HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Pension Fund Panel
Date:	13 June 2014
Title:	Training for Panel Members, including the Training Plan for 2014/15
Reference:	5852
Report From:	Director of Corporate Resources – Corporate Services

Contact name: Gemma Deadman

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1. Executive Summary

1.1. This report includes the proposed Training Plan for 2014/15 for approval. The Training Plan builds on the work done by Pension Fund Panel members to complete their Training Needs Analyses for the year ahead.

1.2. It also confirms the arranged internal training half-days scheduled for the year, which may be useful for the members of the Panel.

2. Training plan for 2014/15

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 2014/15 is attached as Appendix 1.

2.2. The Training Plan is an important part of demonstrating from a governance perspective that proper training in Pension Fund matters is made available to, and undertaken by, Panel members.

2.3. The significant changes from last year's Plan have been highlighted in Appendix 1. The main changes include the introduction of the CIPFA Code of Practice on Public Sector Pensions Finance Knowledge and Skills and how this will be complied with. In addition, a further innovation this year has been the completion by Panel members of detailed Training Needs Analysis returns. These have been used to prepare the content of the Panel's half-day training sessions in 2014 and 2015, as well as tailored training material for individual Panel members.

3. In-house training sessions for the Panel

3.1. The Panel has agreed that two in-house training half-days should be arranged for Panel members each year. Table 1 below sets out the programme for 2014 and 2015, which has been formulated based upon key learning points from the Training Needs Analysis, and recommendations from Panel members.

Table 1 – Plan for the Panel's training half-days in 2014 and 2015

	Session 1	**Session 2**
15 July 2014	Procurement (HCC Legal staff)	Investment performance and risk management (Schroders)
6 November 2014	Constitutional roles and responsibilities (HCC Legal staff)	The energy economy (Newton)
July 2015	Outsourcing and bulk transfers (Head of Pensions Services)	UK Property investment (Aberdeen)
November 2015	Management and investment regulations (Director of Corporate Resources staff)	Question and answer with city professional

3.2. These training half-days will also be useful for the Audit Committee in carrying out their role to receive and consider audit reports relating to the Pension Fund Panel, therefore Audit Committee members will also be invited to these training sessions.

3.3. Suggestions for the content of further training half-days would also be welcome.

4. Training budget

4.1. Table 2 below provides a summary of the training budget and actual expenditure for 2013/14, as well as a proposed budget for 2014/15.

4.2. The budget for 2014/15 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 February 2014 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.

4.3. Training costs are met from the administration costs of the Pension Fund. Re-allocation of planned places at courses within the budget is possible, should the Panel feel it would meet training needs better to give priority to different events.

Table 2 – Training budget

	2013/14 Budget £	2013/14 Actuals £	2014/15 Budget £
Attendance at Conferences / Seminars etc.			
LGC Investment Summit (Celtic Manor, September)	2,850	3,640	2,850
LGC Investment Seminar (Chester, February)	1,200	0	1,200
LG Employers Fundamentals Course	2,700	1,125	2,760
Other conferences	0	0	0
	6,750	4,765	6,810
In-house training sessions			
Fees paid to trainers	1,800	1,675	0
Other costs	100	140	160
	1,900	1,815	160
Total training budget	**8,650**	**6,580**	**6,970**

LGC Investment Summit – September 2014

4.4. This two day investment ‘summit’ for Local Government Pension Funds is organised by the Local Government Chronicle (LGC) and will be held in 2014 on 9 and 10 September at the Celtic Manor Resort in Newport, South Wales. Places have been booked for three members of the Pension Fund Panel for 2014 at an early bird booking rate of £949 each. The Panel may wish to agree who these attendees should be.

4.5. 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. The details of the 2014 course are as follows:

Day 1 Economic and market outlook

Generating attractive returns with low risk

New doors open in secure income as banks retreat

Focus session 1: Technology – what next for global investors

Focus session 2: Index fund management – more than just following the market

Focus session 3: Impact investing

Focus session 4: to be confirmed

Are our investment management arrangements effective, efficient and responsible?

Day 2 Can economic scale define your equity index?

Controlling downside risk in equity portfolios

Top quality governance in your size

5. Training logs and evaluation

5.1. Training logs are maintained by Director of Corporate Resources staff for each member of the Panel based upon members' input, in order to record the training undertaken during the year. Training logs have been completed for 2013/14 and include details of all relevant training courses, seminars and events attended by each member.

5.2. The training logs also include an assessment of whether each training event has fulfilled the need it was intended to meet.

5.3. The training logs for 2013/14 have been distributed to individual Panel members for their comments.

5.4. 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. These comments will be used to inform members' decisions regarding attendance at future events.

6. Recommendations

6.1. That the Training Plan for 2014/15 be approved.

6.2. That the Panel decide who the attendees at the LGC Investment Summit should be.

6.3. That the remainder of the report be noted.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	yes/no
Corporate Business plan link number (if appropriate):	
Maximising well-being:	yes/no
Corporate Business plan link number (if appropriate):	
Enhancing our quality of place:	yes/no
Corporate Business plan link number (if appropriate):	
OR	
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.	

Other Significant Links

Links to previous Member decisions:		
Title	Reference	Date
Direct links to specific legislation or Government Directives		
Title		Date

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.)

Document	Location
None	

IMPACT ASSESSMENTS:

1. Equalities Impact Assessment:

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

2. Impact on Crime and Disorder:

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

3. 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 2014/15

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 2014/15. As the Panel's responsibilities include both investment management of the Pension Fund and pensions administration, the training plan also covers both areas.

1.4. This training plan has been updated to reflect training requirements identified by the completion of the detailed Training Needs Analyses carried out by members of the Pension Fund Panel in late 2013. This analysis has also enabled the production of individual training plans for the Panel members.

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 Scheme (LGPS) funds 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. CIFPA 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 was included in the Annual Report and Accounts 2012/13 and will continue going forward.

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.

Table 1

	Membership of the Pension Fund Panel	
County councillors:		
Mark Kemp-Gee (Chairman)	9 years	
Tom Thacker	5 years	
Christopher Carter	5 years	
Criss Connor	1 year	
Andrew Gibson	2 years	
Andrew Joy	1 year	
Peter Latham	9 months	(new appointment in 2013)
Tim Rolt	1 year	
Bruce Tennent	5 years	
City councils' representative:		
Gerald Vernon-Jackson	7 months	(new appointment in 2013)
Stephen Barnes-Andrews	1 year	
District councils' representative:		
John Leek	2 years	
Peter Giddings	6 years	
Pensioners' representative		
Cliff Allen	1 year	
Employees' representative		
Phillip Reynolds	7 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 2013, in order to ensure compliance with the CIPFA Code of Practice, Panel members completed a detailed individual Training Needs Analysis. The purpose of this exercise was to allow Panel members to consider their current level of knowledge and identify the topics on which 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 in February 2014, and suggestions were provided by Panel members to inform the direction of future training. As a result, eight training sessions have been planned for 2014 and 2015 which directly relate to the training needs identified.

4.4. In addition, individual training programmes have been created for Panel members, which will allow members to improve their knowledge over the year.

4.5. Towards the end of the financial year, Panel members will be asked to review their Training Needs Analysis to decide whether a training requirement is still present, and if so, what further learning could help to work towards the knowledge desired.

Online learning opportunities

4.6. 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.

4.7. 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 about which they wish to learn more.

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 Corporate Resources

Directorate are required by the accountancy bodies to maintain their levels of Continuing Professional Development.

5.2. During 2013/14 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 need 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 2014/15

6.1. This training plan for 2014/15 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 half-days should be arranged for Panel members each year. Table 2 below sets out the programme for 2014 and 2015, which has been formulated based upon key learning points from the Training Needs Analysis, and recommendations from Panel members.

Table 2 - Plan for the Panel's training half-days in 2014 and 2015

	Session 1	**Session 2**
15 July 2014	Procurement (HCC Legal staff)	Investment performance and risk management (Schroders)
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July 2015	Outsourcing and bulk transfers (Head of Pensions Services)	UK Property investment (Aberdeen)
November 2015	Management and investment regulations (Director of Corporate Resources staff)	Question and answer with city professional

6.3. These training half-days will also be useful for the Audit Committee in carrying out their role to receive and consider audit reports relating to the Pension Fund Panel, as stated in the Hampshire County Council Constitution.

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. If new members are appointed to the Panel, the training proposed is as follows:

- Making available hard copies of presentation booklets from the previous in-house training sessions from November 2010 to 2013.
- Attending the "Fundamentals" course held by the Local Government Employers, which specifically covers the basics for the LGPS.
- Attending the training sessions to be held during 2014.
- Completing the Training Needs Analysis for Panel members, 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 3 below shows the training budget for 2013/14, with the actuals for comparison, together with the proposed budget for 2014/15.

7.2. The budget for 2014/15 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 February 2014 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.

Table 3 – Training budget

	2013/14 Budget £	2013/14 Actuals £	2014/15 Budget £
Attendance at Conferences / Seminars etc.			
LGC Investment Summit (Celtic Manor, September)	2,850	3,640	2,850
LGC Investment Seminar (Chester, March)	1,200	0	1,200
LG Employers Fundamentals Course	2,700	1,125	2,760
Other conferences	0	0	0
	6,750	4,765	6,810
In-house training sessions			
Fees paid to trainers	1,800	1,675	0
Other costs	100	140	160
	1,900	1,815	160
Subscription to a web-based training kit	0	0	0
Total training budget	**8,650**	**6,580**	**6,970**

8. Training logs

8.1. Training logs are maintained by each member of the Panel to provide evidence of the Panel's commitment to training. They 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.

9. Evaluation

9.1. The actual training undertaken by Panel members in 2014/15 will be evaluated using the training logs to assess whether it has fulfilled the training need identified at the outset. In addition, Panel members 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.

9.2. Towards the end of the year Panel members will review their training requirements that they identified using the Training Needs Analysis in December 2013. Having completed a year of training with the aid of their individual training plans, members will be able to evaluate their knowledge on pension fund matters, and identify areas where further training is required. These new training needs will go towards forming the training plans for 2015/16.

Training Request and Evaluation Form

Part 1 – To be completed before the Training Activity

Please return this form prior to the Training activity to Gemma Deadman, Corporate Finance, Corporate Services (gemma.deadman@hants.gov.uk, telephone 01962 847054)

Panel member's name	
Training event / activity (including provider)	
Date	
Location	
Summary of topics	
Training needs which this event is expected to meet (where relevant, refer to needs identified in your Training Needs Analysis)	
Other comments	

Part 2 – Evaluation – to be completed after the Training Activity

Were the training needs identified in Part 1 of the form met?	

Aspects of the training needs that were not met	
Is further training required to meet the training needs identified in Part 1?	
Comments	
Would you recommend attendance next time/year? Why?	

Please return the completed form, after the Training activity, to Gemma Deadman, Corporate Finance, Corporate Services (gemma.deadman@hants.gov.uk, telephone 01962 847054)