the toolkit;
- Assessment of the impact of the toolkit on their own learning; and
- Change in their ability to run their own scheme.

The structure was:

- Opening discussions about the toolkit in general and other sources of learning used.
- Self assessment by respondents of their own competence and confidence levels, both pre and post their toolkit experience, to determine whether they felt they had changed as a result. The criteria used covered key aspects of the trustee's role and varied slightly for DB and DC trustees. The technical appendix contains further details of the responses.
- Moderator assessment of trustee understanding of key issues using a range of scenarios from the toolkit. Each respondent was asked to discuss a minimum of three scenarios. Interviewers, all of whom had completed the toolkit, probed for specific pieces of knowledge, the ability to define terminology and understanding of how this related to the trustee's own scheme, where appropriate. All scenario results were based on relatively small sample sizes, but are robust enough to demonstrate differences across scenarios. Respondents were all scored by Janette Weir according to:
 - The depth of knowledge displayed;
 - The speed at which the answers were given; and
 - The degree of prompting/probing required to deliver the correct answers.

The self-assessments and the moderator scores for the scenarios were analysed in tandem to provide an overall view of the effectiveness of the toolkit.

Trustees were invited to comment on any changes in their own behaviour or those of their boards after using the toolkit, and provide examples of its usefulness in practice.

Further detail on the methodologies adopted, including the research instruments and scenarios used, is in the technical appendix accompanying this report.

5. Findings

5.1. Trustee understanding of their role

Trustees generally have a good understanding of their roles and responsibilities. There was a strong consensus that the role of the trustee was to protect members and to ensure the promised pension is delivered, which would be supported by four key pillars:

- Having a good grasp of governance issues;
- Good administration;
- Managing the investment profile in accordance with their investment objectives; and
- Demonstrating an understanding of pensions law and the trust deed and rules.

Respondents all recognised that the role of a trustee has become much more demanding.

“The trustee’s role was more about listening rather than understanding...as opposed to really making decisions and that has changed a lot.” Toolkit completer, medium DB scheme

As well as being more demanding generally, it was felt that the role of trustee had become more adversarial, requiring a higher level of personal responsibility and a greater degree of active participation in board meetings.

“Prior to 2004, it was not unusual for the sponsor and the trustees to have the same actuary. So yes, it is more adversarial, definitely.” Toolkit completer, large DB scheme

“There is a lot more responsibility on the trustee, and indeed the pensions world is a lot more difficult. Ten years ago it was about contribution holidays.” Toolkit completer, medium DB scheme

These changes and demands meant that trustees feel the need to enhance their knowledge, and many expressed a desire to have a firm foundation of training and understanding to build upon to assist them in conducting their role. This is particularly important when lay trustees need to consider or question the advice given to their scheme by professional advisers.

"I think we had to be much more not sitting back and being complacent, we had to be much more interrogating of the advice that we receive, and making sure it's sound advice."

Non-user, small DB scheme

Trustees take their roles seriously, and are actively involved in their boards' activities. No trustee reported simply relying on 'experts' on their boards, but they recognised that having depth of expertise across the board was very important and would often try to compose boards with a mix of strengths.

In general trustees felt most confident about scheme specific issues, employee benefit decisions and administration. They were often less confident about keeping up to date with changes, investments, and funding.

Trustees are generally aware of the TKU requirements and that the regulator has issued codes of practice and guidance. However, even of those who have completed the toolkit, few have actually read them. Instead, most rely on versions typically provided by their scheme advisers. In common with other codes of practice, advisers have taken the TKU code of practice information, summarised it, and issued it to trustees as part of their service proposition, in some cases offering accompanying training.

5.2. Other training

The toolkit was not used in isolation, even by the smallest schemes, as all reported having access to other training in addition to the toolkit. Typically this was training by their advisers, although some reported training courses provided by commercial organisations, or the NAPF. Several mentioned completing the PMI Trustee certificate or the more recent Award in Pension Trusteeship.

In the focus groups and depth discussions respondents did not mention any other e-learning tools that are currently available, suggesting that the toolkit is the market leader in pensions e-learning.

The intention was to include in this research trustees who had undergone no training, but it proved impossible to recruit such respondents, as all had to some extent, received training.

Before using the toolkit, the main source of training was from scheme advisers which tended to be topic specific training, typically done as and when required either before or after regular trustee meetings. For small schemes, this would often equate to a maximum of four sessions a year. Larger schemes were more likely to have more meetings.

“(We got our training) from our advisers basically, we relied on them to tell us what we were supposed to be doing and I have to say I do not think it was particularly good either.” Toolkit completer, small DB scheme

Large schemes tend to have more formal training processes than smaller schemes, often reporting that each trustee now has an individual training log that is regularly reviewed as required by the code of practice. They may also have training sub-committees and more tailored personal training. Smaller schemes tended to have more topic specific training, often delivered on a just in time basis depending on the subject of the trustee meeting.

Post-toolkit, adviser training remains an important vehicle, and respondents did not report any conflict between this adviser training and the toolkit. In fact some advisers actively encourage their clients to use the toolkit. It was thought that the toolkit provides a useful baseline of knowledge and a wide perspective on all trustee issues, whereas adviser training is very scheme specific. Trustees also found it provided a complete picture, while adviser training on one topic tended to be presented in isolation from other issues.

5.3. How trustees become aware of the toolkit

Trustees reported that numerous sources had provided them with their initial awareness of the toolkit. These are listed below in rank order, with professional advisers being the most frequently mentioned source:

- Professional advisers (Mercers was mentioned specifically by several respondents);
- Other trustee/chairman;
- the regulator’s website/email; and
- Pensions manager

Among non-users, six (out of nine) had heard of the toolkit, leaving just three who were not aware of the toolkit at all at the time of discussion. After discussion two of these three respondents said they liked the concept and would consider using the toolkit to further their knowledge.

“Having been prompted [by this meeting] we are going to consider it at our next trustees meeting.” Non-user, small DB scheme

Three of those who were aware of the toolkit had been put off because of the online delivery of the training, as they would either prefer a hard copy rather than an on line resource, or did not have access to a PC at the right time.

The remainder thought that with sufficient email prompts, they could be induced to use it.

“If they could do a quarterly email magazine and a web link to the toolkit? I think if they marketed the toolkit more, with emails, and it sort of flashes up at you, then you’re much more ‘I must go into this now’.”
Non-user, small DB scheme

5.4. How the toolkit was used in practice

The trustees in the research had used the toolkit individually. This offered many perceived benefits as it allowed flexibility so that training could be fitted alongside other commitments, as well as ensuring that the pace suited them, and to make mistakes without fear of embarrassment.

“If someone cancels a meeting or something, and you’ve got an hour free you can dive in and do a quick module.”

Toolkit completer, medium/large DB scheme²

“You can work at your own pace and I enjoyed that.”

Toolkit completer, large DB scheme

“I got the feeling that I could plunge in and cock it up, without feeling embarrassed, being able to go back and check before moving on, making sure that you understood it, it was extremely helpful.”

Toolkit completer, large DB scheme

Overall, a slight majority were using the toolkit during work hours, but a significant minority were completing modules during their own time, at home, or before or after work. The guideline timings given on the section were generally thought a fair reflection of the time each would take, although some found the time estimates erred on the side of generosity.

Few trustees felt that they had sufficient knowledge of an area to skip modules or sections of modules. Others, also with pre-existing knowledge, used the expert route rather than skipping modules, as they wanted to cover all the areas of learning in the toolkit. Some who did not achieve as high a score as they had wanted would return to that module again to try to get all the questions right.

² Focus groups included respondents whose schemes had at least 1,000 members hence quotations are attributed to respondents of Medium/Large schemes

"I skipped three sections in which I felt confident. In two of them I was vindicated, but in the other one I was roundly knocked back to square one!" Toolkit completer, medium/large DB scheme

*"Quite deliberately, I said, I do know a little bit about investment and so on, but I'm going to take this function, and go through as much of the material as I can, and not try to cut the corners."
Toolkit completer, DC scheme³*

Despite the fact that none of the trustees had experienced using the toolkit in anything other than an individual setting, many could see the merit of using it with a group of trustees. It could be appropriate for either an introductory session, where the toolkit was demonstrated, or as a 'refresher' session.

"As a training session it might be worth doing. If you had a group of trustees that haven't done the toolkit... You might be able to design something that gives them a taste or a flavour of what (it) is about and take them through that to give them the confidence to go away and do the online toolkit." Toolkit completer, medium/large DB scheme

For some the certificate issued by the regulator on completion of the toolkit provided tangible proof that the training had been completed satisfactorily. The certificate was a source of pride for some completers, especially for those with no formal qualifications, or who felt the need to prove themselves to their board.

"Speaking as someone who left school with not a lot of qualifications 27 years ago, I was quite proud to get (the toolkit certificate), and my PMI certificate... I was very proud to be able to achieve that and to know that I have gained more knowledge, more understanding as well." Toolkit completer, medium/large DC scheme

³ Note that DC scheme respondents were not segmented by the number of scheme members since, reflecting the pensions landscape, there were relatively few respondents of schemes offering benefits on a purely DC basis. It has not therefore been possible to attribute DC respondent quotations by the size of scheme.

It was also noticeable among toolkit completers that many had strived to obtain distinctions, and had re-done modules to obtain 100% scores and distinctions.

"I was pretty determined to get full marks all the way through so I went back if I didn't get full marks. I went back however many times were required to get it." Toolkit completer, medium DB scheme

"Well, I am quite a competitive individual, so I wanted to get it with all distinctions." Toolkit completer, small DB scheme

For others, although the certificate itself was not especially motivating, it did provide proof that they had completed the modules, and could be shown to board members either as encouragement for them to complete the toolkit, or as evidence of their own completion.

*"I felt as though I wanted to show the other members of the board that I was serious about my role as part of that board."
Toolkit completer, DC scheme*

"It is something to show.... To demonstrate that you have an ongoing learning process... it is verification that you have maintained your learning." Toolkit completer, medium/large DB scheme

5.5. Overall opinions of toolkit as an e –learning tool

The toolkit was recognised as the only learning resource to bring together all areas of TKU, which distinguished it from face to face learning provided by advisers or training professionals. This, combined with the added credibility provided by it coming from the regulator, meant it was seen as a reputable one stop shop. These were sufficiently motivating reasons for trustees to *consider* using the toolkit.

“It was very useful to give me a broad feel of what the regulator thinks you perhaps ought to know as a trustee and certainly as a new trustee that was very useful.”

Toolkit completer, medium/large DB scheme

“I think that because it comes from the Pensions Regulator, it’s the obvious one to do.”

Toolkit completer, medium DB scheme

Overall impressions of the toolkit by users were overwhelmingly positive. All but one of the research respondents rated it as good, very good or excellent. In all, 85% of the unprompted comments made were positive and the rest revealed no serious worries. A couple of respondents thought the earliest modules were too basic, and the introduction to the module by clicking on images, added to this perception. Others wanted more for DC schemes, more advanced content on investments and some means of making it easier to refer back to specific toolkit topics.

“When I became a trustee earlier this year I had really no idea, I knew a little bit about the pension fund and about what a pension fund was, but my knowledge was very limited. And so, working through the toolkit has helped me tremendously.”

Toolkit completer, DC scheme

It was particularly praised for its flexibility and interactivity, and for allowing users to work at their own pace. The format of the toolkit, its look and feel, was highly regarded, as was the clarity and ease with which information was provided.

"I thought it was highly professional, better than I had expected. I liked the multimedia aspect of it and being able to work at my own pace. I thought the case studies and the reference material were really excellent." Toolkit completer, small DB scheme

The way the toolkit gives a wider overall perspective than other more focused learning was appreciated, as was the imaginative use of real life scenarios to illustrate the learning. Trustees, even experienced ones, felt that the toolkit provided a large amount of useful content for trustees, regardless of their experience and background.

"The beauty about the toolkit is that it is written in a way that is easy for a layman to understand but it's not really condescending either. I guess the feedback has generally been very positive." Toolkit completer, DC scheme

"I think virtually all of it was directly relevant. Just in terms of either confirming what I already knew or you know, raising a few questions that you might want to go away and find out about on your own scheme so that you kind of knew the answer." Toolkit part-user, DC scheme

"The meetings and modules and the scenarios were very much like the meeting that I'd had... So it was very true to life. I could relate what I was learning to our scheme." Toolkit completer, DC scheme

In addition, the toolkit was praised for its clarity and visual presentation, and its smart features (eg the way questions are rotated if a trustee repeats a section). Among those who had experience of other online training packages, the toolkit received consistent praise as being the best example of such a package they had seen.

"I think it is one of the best online learning packages I have ever seen, to be able to engage both halves of the brain (logic and empathy)." Toolkit completer, DC scheme

The tutorials were seen as particularly valuable by trustees.

"The module itself was a kind of path that took you along, but it was the tutorials that added value."
Toolkit completer, medium/large DB scheme

"It was the same sort of people, the same group of people in each of the modules, and you got to know the characters, the people, a little bit like a soap opera! And it holds your interest that way."
Toolkit completer, DC scheme

In areas where some trustees felt their own understanding was already high, the toolkit provided either welcome reassurance, or an indication that they were perhaps less well informed than they had previously thought.

"I thought I knew everything but one of the useful things about the toolkit is I realised that there were large areas about which I knew nothing, so I had to get a move on and learn some more."
Toolkit completer, medium/large DB scheme

Experienced trustees considered that the toolkit provided them with a greater degree of understanding of current trustee related issues than they had had before. Even those who had completed PMI exams found useful content in the toolkit.

"I thought as I had already done PMI, this would be just going over old ground again... but I found certain elements that were fresh that I didn't know already."
Toolkit completer, medium/large DB scheme

Among those who had completed the toolkit, all said that they would recommend it to other trustees, and many were already acting as advocates of the toolkit within their boards.

"We have a new trustee, and I suggested that she did it (toolkit), and I know that she did do it and that she's got to the end."

Toolkit completer, medium/large DB scheme

Some trustees wanted the toolkit to be compulsory for all trustees, while recognising the difficulties. There was also evidence that in some trustee Boards, strong peer pressure was encouraging trustees to complete the toolkit.

Partial users who had done some but not all of the toolkit modules were as positive about the toolkit as completers. Many said reminders from the regulator would encourage them to continue and complete the toolkit.

Some non-users were considering using the toolkit in future, a few being prompted to do so simply by the experience of taking part in the research. A small minority were discouraged by the delivery mechanism (ie online) rather than concerns about the content or quality of the training provided. For them, a workbook or hard copy version was preferred.

"I haven't got a computer at home. I'd much rather have a hard copy. Something that you could work through."

Non-user, small DB scheme

"If they offered me the option of a work book I would probably be quite interested in doing it." Non-user, medium DB scheme

5.6. Toolkit as an agent for changing trustees' behaviour

5.6.1. Specific examples of improved governance/changes in behaviour

In the self-evaluation exercise all who had used the toolkit reported increased confidence in their own abilities as trustees after doing so.

"It tended to be that (our adviser) would run the meeting for us and it was almost they spoke to us and we said 'yes sir, no sir'. What happens now is that we are much more confident in challenging them or bringing issues up that they don't bring up and I think that has been slightly disconcerting for the professionals in some respects." Toolkit completer, DC scheme

In general, trustees found that they were able to apply what they had learned. There were a few instances where trustees could explicitly say where the toolkit had had a definite impact on their scheme, over and above increasing confidence and the ability to challenge. This was especially true for those who were making changes to their scheme at the time of working through the toolkit, as they were able to apply what they had learnt soon after acquiring the knowledge.

"Fortunately it had a defined contribution element which was very useful for me because I was in a scheme which at that time was solely defined benefit but we were actually in the process of setting up defined contribution so I was actually able to open up my little notebook and quote chapter and verse sort of thing as regarding defined contribution schemes, so that was particularly useful." Toolkit completer, medium/large DB scheme

"I was going through the process of choosing an investment manager at the time I was going through the toolkit and I found that very useful. It certainly affected the way we ran the discussion."

Toolkit completer, medium/large DB scheme

"I mean our last valuation was done under the old Act and it certainly helped me to understand things like the technical provisions, and all these new things that have been put in. So that when your actuary comes and talks to the trustee board he is talking about things that you actually understand."

Toolkit completer, medium/large DC scheme

5.6.2. Trustee self evaluation

The results of the self evaluation exercise showed that all respondents thought that they had benefited from using the toolkit, regardless of whether they had completed some or all of the modules. This was demonstrated by higher scores across the board in all categories post toolkit. (However, it should be remembered that this is not quantitative research, and the base sizes are too small to permit statistical comparison in the scores given by any segment of respondents.)

DB and DC trustees benefited differently. On balance, DB trustees are more confident than DC trustees, with DB scheme trustees generally giving themselves higher confidence scores both pre and post toolkit. DC toolkit users showed the biggest improvements, albeit starting from a lower confidence base than DB users.

Key themes emerging were:

- For DB scheme trustees, key improvements post toolkit were in their ability to understand and challenge the experts and to deal with technical issues; and
- DC trustees reported improvements in understanding administration risks, and in the ability to challenge professionals. They also appreciated better their role in achieving a good outcome for their members. Post toolkit, some DC trustees recognized that they did not spend enough time on DC matters, and the need to address this.

It should be noted that part-users of the toolkit gave other training that they had received similar scores to those that they gave to the toolkit, ie they felt the same benefits in improved confidence from this other training as from the toolkit.

5.6.3. Trustee comprehension

Information on the areas covered by the scenarios, and the number of respondents for each are in the technical appendix. Comparing the scores of the toolkit completers against the non-users and the part users, it appears that toolkit completers had a more rounded view of pension schemes and could see how various areas interacted (eg employer covenant and funding levels) than those who had completed only a few modules, or those who had not started the toolkit. (However, the sample sizes are small so these results cannot be extrapolated to the population as a whole.)

Overall, the group discussions scored more highly than the depth discussions, as there were more people to get the answers right. This should be noted when viewing the detailed scores in the technical appendix accompanying this report.

Most trustees achieved high scores for the scenarios 'Conflicts of interest', 'Strength of the employer covenant', 'Role of the chair', and 'Setting the agenda'. Conversely, respondents had most difficulty with 'Investments', 'Assumptions' and 'Recovery plans'.

DC issues are generally reasonably well understood, but it seems that trustees could work on improving member communications and understanding.

In the depth discussions, there was little difference in the scores between large DB toolkit users, part users and non-users. Overall, large DB users seemed better at understanding the role of the regulator and the detail of the legislation. There was much wider variance in the quality of knowledge of the smaller schemes within and across certain categories, but on balance small DB users had a better and deeper knowledge than non-users.

Although based on very small sample sizes, there is some evidence to suggest that toolkit users in small schemes, where training may be thought to be less widely available, have a better level of knowledge and understanding than their non-user counterparts.

6. Future requirements of trustees

To conclude the research process, some time was spent examining what trustees considered they might need in future to assist them in their role.

There were several key areas where they felt the regulator might be able to provide them with useful support.

6.1. Increased promotion of toolkit

Many trustees who had used the toolkit thought that it should be increasingly promoted by the regulator.

“The toolkit is an excellent tool – while the fact that it is voluntary may be seen as ‘good’, the importance of the subject might mean it should be mandatory for trustees.” Toolkit completer, large DB scheme

6.2. New modules

Some trustees wanted the regulator to update the toolkit case studies and scenarios in line with new legislation and pensions issues. Some thought that refresher modules would be a useful addition for those who have completed the toolkit to maintain levels of knowledge. Some had already revisited modules, and others were planning to revisit in future.

“I think in the future if we get changes to legislation, a module based around that, would be helpful.” Toolkit completer, DC scheme

Some wanted additional ‘advanced’ modules to be offered as well, particularly more detailed sections on wind-ups, investments and funding.

*“Investment remains for me the real challenge.”
Toolkit completer, large DC scheme*

6.3. Reference material tool

Some wanted a way to reference content from the toolkit either manually or online.

*“You can use it as a reference source as well. As I say, if you couldn’t find the information that you were looking for in your own documentation and any good ideas where else to look.”
Toolkit completer, large DB scheme*

*“Some sort of index or whatever would probably be again, fairly easy and straightforward thing to do. Just a couple of pages, with references to the module and relative slide.”
Toolkit completer, large DB scheme*

“Having finished the toolkit I wanted to go back in just to look a few things up again, you know just to run through when they are going through your mind, ‘what did they say about that?’.” Toolkit completer, medium DB scheme

A few had already used some toolkit modules again, for revision purposes, and others were planning to use it in this way.

“I will probably log-in with a fresh email address in 6-8 months time and do it all again.” Toolkit completer, medium/large DC scheme

6.4. Interaction with other trustees

Interest was expressed in the regulator facilitating interaction of trustees from different schemes, either virtually or face to face. Being able to discuss issues with others outside a scheme provided support for trustees, as well as added perspective on pension issues. The regulator was thought to be well placed to provide something like this, should it choose to do so.

6.5. Interaction with the regulator

Trustees were very happy to receive more from the regulator than they do currently. Some were requesting more mailings, newsletters and bulletin boards from the regulator, whilst others wanted the regulator to continue producing the materials and maintain the level of contact it provides trustees with currently.

You can contact the Pensions Regulator Customer support team for more information about the Trustee toolkit and this report.

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9am to 5.30pm, Monday to Friday

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