

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Pension Fund Panel
<b>Date:</b>	7 June 2013
<b>Title:</b>	Training for Panel Members, including the Training Plan for 2013/14
<b>Reference:</b>	4937
<b>Report From:</b>	Director of Corporate Resources – Corporate Services

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#### 1. Executive Summary

- 1.1. This report includes information about the training opportunities available for Panel members, together with the proposed Training Plan for 2013/14 for approval.
- 1.2. It also sets out some background information for Panel members about the Pension Fund and the Panel's activities which may be useful for the recently appointed members of the Panel.

#### 2. Training for Panel members

- 2.1. The Panel has fully supported the principle that Panel members and officers should have access to training on Pension Fund matters to be able to fulfil their duties to the appropriate standard. To that end, a Training Plan is prepared each year and agreed by the Panel. The proposed Plan for 2013/14 is attached as Appendix 1.
- 2.2. In addition, Panel members are asked to complete an evaluation sheet for each training event attended, with the aim of identifying any further training needs. A Training Log is maintained for each Panel members' training activities, as detailed in section 6.
- 2.3. A Training budget is prepared for the Panel's attendance at external 'paid for' conferences and seminars, as detailed in section 5.

#### 3. In-house training sessions for the Panel

- 3.1. The Panel has agreed that two in-house training sessions should be arranged for Panel members each year. The next session has been arranged for 20 September 2013 and will be provided by Tim Hazelwood

who is the Pension Training and Development Manager for the Local Government Employers organisation.

- 3.2. This session will also be useful for the Audit Committee, and for those members who are fulfilling the role of the Independent Disputes Resolution Procedure body for the Pension Fund.
- 3.3. Tim Hazelwood provided a similar session for the Panel in November 2009. He will cover the historical and legal background to the Local Government Pension Fund, including the arrangements for dispute resolution.
- 3.4. Further in-house training sessions will be arranged for the Panel in November 2013 and Spring 2014.
- 3.5. The session in November 2013 could include a speaker from Macquarie to give a presentation on infrastructure investing, and also a senior representative from industry to speak on the outlook for the UK economy from a manufacturer's perspective. If the Panel agrees with these suggestions, the necessary arrangements will be put in place.
- 3.6. Suggestions for the content of the Spring 2014 training sessions would also be welcome.

#### **4. Other training opportunities**

- 4.1. In addition to the in-house training sessions for the Panel, the range of opportunities for training available for Panel members include:
  - LGPS Fundamentals course in October, November and December
  - LGC Investment Summit in September
  - LGC Investment Conference in March
  - conferences and training courses provided by the Pension Fund's external fund managers
  - other organisations' seminars and conferences
  - online learning facilities.
- 4.2. Members of the Panel should contact the Director of Corporate Resources if they wish to attend any of the training courses, seminars or conferences described in the report.

#### **LGPS Fundamentals course**

- 4.3. This course is provided by the Local Government Employers organisation over three separate days in October, November and December each year. Details of the course for 2013 are as follows:

Day 1 The Benefits Framework  
The Investment Framework  
Delivering the Service  
Traditional Investment Asset Classes

Day 2 Actuarial Valuations

Funding Strategy Statements

Corporate Governance

Communication Strategies and Policies

Alternative Investments

Day 3 Duties and Responsibilities of Committee Members

The Future of the LGPS

Focus on Good Governance

Conclusions – Bringing It All Together

- 4.4. The Fundamentals course could be helpful for newly appointed Panel members. It is delivered by Tim Hazelwood and the content will be partly covered by the Panel's half-day in-house training session on 20 September 2013.

**LGC Investment Summit – September 2013**

- 4.5. This two day investment 'summit' for Local Government Pension Funds is organised by the Local Government Chronicle (LGC) and will be held in 2013 on 5 and 6 September at the Celtic Manor Resort in Newport, South Wales. Places have been booked for three members of the Pension Fund Panel for 2013 (Councillor Kemp-Gee as Chairman of the Panel, Cllr Dowden, and one other attendee). The Panel may wish to agree who the other attendee should be. If the Panel wishes, a fourth additional place could be booked at a cost of £1,049.
- 4.6. Details of the agenda for the summit have not yet been released for 2013. In previous years the event has included talks on a wide range of investment matters and provided an opportunity for Panel members to meet contacts from other LGPS funds and discuss ideas and current issues with fund managers and other industry professionals.

**LGC Investment Seminar – March**

- 4.7. The LGC also organise a two-day seminar in early March. The 2013 seminar was held in Chester and coincided with a meeting of the Pension Fund Panel, so no members attended. No details of the seminar in 2014 are currently available.

**Conferences provided by the Pension Fund's external fund managers**

- 4.8. Some of the Pension Fund's external fund managers provide annual 'client conferences', notably Schroders (in October each year) and Newton (in November). These conferences can be particularly relevant for the Pension Fund and are free of charge.
- 4.9. In addition, the fund managers provide one-off training sessions on individual topics.
- 4.10. The Fund actuary, Aon Hewitt, also provide training for Panel members, although a charge may be payable. Aon Hewitt also host a free annual

Local Government Pension Scheme Seminar. The next seminar is likely to be in April 2014.

### **Conferences provided by other organisations**

- 4.11. Training conferences on pension fund matters are provided by a wide range of organisations, with varying degrees of relevance. Some are free but others involve significant delegate fees.
- 4.12. Details of suitable training opportunities are regularly circulated to Panel members by the Director of Corporate Resources.

### **Online learning opportunities**

- 4.13. A number of online training facilities on pension fund matters have been developed by various organisations in recent years. Examples include the Trustee Toolkit which is available for free from the Pension Regulator at the following website: <http://www.trusteetoolkit.com/arena/index.cfm>. This toolkit provides an introduction to pension scheme investing, running a pension scheme, the role of the trustee, pension law etc. It was designed to meet the requirements of trustee knowledge and understanding required under the Pensions Act 2004. The Trustee Toolkit is not specific to Local Government pensions but, whilst that needs to be borne in mind, it is a useful training resource.
- 4.14. Newton offer a comprehensive set of online learning modules, available for free on their website: <http://www.newton.co.uk/trusteetraining>. A list of topics covered is available on the website, and Panel members can register online to obtain access to the training modules. All 23 modules are related to investing, and are very in-depth. Each module takes 60 to 90 minutes to complete. This option may be more appropriate for Panel members to dip into if there is a particular area which they wish to learn more about.

## **5. Training budget**

- 5.1. Section 7 in the Training Plan shows the training budget for 2012/13, with the actuals for comparison, together with the proposed budget for 2013/14.
- 5.2. The budget for 2013/14 includes three places at the LGC investment summit, and provision for four members of the Panel to attend the Fundamentals course. No members attended the LGC investment seminar at Chester in March 2013 as it was on the same day as a Panel meeting, but the budget includes two places at this event (with the possibility of an additional free place), in line with attendance in previous years.
- 5.3. Training costs are met from the administration costs of the Pension Fund. "Virement" between courses within the budget is possible, should the Panel feel it would meet training needs better to give priority to different events.

## **6. Training logs and evaluation**

- 6.1. Training logs are maintained for each member of the Panel to record the training undertaken during the year. Training logs have been completed for

2012/13 and include details of all relevant training courses, seminars and events attended by each member.

- 6.2. The training logs also include an assessment of whether each training event has fulfilled the need it was intended to meet.
- 6.3. The training logs for 2012/13 have been distributed to individual Panel members for their comments.
- 6.4. Panel members are also encouraged to complete a short evaluation form after each training event in order to share feedback about events, and report on whether an event was useful and well delivered. Examples of comments provided by Panel members are as follows:
  - “Well presented conference, well attended, which focussed on current investment issues and concerns.” (Newton Investment Conference 2012)
  - “Most interesting to hear comments from other members and their pension fund concerns, and to be able to discuss these matters informally during the breaks.” (IBC’s Local Government Pension Investment Forum)
  - “Relevant topics, and focussed on trustees’ needs.” (Schroders’ Trustee Training)
  - “Well attended. Good opportunities to network. Interesting conference.” (Schroders’ Autumn Conference 2012).

## **7. Training plan for 2013/14**

- 7.1. A draft training plan for 2013/14 is attached as Appendix 1 for the Panel’s comments and approval. Significant changes from the previous year’s plan have been highlighted. The main changes cover the introduction of the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills and how this will be complied with, and how the Panel has made use of Training Needs Analysis forms.

## **8. Briefing for the new Pension Fund Panel**

- 8.1. The following sections provide some background to the Pension Fund, focussing mainly on the investment arrangements.

## **9. Annual Report**

- 9.1. A copy of the Pension Fund's latest Annual Report, for 2011/12, is enclosed with this Agenda. The Annual Report for 2012/13 will be published in September 2013, prior to the Pension Fund's annual employers meeting on 30 October 2013. Full details of the annual employers meeting will be circulated to Panel members later in the summer, but members may wish to note the date in their diaries.
- 9.2. The Annual Report provides background information on the Pension Fund. It includes a number of statements that the Pension Fund is required to publish by statute, including:
- the Business Plan, which includes a summary of the Panel's mission and objectives (page 53)
  - the Action Plan to March 2013, agreed as part of the Pension Fund's Business Plan (page 12)
  - the Funding Strategy Statement, which sets out how the Pension Fund intends to meet its liabilities over the longer term whilst maintaining stable employer rates as far as possible. The County Council is required to consult the other employers in the Pension Fund on the Funding Strategy Statement (page 56)
  - the Statement of Investment Principles (page 66)
  - the Governance Policy Statement (page 70)
  - the Governance Compliance Statement (page 72)
  - the Communications Policy Statement (page 74).
- 9.3. Other useful information in the Annual Report includes:
- membership of the Fund, in terms of employers, employees and pensioners (page 14)
  - the benefits and employee contribution rates (pages 15 and 16)
  - the accounts for 2011/12 (page 22 onwards)
  - a glossary of terms used in the Annual Report (page 80).
- 9.4. The Pension Fund's investment managers and portfolios are summarised on page 7 of the Annual Report although there have been some subsequent changes since its publication with the introduction of the tactical asset allocation portfolio. The current investment arrangements are considered in more detail in item 15 on this Agenda.

## **10. The statutory background**

- 10.1. The Hampshire Pension Fund is a statutory local government pension scheme fund established under the Superannuation Act 1972. The main governing regulations were issued in 2007 prior to the introduction of a 'new look' scheme on 1 April 2008.
- 10.2. The scheme will be changed again from April 2014, moving from a 'final salary' basis to a 'career average' scheme amongst other changes. The Government is still consulting on the detailed regulations to implement the new scheme.
- 10.3. Under the existing final salary scheme, employees contribute a fixed percentage according to their salaries and are entitled to benefits set out in statute (ie, defined benefits) which are calculated according to their salary at the end of their employment.
- 10.4. The scheme is 'funded' as investments are held to pay for future benefits unlike the 'pay-as-you-go' arrangements for schemes for teachers, police and civil servants. Employers contribute to the cost of the scheme and are currently responsible for any shortfalls in the funding of the scheme. The Government is developing a cost-sharing arrangement between employers and employees.
- 10.5. The investment arrangements are governed by further regulations which include broad percentage limits on the Fund's investments, such as the percentage of the Fund that may be held in a single investment holding.

## **11. The Pension Fund Panel**

- 11.1. The County Council as administering authority of the Hampshire Pension Fund has delegated responsibility for managing and administering the Fund to the Pension Fund Panel through its Audit Committee.
- 11.2. The Pension Fund Panel's 'mission' has been defined as providing an efficient and effective pension scheme for all employees and pensioners of all eligible employers in Hampshire, in accordance with the requirements of the legislation for the Local Government Pension Scheme (LGPS).
- 11.3. The Panel's objectives are to:
  - achieve a long-term 100% funding level over the long term, which means that all current and future fund liabilities can be met
  - maintain a stable employers' contribution rate in the long term
  - respond promptly to legislative changes affecting the LGPS and pension provision generally
  - comment fully on consultation papers dealing with pension matters in the interests of the Fund's participating employers and members within the deadlines set
  - make sure that the Fund follows best practice as recommended by the Government, the Local Government Pensions Committee (LGPC), the

National Association of Pension Funds (NAPF) and other organisations specialising in pensions

- keep abreast of all developments affecting the LGPS by undertaking training and/or taking advice from external fund managers, external consultants and County Council officers as appropriate
- make arrangements for keeping the Fund's participating employers and members fully informed about matters affecting them.

11.4. The Panel is responsible for:

- appointing external fund managers and advisers
- making suitable custody arrangements for the Fund's investments
- considering and approving actuarial valuations every three years and determining the level of employers' contributions
- considering changes in pension fund regulations and determining actions required
- considering and approving strategic advice on investment policy
- considering and approving the external managers' investment strategies
- monitoring the investment performance of each manager against their target and benchmark, based on statistics prepared by the Pension Fund's custodian
- reviewing periodically the Pension Fund's Business Plan, Funding Strategy Statement, Statement of Investment Principles, Governance Policy and Compliance Statements and Communication Policy Statement.

## 12. Actuarial valuation

12.1. The Pension Fund's assets and liabilities are assessed every three years by the fund actuary, Aon Hewitt Limited, in an 'actuarial valuation'. This establishes the funding ratio which is the proportion of the Pension Fund's liabilities that are covered by its assets. It also sets the employer contribution rates for the following three years that are necessary to fund the scheme, after the employees' contributions, and to recover any shortfall of assets.

12.2. The most recent actuarial valuation was at 31 March 2010. Details are included in the Annual Report at page 19. Some of the key facts from the valuation are:

At 31 March 2010

Funding ratio	72%
	£m
Liabilities	4,493
Assets	3,237
Shortfall	1,256

- 12.3. Aon Hewitt are currently working on the next actuarial valuation, at a base date of 31 March 2013. The results will be available in autumn 2013 and will be used by the actuary to set the employers' contribution rates for 2014/15, 2015/16 and 2016/17.
- 12.4. The current value of the Pension Fund's investments assets of £4.3bn (at 31 March 2013) is reported in detail in item 15 on this Agenda.

### **13. Investment management arrangements**

- 13.1. The Pension Fund's investments have been managed externally since 1984.
- 13.2. The existing fund managers were appointed in 2007, following advice from Aon Hewitt's investment consultancy team and others. The arrangements were reviewed by the Panel in 2011, again with the help of Aon Hewitt, resulting in a reduction in the number of portfolios. In addition, a tactical asset allocation portfolio was introduced in October 2012.
- 13.3. Eight investment managers and advisers are in place for ten portfolios, as summarised below.

Global equities

Aberdeen

Newton

UK equities

Schroders

Global bonds

Western

UK index linked bonds

Legal & General

State Street

UK property

CBRE Global Investors

European property

Aberdeen

Alternative investments

Aberdeen (as advisers)

Tactical asset allocation

Aon Hewitt (as advisers), with the portfolio invested in funds managed by State Street

- 13.4. The whole of the Pension Fund is managed by external investment management firms, apart from the cash balance which is managed and held on deposit by the Director of Corporate Resources.
- 13.5. The latest valuations of the portfolios are reported in item 15 on this Agenda.
- 13.6. The asset allocation has been designed to optimise the Pension Fund's 'risk budget'. The use of index-tracking UK index linked bond portfolios and the lower risk UK equity portfolio allowed allocations to higher risk global equity

and bond managers with more aggressive performance targets in the expectation that, overall, returns would be higher. The managers' performance targets are summarised on page 7 of the Annual Report. Most of the managers are assessed over rolling three and five year periods. Their recent performance against these targets is analysed in item 15.

#### 14. Panel meetings in 2013/14

14.1. The programme of Panel meetings in 2013/14 is summarised in the table below. It shows which fund managers will attend each meeting to report on the progress of their portfolios and whether other, or 'business', items will be included on the Agenda.

**Table 1 – Meetings in 2013/14**

<b>Date</b>	<b>Managers attending</b>	<b>Business items</b>
This meeting	CBRE Global Invs – UK property	Yes
12 July 2013	Aberdeen – global equities Newton – global equities Aon Hewitt – tactical asset allocation	-
27 September 2013	Aberdeen – alternative investments Governance for Owners – European Focus Fund	Yes, if any
8 November 2013	No managers attending. Meeting will focus on 'business' items	Yes
20 December 2013	Schroders – UK equities Western – global bonds Aon Hewitt – tactical asset allocation	-
7 March 2014	Aberdeen – alternative investments	Yes, if any

14.2. Fund managers report to the Panel on an annual cycle for the following portfolios:

Aberdeen	Global equities
Newton	Global equities
Schroders	UK equities
Western	Global bonds
CBRE Global Investors	UK property

- 14.3. Aberdeen report at six monthly intervals on their alternative investments portfolio. Aon Hewitt also report every six months in respect of the tactical asset allocation portfolio.
- 14.4. The Panel does not routinely meet with Legal & General and State Street because of the very low risk nature of their UK index linked bonds portfolios, or with Aberdeen Property Investors on the relatively small European property portfolio (c.£50m) which is currently being run down.
- 14.5. In addition to the Panel meetings, the Pension Fund's Annual Employers Meeting for 2013 will be held in Ashburton Hall, Winchester on 30 October 2013 at 10:00 am. Full details will be circulated to Panel members nearer the date.

## **15. Recommendations**

- 15.1. That Panel members contact the Director of Corporate Resources if they wish to attend any of the training courses, seminars or conferences described in the report.
- 15.2. That the Panel decide who the additional attendee at the LCG Investment Summit should be.
- 15.3. That the Panel approve the proposals for the in-house training session in November 2013.
- 15.4. That the Panel consider possible topics for the in-house training session which will be arranged for the Panel in Spring 2014.
- 15.5. That the Training Plan for 2013/14 be approved.
- 15.6. That the remainder of the report be noted.

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	yes/no
Corporate Business plan link number (if appropriate):	
<b>Maximising well-being:</b>	yes/no
Corporate Business plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	yes/no
Corporate Business plan link number (if appropriate):	
<b>OR</b>	
<b>This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because actions are required concerning the training of Pension Fund Panel members.</b>	

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
<b>Direct links to specific legislation or Government Directives</b>		
<u>Title</u>	<u>Date</u>	

**Section 100 D - Local Government Act 1972 - background documents**

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

DocumentLocation

None

## **IMPACT ASSESSMENTS:**

### **16. Equalities Impact Assessment:**

16.1. Equality objectives are not considered to be adversely affected by the proposals in this report.

### **17. Impact on Crime and Disorder:**

17.1. The proposals in this report are not considered to have any direct impact on the prevention of crime.

### **18. Climate Change:**

a) How does what is being proposed impact on our carbon footprint / energy consumption?

No specific impact.

b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No specific impact.

## **Hampshire Pension Fund**

### **Pension Fund Panel**

#### **Training Plan 2013/14**

##### **1. Background**

- 1.1. Hampshire County Council as the administering authority for the Hampshire Pension Fund has delegated responsibility for the management of the Pension Fund to the Pension Fund Panel.
- 1.2. The Pension Fund Panel fully supports the principle that Panel members and officers have a duty to undertake all training on pension fund matters that is necessary to be able to fulfil their duties to the appropriate standard. Opportunities are made available to members and officers to attend training courses and seminars when necessary and appropriate.
- 1.3. This training plan has been prepared for the Pension Fund Panel for 2013/14. As the Panel's responsibilities extend beyond investment management of the Pension Fund, the training plan also covers pensions administration matters.
- 1.4. Particular focus will be given to providing the training required for any new members of the Panel following the County Council elections in May 2013.

##### **2. The regulatory and governance context for the training plan**

- 2.1. The Myners principles codify the best practice in investment decision-making for pension fund management. The principles require pension fund trustees to consider how the principles apply to their own fund and report on a 'comply or explain' basis. Training is a key factor within Principle 1 which covers effective decision-making:
  - trustees should ensure that decisions are taken by persons or organisations with the skills, knowledge, advice and resources necessary to take them effectively and monitor their implementation
  - trustees should have sufficient expertise to be able to evaluate and challenge the advice they receive, and manage conflicts of interest.
- 2.2. The Government also requires Local Government Pension Schemes (LGPS) to publish a Governance Policy Statement which includes a section on Training. A Governance Compliance Statement is also required which sets out the Pension Fund's compliance with the following principle on Training, Facility Time and Expenses:
  - a) that in relation to the way in which the administering authority takes statutory and related decisions, there is a clear policy on training, facility time and reimbursement of expenses for members involved in the decision-making process

- b) that where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum
  - c) that the administering authority considers adopting annual training plans for committee members and maintains a log of all such training undertaken.
- 2.3. The Chartered Institute of Public Finance and Accountancy (CIPFA) published a guide to the requirements for the Governance Compliance Statements in the context of the CIPFA/SOLACE publication 'Delivering Good Governance in Local Government: Framework (2007)'. The CIPFA guide links the principle in paragraph 2.2 above to the Framework's principles of:
- performing effectively in clearly defined functions and roles, and
  - developing the capacity and capability of the governing body to be effective.
- 2.4. The CIPFA guide includes the further comment that the principle in paragraph 2.2 is aimed at making sure that all those serving on committees, sub-committees and panels receive levels of training that are appropriate to their needs and that suitable arrangements are made to ensure that this is properly resourced in terms of both time and finance.
- 2.5. The Pension Fund Panel fully endorse the importance placed on training in these principles. With this training plan and the training logs maintained by all Panel members, the Hampshire Pension Fund is in full compliance with this principle.
- 2.6. CIPFA have also published a Code of Practice on Public Sector Pensions Finance Knowledge and Skills, which Hampshire Pension Fund has adopted. This requires policies and procedures to be in place for the effective acquisition and retention of the relevant knowledge and skills for those in the organisation responsible for financial administration and decision making.
- 2.7. The policies and procedures will be guided by reference to the CIPFA Pensions Finance Knowledge and Skills Framework, which gives technical guidance for elected representatives and officers on the knowledge required.
- 2.8. The Code of Practice also requires an annual statement on how these policies and procedures have been put into practice, from 2012/13 onwards. A disclosure will be included in the Annual Report and Accounts 2012/13.
- 3. Pension Fund Panel**
- 3.1. There are 15 members of the Pension Fund Panel, as listed in Table 1. The table shows the experience of Panel members in terms of their length of service on the Pension Fund Panel.

<b>Table 1</b>	<b>Membership of the Pension Fund Panel</b>
County councillors:	
Mark Kemp-Gee (Chairman)	8 years
Tom Thacker	4 years
Christopher Carter	4 years
Criss Connor	0 years (new appointment in 2013)
Alan Dowden	8 years
Andrew Gibson	1 year
Andrew Joy	0 years (new appointment in 2013)
Tim Rolt	0 years (new appointment in 2013)
Bruce Tennent	4 years
City councils' representative:	
Donna Jones	3 years
Stephen Barnes-Andrews	0 years (new appointment in 2013)
District councils' representative:	
John Leek	1 year
Peter Giddings	6 years
Pensioners' representative	
Cliff Allen	0 years (new appointment in 2013)
Employees' representative	
Phillip Reynolds	6 years

- 3.2. The Panel has a mixture of experienced members, who have served at least one full four-year term as members of the Panel, and more recently appointed members. Panel members also have a range of relevant experience from their working lives which includes, in some cases, the financial services industry and the City of London.

#### **4. Access to training**

- 4.1. Training opportunities are made available equally to all members of the Pension Fund Panel, including the co-opted representatives of the city councils, district councils, pensioners and contributors as well as the county councillors. The full cost of attending training is met by the Pension Fund, including course fees, reasonable travel and accommodation costs.
- 4.2. The Panel have considered making attendance at training courses compulsory for Pension Fund Panel members. This suggestion reflected the increasing complexity and profile of pension matters and the need for Panel members to keep up to date with current developments at a time of heightened scrutiny. However, whilst it is important that Panel members prepare themselves properly to fulfil their responsibilities, it would not be practical to make attendance at training events a condition of Panel membership. The suitability and fitness of members for their role is best left to the Panel itself to monitor.

4.3. In late 2012, in order to ensure compliance with the CIPFA Code of Practice, the Panel completed a Training Needs Analysis. The purpose of this exercise was to allow Panel Members to consider their current level of knowledge and where they would like to have additional training. The Training Needs Analysis was designed around the CIPFA Pensions Finance Knowledge and Skills Framework for Elected Representatives and Non-Executives in the Public Sector, in order to ensure the Panel meet the requirements. The outcome of the Training Needs Analysis was discussed by the Panel, and suggestions were provided by Panel members to inform the direction of future training.

## 5. Officer Training

5.1. Each individual officer's training needs are assessed annually and training plans prepared for each section and department within the County Council. The actual training provided is evaluated each year to assess its effectiveness against the aims and objectives identified prior to the training event. In addition, professional finance staff in the Directorate of Corporate Resources are required by the accountancy bodies to maintain their levels of Continuing Professional Development.

5.2. During 2012/13 officers have attended a number of training events specifically relating to investments and pension fund matters, including investment seminars hosted by the Pension Fund's investment managers and other events relating to the Local Government Pension Scheme.

5.3. In late 2012, in order to ensure compliance with the CIPFA Code of Practice, officers completed a Training Needs Analysis. The purpose of the exercise was to allow staff to consider their current level of knowledge and where they would like to have additional training. The Training Needs Analysis was designed around the CIPFA Pensions Finance Knowledge and Skills Framework for Pensions Practitioners in the public sector, in order to ensure that staff meet the requirements.

## 6. Proposed training in 2013/14

6.1. This training plan for 2013/14 has been designed to cater for the needs of the recently elected Panel members as well as providing an opportunity to update and refresh the knowledge of the more experienced members of the Panel.

6.2. The Panel has agreed that two in-house training sessions should be arranged for Panel members each year. The next session is on 20 September 2013 and will be provided by Tim Hazelwood of the Local Government Employers organisation. This will be a joint session to which the Audit Committee will be invited, and also those members who are fulfilling the role of the Independent Disputes Resolution Procedure body for the Pension Fund. Tim Hazelwood provided a similar session for the Panel in November 2009. He will cover the historical and legal background to the Local Government Pension Fund, including the arrangements for dispute resolution.

- 6.3. Further in-house training sessions will be arranged for the Panel in November 2013 and Spring 2014.
- 6.4. These bespoke training sessions will be complimented by a range of other training opportunities which will be made available to Panel members during the year. These include many seminars and courses on pension fund matters provided each year by various organisations. Some are specifically tailored for LGPS funds, such as the Local Government Chronicle's annual investment summit held in September each year. The Pension Fund's investment managers hold annual client conferences and the Fund's actuary Aon Hewitt also provides training events. The Director of Corporate Resources will continue to circulate details of these training opportunities to members.
- 6.5. Training for new members on appointment to the Panel is proposed as follows:
- Making available hard copies of presentation booklets from the previous in-house training sessions from November 2010 to 2012.
  - Attending the "Fundamentals" course held by the Local Government Employers, which specifically covers the basics for the LGPS.
  - Attendance at the training sessions to be held during 2013.
  - Providing new members with a copy of the Training Needs Analysis, to help identify any additional training requirements.
  - Informing new members of any external conferences and training opportunities in the future, along with the rest of the Panel.
- 6.6. Reports to the Panel by the officers on new developments in pension fund matters will continue to include background briefing information and this will provide another means by which Panel members can keep up-to-date and develop their knowledge.
- 6.7. Panel members will also be able to undertake background reading on pension fund matters and this too can contribute to meeting their training needs.

## **7. Training budget**

- 7.1. Table 2 below shows the training budget for 2012/13, with the actuals for comparison, together with the proposed budget for 2013/14.

**Table 2 – Training budget**

	2012/13 Budget £	2012/13 Actuals £	2013/14 Budget £
<b>Attendance at Conferences / Seminars etc.</b>			
LGC Investment Summit (Celtic Manor, September)	4,200	4,465	2,850
LGC Investment Seminar (Chester, March)	1,200	0	1,200
LG Employers Fundamentals Course	1,050	0	2,700
Other conferences	0	0	0
	6,450	4,465	6,750
<b>In-house training sessions</b>			
Fees paid to trainers	0	0	1,800
Other costs	100	45	100
	100	45	1,900
<b>Subscription to a web-based training kit</b>	2,000	0	0
<b>Total training budget</b>	<b>8,550</b>	<b>4,510</b>	<b>8,650</b>

- 7.2. The budget for 2013/14 includes three places at the LGC investment summit, and provision for four members of the Panel to attend the Fundamentals course. No members attended the LGC investment seminar at Chester in March 2013 as it was on the same day as a Panel meeting, but the budget includes two places at this event (with the possibility of an additional free place), in line with attendance in previous years.
- 7.3. Training costs are met from the administration costs of the Pension Fund. "Virement" between courses within the budget is possible, should the Panel feel it would meet training needs better to prioritise different events.

## 8. Training logs

- 8.1. Training logs are maintained for each member of the Panel to record the actual training undertaken during the year, including details of all relevant training courses, seminars and events attended by each member. The training logs include an assessment of whether each training event has fulfilled the need it was intended to meet.
- 8.2. The training logs are completed following the end of each year to provide evidence of the Panel's commitment to training.
- 8.3. The training logs for each Panel member for 2012/13 have been completed and are available on request.

## **9. Evaluation**

- 9.1. The actual training undertaken by Panel members in 2013/14 will be evaluated using the training logs to assess whether it has fulfilled the training need identified at the outset. In addition, Panel members are encouraged to complete a short evaluation form after each training event in order to share feedback about events, and report on whether an event was useful and well delivered. A template evaluation form is attached as Annex 1 to this Training Plan. This information will be used to design the training plan for the following year.

**Pension Fund Panel****Training Evaluation Form**

Panel member's name	
Event attended	
Date	
Location	
Summary of topics covered	
Training needs met	
Aspects of the training needs that were not met	
Comments	
Would you recommend attendance next time/year?  Why?	

Please return this form to Corporate Finance, Corporate Services