

REPORT OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

Training Needs Self-Assessment and Analysis	Classification PUBLIC	Enclosures One
	Ward(s) affected ALL	
Pensions Committee 12th December 2018		

1. INTRODUCTION

This report provides Members with a questionnaire to indicate their training needs, give their views of the effectiveness of the Pensions Committee and set out their preferences with regards to training styles. Completing the questionnaire will provide officers with information to customise Member training plans, helping to ensure that the Fund is meeting the requirements of the CIPFA Knowledge and Skills framework and is able to provide individual training information in line with the Markets in Financial Instruments Directive (MiFID) II.

2. RECOMMENDATIONS

2.1 The Pensions Committee is recommended to:

- Note the report
- Individually complete and return the Training Needs Self-Assessment questionnaire by 31st January 2019.

3. RELATED DECISIONS

3.1 Pensions Committee 11th September 2017 – Training Policy)

4. COMMENTS OF THE GROUP DIRECTOR, FINANCE AND CORPORATE RESOURCES

4.1 Ensuring that Members of the Pensions Committee are well trained and understand their responsibilities as quasi-trustees helps ensure that the financial decisions made on behalf of the Pension Fund are made with the requisite skill and knowledge. This will help to protect the longer term financial interests of the Fund and its stakeholders.

4.2 There are no immediate financial implications arising from this report.

5. COMMENTS OF THE DIRECTOR OF LEGAL AND GOVERNANCE

5.1 In recent years CIPFA has placed much greater focus on the requirement for appropriate knowledge and skills in the management of LGPS Funds and has issued a range of guidance on the subject for both Committee Members and officers. The introduction of the Markets in Financial Instruments Directive II (MiFID II) also requires any supplier dealing with LGPS funds on business within scope of MiFID II to opt up their LGPS clients before they can be considered as professional clients. The opt up process requires a detailed disclosure from funds as to the number of

hours of training offered to and taken up by individual Committee Members.

- 5.2 Whilst there is therefore no overarching statutory framework in place to regulate the level of knowledge and skills required by Local Government Scheme Pensions Committees, expectations are made clear by the wealth of guidance available. Use of a questionnaire to assess Committee Members' levels of knowledge and skills demonstrates good practice and helps to ensure that the expected standards are being met.

6. BACKGROUND TO THE REPORT

- 6.1 In recent years CIPFA has placed much greater focus on the requirement for appropriate knowledge and skills in the management of LGPS Funds and has issued a range of guidance on the subject for both Committee Members and officers. In July 2015 CIPFA also launched technical guidance for Local Pension Board Members by extending the knowledge and skills frameworks already in place. The updated Framework details the knowledge and skills required by Pension Board members to enable them to properly exercise their functions under Section 248a of the Pensions Act 2004, as amended by the Public Service Pensions Act 2013.
- 6.2 The introduction of the Markets in Financial Instruments Directive II (MiFID II) requires any supplier dealing with LGPS funds on business within scope of MiFID II to opt up their LGPS clients before they can be considered as professional clients. The opt up process requires a detailed disclosure from funds as to the number of hours of training offered to and taken up by individual Committee Members.
- 6.3 The combined effect of the changes has been to increase the duration, breadth and depth of the training that those responsible for the management of LGPS funds must attend. Carrying out a detailed review of how the Fund delivers training is vital in ensuring that the training offered remains relevant, sufficient and accessible to all those charged with management of the Fund
- 6.4 The Training Needs Analysis questionnaire attached at Appendix 1 to this report forms the first stage of the training review. The questionnaire, to be completed by both Pensions Committee and Board Members, asks Members to assess their knowledge of each section of the CIPFA Knowledge and Skills Framework. Members are asked to confirm if they require extra training and to specify the level of additional training required if so (e.g. introductory training, refresher training etc.)
- 6.5 Members are also asked for their views on how effectively the Pensions Committee or Pension Board is performing including their views on collective and individual behaviour and the level of engagement in the Pensions Committee or Pension Board. The final section requests Members' views on training formats to help inform the design of future training and ensure that it suits individual preferences and time constraints whilst also offering sufficient breadth and depth
- 6.6 Officers will review the completed questionnaires and use the responses to provide customised training programs for individual Members. This will help ensure Members get the most from limited training time and are able to access training in a way that suits their individual needs.

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Appendices

Appendix 1 – Training Needs Self-Assessment and Analysis Questionnaire

Background papers

None