

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Pension Fund Panel and Board
Date:	7 July 2017
Title:	Governance: Pension Fund Panel and Board Training in 2017/18
Report From:	Director of Corporate Resources – Corporate Services

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1. Executive Summary

- 1.1. This report sets out proposals for the training arrangements for members of the Pension Fund Panel and Board in 2017/18.
- 1.2. The report takes into account the Training Needs Analyses completed by Panel and Board members in 2017. The report also includes proposals for the Panel and Board's training half days in 2017/18 and 2018/19.
- 1.3. This report includes the proposed Training Plan for 2017/18 for approval.

2. Background

- 2.1. Members of the Pension Fund Panel and Board are asked to complete a Training Needs Analysis, which was designed around the CIPFA Pensions Finance Knowledge and Skills Framework for Elected Representatives and Non-Executives in the Public Sector, and the CIPFA Technical Knowledge and Skills Framework for Local Pension Boards, in order to ensure the Panel and Board meet the requirements set out in the guidance referenced in the regulations.
- 2.2. The aim of completing the Training Needs Analysis is to identify members' individual training needs and enable the Training Plan for 2017/18 to be prepared, setting out how these training needs would be met and to give priority to any needs that are shared by a number of the Panel and Board Members.

3. Online Training Library

- 3.1. While the internally arranged training days are intended to provide training on topics which will benefit the majority of Panel and Board members, individual members may find that they have additional areas on which they

may require training or perhaps on which they wish to refresh their knowledge.

- 3.2. With this in mind, officers have developed an online training library, so that members can log in and access training materials at their own convenience, and can select the materials on topics they feel would most benefit their own training needs. The link to the training library and the login details have been provided to members of the Panel and Board, and can be emailed out again as a reminder on request.
- 3.3. The library contains slides (and supplementary materials, where appropriate) for all the internal training sessions carried out since 2009, which cover a wide range of topics. There are also other useful documents available to download which can help fill any knowledge gaps, as well as template forms and links to the Pension Fund's annual report, statutory statements, and latest actuarial valuation. There is also information on and a link to the Pensions Regulators Trustee Toolkit – a valuable online learning resource.

4. Training Needs Analysis

- 4.1. The Training Needs Analysis forms have been provided to members for their completion, and a number of responses have been received to date. It is important that all members return a completed form in due course, and the template form is attached as Appendix 2. This report is based on analysis of forms received to date, and if on receipt of the remaining forms the analysis changes significantly then an update report will be tabled at the next Panel and Board meeting.
- 4.2. The following summary is based on the completed Training Needs Analyses. The training areas for which the largest numbers of Panel and Board members requested training are listed in Table 1 below.

Table 1 – Categories of training identified by the Training Need Analyses

	Number of Panel and Board members
Investment strategies	6
Investment performance and risk management	6
LGPS admin/benefit regulations	4
Actuarial methods, standards and practices	3
Investment markets	3
Stakeholders in the LGPS	3
Role of treasurer and monitoring officer	3

Investments and taxation 3

Panel responsibilities 3

- 4.3. As well as assessing themselves against the topics included in CIPFA's Knowledge and Skills Framework, Panel and Board members were also invited to propose additional ideas for training which they think could benefit the Panel and Board. So far a suggestion has been received to cover cyber security, and how this could impact the Pension Fund and its operations.

5. Proposals

- 5.1. The following paragraphs include suggestions for ways in which training can be provided to meet the needs identified in Table 1.

Investment strategies and investment markets

- 5.2. These areas include risk and return characteristics of the main asset classes (equities, bonds, property), the role of these asset classes in long-term pension fund investing, and the importance of the investment strategy decision. Also within investment markets is a requirement for a broad understanding of the workings of the financial markets and of the investment vehicles available to the pension fund and the nature of the associated risks.
- 5.3. An understanding of the different asset classes is something that newer members will gain over time from reading reports to the Panel and Board on investment matters, from investment manager presentations, and from asking questions of the investment managers. In addition, members who wish to improve their knowledge in this area could use the Pension Regulator Trustee Toolkit website, particularly in the module on "Introduction to Investment". This module covers investing in a pension scheme, types of assets, risk, reward, economic cycles, active and passive management, diversification and managing investments. The Trustee Toolkit website can be found at:

<https://trusteetoolkit.thepensionsregulator.gov.uk/>

Investment performance and risk management

- 5.4. Investment performance and risk management covers a wide area of core skills and knowledge including total fund performance, performance of advisors, and performance of support services.
- 5.5. Total fund performance and performance of advisors are regularly reviewed through reports to Panel and Board meetings, as well as attendance of fund managers. As mentioned in 5.3 above, the Trustee Toolkit would be a good resource for additional training.
- 5.6. Schroders provided a training session on investment performance and risk management on 15 July 2014. However, feedback from this session showed that Panel members did not feel it adequately fulfilled the training need, and this was now some time ago, therefore it is proposed that

Schroders or another provider could be invited back to expand upon their previous session.

LGPS regulations/stakeholders/role of treasurer and monitoring officer and Panel and Board responsibilities

- 5.7. These topics were covered by a training session provided by Tim Hazelwood in 2013. It is proposed that Tim Hazelwood should be invited back to provide another session, which will be excellent background to the scheme for new members of the Panel and Board, and will be useful as a refresher for longer-standing members. In the meantime, slides from Tim Hazelwood's last session are available via the training library.

Actuarial methods, standards and practices

- 5.8. Actuarial methods, standards and practices were most recently covered in the presentation by Alison Murray from Aon Hewitt on the Actuarial Valuation at the Annual Employers Meeting (AEM) in October 2016. The actuarial valuation as at 31 March 2017 is available for download from the following link: <http://www3.hants.gov.uk/pensions/lgps/pensions-reportsandaccounts.htm>

Investments and taxation

- 5.9. Matters regarding taxation reclaims are reported annually to the Panel and Board. It is proposed that officers provide some more detailed background information to the situation and these reclaims next time the matter is due to be reported and considered.

6. Training half-days in 2016/17 and 2017/18

- 6.1. In recent years the Panel has held two training half-days each year. It is proposed that there should be two training half-days in 2017 – one in June and one in November 2017, and a similar pattern in 2018. The first training half-day was held on 20 June 2017, and a date for November 2017 will be finalised after this meeting.
- 6.2. Ideally two sessions should make up each half-day as that allows full attention to be paid to each topic, as well as providing time for questions. The proposals in Table 2 below set out a suggested programme for 2017 and 2018 for the Panel and Board's comments.

Table 2 – Proposals for the Panel and Board's training half-days in 2017/18 and 2018/19

	Session 1	Session 2
20 June 2017	Asset allocation (LGIM)	The Pension Fund's

Table 2 – Proposals for the Panel and Board’s training half-days in 2017/18 and 2018/19

	Session 1	Session 2
		strategic asset allocation review (Hymans Robertson)
November 2017	Currency hedging (pending the results of the strategic asset allocation)	Private Debt (pending the results of the strategic asset allocation)
July 2018	Cyber security and the impact on the Pension Fund and Role of the global custodian (JP Morgan)	Fundamentals of the LGPS (Tim Hazelwood)
November 2018	Investment performance and risk management (one of the Fund’s investment managers)	Internal audit update (Neil Pitman)

6.3. In addition to the proposals above any suggestions for training would be welcomed.

6.4. The date for the training half-day in November 2017 will be agreed in due course and circulated to Panel and Board members as soon as possible.

7. Training plan for 2017/18

7.1. The Panel and Board has fully supported the principle that Panel and Board 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 and Board. The proposed Plan for 2017/18 is attached as Appendix 1.

7.2. 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 and Board members.

7.3. Changes from last year’s Plan have been highlighted in Appendix 1. No major changes have been made, although the Plan has been updated for the training sessions in 2017/18 and 2018/19, and the budget for 2017/18.

8. Training budget

- 8.1. Table 3 below provides a summary of the training budget and actual expenditure for 2016/17, as well as a proposed budget for 2017/18.
- 8.2. The budget for 2017/18 includes three places at the LGC investment summit, and provision for four members of the Panel and Board to attend the Fundamentals course. The budget also includes two places at the LGC investment seminar at Chester (with the possibility of an additional free place), in line with attendance in previous years.
- 8.3. An amount of £2,700 has also been included in the budget to cover the cost Hymans Robertson providing training on the strategic asset allocation review.
- 8.4. Training costs are met from the governance costs of the Pension Fund. Re-allocation of planned places at courses within the budget is possible, should the Panel and Board feel it would meet training needs better to give priority to different events.

Table 3 – Training budget

	2016/17 Budget £	2016/17 Actuals £	2017/18 Budget £
Attendance at Conferences / Seminars etc.			
LGC Investment Summit (Celtic Manor, September)	2,850	2,850	2,850
LGC Investment Seminar (Chester, March)	1,200	0	1,200
LG Employers Fundamentals Course	2,760	1,150	2,760
Other conferences	0	0	0
	<hr/> 6,810	<hr/> 4,000	<hr/> 6,810
In-house training sessions			
Fees paid to trainers	2,000	0	2,700
Other costs	160	120	160
	<hr/> 2,160	<hr/> 120	<hr/> 2,860
Total training budget	8,970	4,120	9,670

9. Other training resources and information

External training courses

- 9.1. If members would like to attend an external training course or conference, please complete the first half of the training request and evaluation form available at Annex 1 to Appendix 1, and return to Jennifer Devine (jennifer.devine@hants.gov.uk).

Training logs for 2016/17

- 9.2. Training logs are maintained by Director of Corporate Resources' staff for each member of the Panel and Board based upon members' input, in order to record the training undertaken during the year. Training logs for 2016/17 to date have been circulated to Panel and Board members for review, and include details of all relevant training courses, seminars and events attended by each member.
- 9.3. The training logs also include an assessment of whether each training event has fulfilled the need it was intended to meet.
- 9.4. Panel and Board 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.

10. Annual Employers Meeting 2017

- 10.1. The Annual Employers Meeting will be held in Ashburton Hall in Winchester on 13 October 2017 starting at 10:00 am, and Panel and Board members are encouraged to attend the Annual Employers Meeting if they are available.

11. Recommendations

- 11.1. That the proposed training arrangements are noted, and Panel and Board members consider any other topics for training that would be beneficial.
- 11.2. That the Training Plan for 2017/18 be approved.
- 11.3. That the remainder of the report be noted.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because it requires approval of the Pension Fund’s statutory statements.

Other Significant Links

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

<u>Document</u>	<u>Location</u>
None	

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

- a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionately low.

1.2. Equalities Impact Assessment:

1.3. 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 and Board

Training Plan 2017/18

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 and Board.
- 1.2. The Pension Fund Panel and Board fully supports the principle that Panel and Board 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 and Board for 2017/18. As the Panel and Board'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 and Board in early 2017.

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:
 - 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

- 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
 - 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 and Board fully endorse the importance placed on training in these principles. With this training plan and the training logs maintained by all Panel and Board 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 was included in the Annual Report and Accounts 2012/13 and will continue going forward.

3. Pension Fund Panel and Board

- 3.1. There are 17 members of the Pension Fund Panel and Board, as listed in Table 1. The table shows the experience of Panel and Board members in terms of their length of service on the Pension Fund Panel and Board.

Table 1	Membership of the Pension Fund Panel and Board
County councillors:	
Mark Kemp-Gee (Chairman)	12 years
Tom Thacker	8 years
Christopher Carter	8 years
Alan Dowden	New member with previous membership on the Pension Fund Panel
Jonathan Glen	New member
Andrew Gibson	5 years
Andrew Joy	4 years
Peter Latham	3 years
Bruce Tennent	8 years
County council deputies:	
Keith House	3 years
Derek Mellor	New member
City councils' representative:	
Hugh Mason	3 years
District councils' representative:	
Peter Giddings	9 years
Other employers' representative:	
David Robbins	1 year
Pensioners' representative	
Cliff Allen	4 years
Deferred members' representative:	
Valerie Arrowsmith	1 year
Employees' representative:	
Neil Wood	1 year

- 3.2. The Panel and Board has a mixture of experienced members, who have served at least one full four-year term as members of the Panel and Board, and more recently appointed members. Panel and Board 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 and Board, 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 and Board have considered making attendance at training courses compulsory for Pension Fund Panel and Board members. This suggestion reflected the increasing complexity and profile of pension matters and the need for Panel and Board members to keep up to date with current developments at a time of heightened scrutiny. However, whilst it is important that Panel and Board members prepare themselves properly to fulfil their responsibilities, it would not be practical to make attendance at training events a condition of Panel and Board membership. The suitability and fitness of members for their role is best left to the Panel and Board itself to monitor.
- 4.3. Each year, in order to ensure compliance with the CIPFA Code of Practice, Panel and Board members complete a detailed individual Training Needs Analysis. The purpose of this exercise is to allow Panel and Board 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, and the CIPFA Technical Knowledge and Skills Framework for Local Pension Boards, in order to ensure the Panel and Board meet the requirements set out in the guidance referenced in the regulations. The outcome of the Training Needs Analysis for 2017/18 will be discussed by the Panel and Board at this meeting. As a result, eight training sessions have been planned for 2017 and 2018 which directly relate to the training needs identified.
- 4.4. The Director of Corporate Resources' staff have developed an online library of training resources, which Panel and Board members will be able to refer to in order to obtain more information about areas where they have a specific training need, in addition to the Panel and Board-wide training proposals outlined above. The library contains slides (and supplementary materials, where appropriate) for all the internal training sessions carried out since 2009, which cover a wide range of topics. There are also other useful documents available to download which can help fill any knowledge gaps, as well as template forms and links to the Pension Fund's annual report, statutory statements, and latest actuarial valuation. There is also information on and a link to the Pensions Regulators Trustee Toolkit – a valuable online learning resource. The library will be updated whenever new material is available. Panel and Board members will be provided with a link to the library and login details.

Online learning opportunities

- 4.5. 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. In early 2015, the Pensions Regulator

released an on-line training resource to assist those involved in Public Sector Schemes. This is accessed via the Trustee Toolkit, and comprises an additional seven modules covering the key themes in the Code of Practice on governance and administration of public service schemes.

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.

6. Proposed training in 2017/18

- 6.1. This training plan for 2017/18 has been designed to cater for the needs of the recently elected Panel and Board members as well as providing an opportunity to update and refresh the knowledge of the more experienced members of the Panel and Board.
- 6.2. The Panel and Board has agreed that two in-house training half-days should be arranged for Panel and Board members each year. Table 2 below sets out the programme for 2017 and 2018, which has been formulated based upon key learning points from the Training Needs Analysis, and recommendations from Panel and Board members.

Table 2 - Plan for the Panel and Board's training half-days in 2017 and 2018

	Session 1	Session 2
20 June 2017	Asset allocation (LGIM)	The Pension Fund's strategic asset allocation review (Hymans Robertson)
November 2017	Currency hedging (pending the results of the strategic asset allocation)	Private Debt (pending the results of the strategic asset allocation)
July 2018	Cyber security and the impact on the Pension Fund and Role of the global custodian (JP Morgan)	Fundamentals of the LGPS (Tim Hazelwood)

November 2018

Investment performance
and risk management
(one of the Fund's
investment managers)Internal audit update
(Neil Pitman)

- 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 and Board, 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 and Board 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 and Board, the training proposed is as follows:
- 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 2017.
 - Completing the Training Needs Analysis for Panel and Board 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 and Board.
- 6.6. Reports to the Panel and Board 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 and Board members can keep up-to-date and develop their knowledge.
- 6.7. Panel and Board 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 2016/17, with the actuals for comparison, together with the proposed budget for 2017/18.
- 7.2. The budget for 2017/18 includes three places at the LGC investment summit, and provision for four members of the Panel and Board to attend the Fundamentals course. Only one member attended the LGC investment seminar at Chester in 2016, as it clashed with a Panel and Board 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. An amount of £2,700 has also been included in the budget to cover the cost of Hymans Robertson providing training on the strategic asset allocation review.

7.4. Training costs are met from the administration costs of the Pension Fund. "Virement" between courses within the budget is possible, should the Panel and Board feel it would meet training needs better to prioritise different events.

Table 3 – Training budget

	2016/17 Budget £	2016/17 Actuals £	2017/18 Budget £
Attendance at Conferences / Seminars etc.			
LGC Investment Summit (Celtic Manor, September)	2,850	2,850	2,850
LGC Investment Seminar (Chester, February)	1,200	0	1,200
LG Employers Fundamentals Course	2,760	1,150	2,760
Other conferences	0	0	0
	6,810	4,000	6,810
In-house training sessions			
Fees paid to trainers	2,000	0	2,700
Other costs	160	120	160
	2,160	120	2,860
Total training budget	8,970	4,120	9,670

8. Training logs

8.1. Training logs are maintained by each member of the Panel and Board to provide evidence of the Panel and Board'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 and Board members in 2017/18 will be evaluated using the training logs to assess whether it has fulfilled the training need identified at the outset. In addition, Panel and Board 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.

Training Request and Evaluation Form

Part 1 – To be completed before the Training Activity

Please return this form prior to the Training activity to Jennifer Devine, Corporate Finance, Corporate Services (jennifer.devine@hants.gov.uk, telephone 01962 847054)

Panel and Board 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 Jennifer Devine, Corporate Finance, Corporate Services (jennifer.devine@hants.gov.uk, telephone 01962 847054)

Training Needs Analysis - Pensions Knowledge and Skills Framework (2017/18)

Name: Date:

Key to rating of whether knowledge is Essential or Desirable

	General awareness of the topic required
	Good understanding but not at the level of Pensions or Investment practitioners
	Full detailed knowledge required

Key	Training need	Training required? Yes/no	Possible sources of information, including training provided previously
1.	Pensions legislative and governance context		
1.1	General pensions framework A general awareness of the pensions legislative framework in the UK. <ul style="list-style-type: none"> - brief history of the development of pensions provision in the UK - defined benefit and defined contribution schemes - final salary and career average revalued earnings (CARE) schemes - State pensions and occupational pensions 		Training session provided by Tim Hazelwood on 20 September 2013, and Schroders Trustee Training 2014
1.2	Scheme-specific legislation An overall understanding of the legislation specific to the LGPS scheme and the main features relating to benefits, administration and investment.		Training session provided by Tim Hazelwood on 20 September 2013

Key	Training need	Training required? Yes/no	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> - the role of central Government , including the Department for Communities and Local Government - how the LGPS has developed, from 1922 - the scheme before April 2008 - the 'New Look' scheme from April 2008 - the LGPS 2014 scheme from April 2014 - Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 - Local Government Pension Scheme (Administration) Regulations 2008 - councillors' pension scheme - auto enrolment - the Hutton Review of Public Sector Pensions - proposals for cost sharing between employers and employees, under LGPS 2014 - scheme guides for employees, employers, councillors 		<p>Covered in more detail under section 1.3 below</p> <p>Covered in more detail under section 1.4 below</p> <p>Presentation by Andrew Fleming of The Pensions Regulator at the Annual Employers Meeting 31 October 2011</p> <p>Reports to the Panel in 2010 and 2011</p> <p>Available from Pension Services section and website</p>
1.3	<p>An awareness of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 and their main features.</p> <ul style="list-style-type: none"> - the 'New Look' scheme from April 2008 - employee contribution rates - employer contribution rates - accrual rates - age at which pensions are payable - lump sums - widows and widowers' pensions, dependants' pensions, civil partners, co-habiting partners 		<p>Training session provided by Tim Hazelwood on 20 September 2013</p>

Key	Training need	Training required? Yes/no	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> - ill health retirement - early retirement - death in service and in retirement - part-time staff - early retirement - rule of 85 - opting in to membership, or not - vesting period, during which employee contributions are repayable if the employee ceases to be a member of the Pension Fund - deferred pensioners - additional voluntary contributions (AVCs) - pensions increases for inflation each April, including the use of CPI instead of RPI - discretionary benefits - other non-LGPS legislation affecting pensions and HR policies 		
1.3 cont	<p>An awareness of the Local Government Pension Scheme (Administration) Regulations 2008 and their main features.</p> <ul style="list-style-type: none"> - the New Look scheme from April 2008 (as above) - who can be a member, eg, not teachers, police officers, firefighters who have separate pension schemes - employees contributions including additional voluntary contributions (AVCs) - Accounts and audit - Annual Report - Funding Strategy Statement - actuarial valuations and certificates - Pension Administration Strategy - Communication Policy Statement 		Training session provided by Tim Hazelwood on 20 September 2013

Key	Training need	Training required? Yes/no	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> - annual benefit statements - transfers to and from other pension funds - other non-LGPS legislation affecting pensions and HR policies 		
1.3 cont	<p>An awareness of the changes introduced by the LGPS 2014 scheme from April 2014</p> <ul style="list-style-type: none"> - change from a Final Salary scheme to a Career Average Revalued Earnings (CARE) scheme - accrual rate of 1/49th - 50/50 option for employees 		Training session provided by Tim Hazelwood on 20 September 2013
1.4	<p>An appreciation of LGPS discretions and how the formulation of the discretionary policies impacts on the pension fund, employers and local taxpayers. A regularly updated appreciation of the latest changes to the scheme rules.</p> <ul style="list-style-type: none"> - discretions which the Pension Fund can apply - discretions which employers can apply 		Training session provided by Tim Hazelwood on 20 September 2013
1.5	<p>Knowledge of the role of the administering authority in relation to the LGPS.</p> <ul style="list-style-type: none"> - 89 LGPS funds in England and Wales - each with an “administering authority”, such as Hampshire County Council - size of the LGPS nationally - statistics - size of the Hampshire Pension Fund – fund value, number of employers, contributors, pensioners, deferred pensioners - administering authority’s responsibility to maintain, administer 		<p>Training session provided by Tim Hazelwood on 20 September 2013</p> <p>Training session provided by Paul Hodgson on 11 December 2015</p>

Key	Training need	Training required? Yes/no	Possible sources of information, including training provided previously
	<p>and invest the Pension Fund</p> <ul style="list-style-type: none"> - role of the administering authority in respect of all the employers in the Pension Fund (including the County Council) - administering authority's powers in the LGPS regulations, and under general 'vires' powers of local authorities 		
1.6	<p>Pensions regulators and advisors</p> <p>An understanding of how the roles and powers of the Pensions Regulator, the Pensions Advisory Service and the Pensions Ombudsman relate to the workings of the scheme.</p> <ul style="list-style-type: none"> - the Pensions Regulator - the Pensions Advisory Service - the Pensions Ombudsman - any other relevant bodies - dispute resolution procedures 		Training session provided by Paul Hodgson on 11 December 2015
1.7	<p>General constitutional framework</p> <p>Broad understanding of the role of the Pension Fund Panel and Board in relation to the fund, administering authority, employing authorities, scheme members and taxpayers.</p> <ul style="list-style-type: none"> - Hampshire County Council's constitution in relation to the Pension Fund, and the powers delegated to the Pension Fund Panel and Board - terms of reference of the Pension Fund Panel and Board - membership of the Pension Fund Panel and Board - co-opted representatives of other employers, pensioners and contributors 		Through membership of the Pension Fund Panel and Board, reports to the Panel and Board and the Training session provided by Tim Hazelwood on 20 September 2013, Legal Services session November 2014, and training session provided by Paul Hodgson on 11 December 2015

Key	Training need	Training required? Yes/no	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> - voting rights of Pension Fund Panel and Board members - the 'informal' sub-group of Panel and Board members - Pension Fund's Business Plan - Pension Board, to be introduced following the Public Service Pensions Act 2013 - role of the Scheme Advisory Board nationally 		
1.8	<p>Awareness of the role and statutory responsibilities of the treasurer and monitoring officer.</p> <ul style="list-style-type: none"> - treasurer to the Pension Fund - monitoring officer 		Training session provided by Tim Hazelwood on 20 September 2013
1.9	<p>Pension scheme governance An awareness of the LGPS main features.</p> <ul style="list-style-type: none"> - the Governance Policy Statement - the Governance Compliance Statement 		Reviewed each autumn by the Panel and Board and Published in the Pension Fund's Annual Report
1.10	<p>Knowledge of the Myners principles and associated CIPFA and SOLACE guidance.</p> <ul style="list-style-type: none"> - the Myners principles - CIPFA's guide to the Application of the Myners Principles, published in 2009, including the six principles of: <ul style="list-style-type: none"> - Effective decision making - Clear objectives - Risk and liabilities - Performance assessment - Responsible ownership - Transparency and reporting - CIPFA/SOLACE Code of Corporate Governance in Local 		Reflected in the Pension Fund's statutory documents reviewed by the Panel and Board each autumn and published in the Annual Report

Key	Training need	Training required? Yes/no	Possible sources of information, including training provided previously
	<p>Authorities, published in 2007</p> <ul style="list-style-type: none"> - CIPFA's Guide to Delivering Good Governance in Local Government Pension Funds, published in 2009 		
1.11	<p>A detailed knowledge of the duties and responsibilities of Pension Fund Panel and Board members.</p> <ul style="list-style-type: none"> - Pension Fund Panel and Board - representatives on the Panel and Board of other employers - representatives on the Panel and Board of pensioners and contributors - Hampshire County Council's Members Code of Conduct - declarations of interest - conflicts of interest in the roles of Panel and Board members - role of the Independent Adviser 		<p>Through membership of the Pension Fund Panel and Board, and from training session provided by Paul Hodgson on 11 December 2015</p> <p>Considered during the appointment of the Independent Adviser in 2011</p>
1.12	<p>Knowledge of the stakeholders of the pension fund and the nature of their interests.</p> <ul style="list-style-type: none"> - the employers, including scheduled bodies, admitted bodies, resolution bodies, community admission bodies, transferee admission bodies - Hampshire County Council as the administrative authority - employees - pensioners - deferred pensioners - council tax payers 		<p>Training session provided by Tim Hazelwood on 20 September 2013</p>
1.13	<p>Knowledge of consultation, communication and involvement options relevant to the stakeholders.</p>		

Key	Training need	Training required? Yes/no	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> - the Pension Fund's Communication Policy Statement - Annual Employers Meeting - Annual Report - Annual leaflet for pensioners and contributors - Employee's guides - Employer manuals - Training for employers - Pension Services website - Annual benefit statements - Pensioners' newsletters 		<p>Reviewed by the Panel and Board annually in the autumn and published in the Annual Report</p> <p>Available on Pension Services' website</p>
1.14	<p>Knowledge of how pension fund management risk is monitored and managed</p> <ul style="list-style-type: none"> - Risk Management Report 		<p>The Risk Management Report is published in the Pension Fund's annual report</p>
1.15	<p>Understanding how conflicts of interest are identified and monitored</p>		<p>Training session provided by Paul Hodgson on 11 December 2015</p>
1.16	<p>Understanding how breaches in law are reported</p>		<p>Training session provided by Paul Hodgson on 11 December 2015</p> <p>Module on breaches in the Trustee Toolkit online learning resource</p>
2.	<p>Pensions accounting and auditing standards</p>		

Key	Training need	Training required? Yes/no	Possible sources of information, including training provided previously
2.1	<p>Awareness of the Accounts and Audit Regulations and legislative requirements relating to the role of the committee (ie, the Pension Fund Panel and Board) and individual members in considering and signing off the accounts and annual report.</p> <ul style="list-style-type: none"> - Accounts and Audit Regulations - CIPFA/LASAAC Code of Practice on Local authority Accounting in the UK - CIPFA's Example Accounts and Disclosure Checklist for LGPS Fund Accounts 2011/12 - role of the Audit Committee - role of the Pension Fund Panel and Board - role of the Director of Corporate Resources 		<p>Reflected in the Pension Fund's Statement of Accounts published each year</p> <p>Neil Pitman session 28 February 2014</p>
2.2	<p>Awareness of the role of both internal and external audit in the governance and assurance process.</p> <ul style="list-style-type: none"> - Internal Audit - external Independent Audit, currently provided by Ernst & Young 		<p>Neil Pitman session 28 February 2014</p> <p>Reports to the Panel and Board by the Chief Internal Auditor. Independent Auditor's report included in the Statement of Accounts.</p>
2.3	<p>An understanding of the role played by third party assurance providers</p>		<p>Training session for the Panel and Board provided by Nick Weaver in November 2016</p>
3.	<p>Financial services procurement and relationship management</p>		
3.1	<p>Understanding public procurement Understanding of the background to current public procurement policy and procedures, and of the values and scope of public procurement and the roles of key decision makers and</p>		<p>As incorporated in the procurement processes over the years for investment managers and other service providers, and Procurement training session July 2014.</p>

Key	Training need	Training required? Yes/no	Possible sources of information, including training provided previously
	<p>organisations.</p> <ul style="list-style-type: none"> - CIPFA guide to procuring efficiency in public sector pensions administration, published in 2011 		
3.2	<p>A general understanding of the main public procurement requirements of UK and EU legislation.</p> <ul style="list-style-type: none"> - EU procurement procedures and thresholds - the County Council's procurement policies and procedures - the roles of officers and Panel and Board members in procurement decisions - applying those procurement procedures to the Pension Fund's contracts - use of framework contracts and other techniques to reduce the cost of externally-sourced services - the terms of appointment of the Pension Fund's investment managers and other external providers 		As above
3.3	<p>Supplier risk management</p> <p>Understanding of the nature and scope of risks for the pension fund and of the importance of considering risk factors when selecting third parties.</p> <ul style="list-style-type: none"> - procurement procedures - risk assessments in connection with using consultants and external fund managers - investment performance cannot be guaranteed - what to look for when selecting an investment manager 		Procurement training session July 2014
3.4	<p>An understanding of how the pension fund monitors and manages the performance of their outsourced providers.</p>		Training session for the Panel and Board provided by Nick Weaver in November 2016

Key	Training need	Training required? Yes/no	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> - external printing - tracing agency - external legal advisers - software providers 		Reports to the Panel and Board on pension administration
4.	Investment performance and risk management		
4.1	<p>Total fund Understanding of the importance of monitoring asset returns relative to the liabilities and a broad understanding of ways of assessing long-term risks.</p> <ul style="list-style-type: none"> - the LGPS Management and Investment of Funds Regulations - triennial actuarial valuations of the Pension Fund's liabilities - regular reviews of the Pension Fund's investment strategy taking account of liabilities, in conjunction with the Fund actuary, eg following the triennial actuarial valuations - reviewing the Pension Fund's asset allocation on a tactical or medium-term basis - monitoring investment returns of individual managers and the Pension Fund as a whole 		<p>Reflected in the regular reports considered by the Panel and Board on investment matters.</p> <p>Training session provided by Steve Lee on 20 September 2013</p>
4.2	<p>Performance of advisors Awareness of the Myners principles of performance management and the approach adopted by the committee (ie, the Pension Fund Panel and Board).</p> <ul style="list-style-type: none"> - the Myners principle - performance of investment managers 		Reflected in the regular reports considered by the Panel and Board on investment matters

Key	Training need	Training required? Yes/no	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> - how to assess the performance of fund managers, including what questions to ask - performance benchmarks, including market indices such as FTSE and MSCI, and 'absolute' measures such as RPI or LIBOR - outperformance targets - basis for fees, including ad valorem fees and performance fees - transaction costs 		Schroders training session July 2014
4.3	<p>Performance of the Pension Fund Panel and Board Awareness of the Myners principles and the need to set targets for the Pension Fund Panel and Board and to report against them.</p>		The Statement of Investment Principles is reviewed annually (at the Panel and Board meeting in December) and published in the Pension Fund's Annual Report
	<ul style="list-style-type: none"> - compliance with the Myners Principles is set out in the Pension Fund's Statement of Investment Principles 		
	<ul style="list-style-type: none"> - Panel and Board members' self-assessment of their performance, in accordance with Good Practice Guidance on Trustees' Self-assessment published by the National Association of Pension Funds in 2006 		
4.4	<p>Performance of support services Awareness of the range of support services, who supplies them and the nature of the performance monitoring regime. Support services</p> <ul style="list-style-type: none"> - in-house staff - Director of Corporate Resources - Finance staff – Investments - Finance staff – Pensions Services - Chief Internal Auditor - Legal Services 		Regular reports to the Pension Fund Panel and Board on investment performance, administration and on internal audit

Key	Training need	Training required? Yes/no	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> - Monitoring officer - Business Advice and Members Support - Human Resources <p>External providers</p> <ul style="list-style-type: none"> - investment managers and advisers - custodian - investment performance measurement services - transition manager, if appointed to implement changes of investment managers - banker - actuary - independent adviser - investment consultants, such as Analytics - specialist lawyers - Axise - Pensions Services' software provider - independent property valuer <p>Assessment of Third Party Providers</p> <ul style="list-style-type: none"> - Good Practice Guidance on Assessment of Third Party Providers published by the National Association of Pension Funds in 2006 		
5.	Financial markets and products knowledge		
5.1	<p>Investment strategy Awareness of the risk and return characteristics of the main asset classes (equities, bonds, property). Understanding of the role of these asset classes in long-term pension fund investing.</p> <ul style="list-style-type: none"> - asset allocation - shorter term or tactical asset allocation 		Training sessions for the Panel and Board on investment strategies etc provided by Aon Hewitt in November 2009 and July 2014, and regular reports to the Panel and Board by investment managers

Key	Training need	Training required? Yes/no	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> - risks and returns - diversification - correlations - asset classes, including: <ul style="list-style-type: none"> - equities, both UK and overseas - bonds, both Government and corporate - index linked bonds - property, direct and indirect funds - alternative investments, including private equity, hedge funds and other categories - exchange traded funds (ETFs) - cash - currencies, and whether or not to hedge currency exposure back to Sterling 		<p>Training session for the Panel and Board on UK property investing provided by Aberdeen in July 2015</p> <p>Training session for the Panel and Board on infrastructure investing provided by GCM in November 2016</p>
5.2	<p>Financial markets Understanding of the primary importance of the investment strategy decision.</p> <ul style="list-style-type: none"> - formulating the investment strategy, in conjunction with the Fund actuary - asset/liability studies - reviewing the Pension Fund's investment strategy, as in 2011 - tactical asset allocation - liability driven investment (LDI) 		<p>Training session for the Panel on investment strategies by Aon Hewitt in July 2014.</p> <p>Training sessions for the Panel on LDI by Schroders in June and November 2011</p>
5.3	A broad understanding of the workings of the financial markets		

Key	Training need	Training required? Yes/no	Possible sources of information, including training provided previously
	<p>and of the investment vehicles available to the pension fund and the nature of the associated risks.</p> <ul style="list-style-type: none"> - the asset classes listed in section 5.1 above - segregated or pooled investments - active or passive (index tracking) management - shareholdings, partnerships, direct investments - tax and Pension Fund investments - investment styles, including “growth” and “value” managers etc - risk assessment in investment decisions - stock lending 		
5.4	<p>An awareness of the limits placed by regulation on the investment activities of local government pension funds.</p> <ul style="list-style-type: none"> - limits on investment matters in the LGPS Management and Investment of Funds Regulations - discretions permitted by the LGPS Management and Investment of Funds Regulations - cases where the Pension Fund has exercised these discretions - fiduciary duty of administering authorities and Pension Fund Panel and Board members - social, environmental and ethical considerations - exercising the rights attached to investments 		<p>Training session for the Panel by Legal Services November 2014 Training session for the Panel on social, environmental and ethical investment provided by Newton in November 2011</p>
5.5	<p>LGPS Management and Investment of Funds Regulations</p> <ul style="list-style-type: none"> - categories of investments permitted by the Regulations - restrictions on the engagement of investment managers - investment managers’ terms of appointment 		

Key	Training need	Training required? Yes/no	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> - reporting arrangements for investment managers - reviews of investment managers' performance and appointments - powers to borrow - separate bank accounts - Statement of Investment Principles 		
5.6	<p>An understanding of how the pension fund interacts with the taxation system in the UK and overseas in relation to investments</p> <ul style="list-style-type: none"> - Pension Fund's tax status - Tax reclaims 		Updates on tax reclaims are reported annually in Panel and Board papers
6.	Actuarial methods, standards and practices		
6.1	An understanding of the role of the fund actuary		<p>Reports to the Panel and Board on the actuarial valuation</p> <p>Training sessions for the Panel provided by Aon Hewitt in November 2009, and in July 2014</p> <p>Presentation from Aon Hewitt at the 2015 AEM</p>
6.2	<p>Valuations</p> <p>Knowledge of the valuation process, including developing the funding strategy in conjunction with the fund actuary, and intervaluation monitoring.</p> <ul style="list-style-type: none"> - actuarial valuation process - arrangements for the grouping of employers in the Hampshire Pension Fund for valuation and other purposes – the Group 		See 6.1

Key	Training need	Training required? Yes/no	Possible sources of information, including training provided previously
	<p>Funding Framework</p> <ul style="list-style-type: none"> - Funding Strategy Statement - how employer contribution rates are calculated for future service – as a percentage of pensionable pay - how employer contribution rates are calculated for the past service deficit – as a cash lump sum - arrangements for employers’ contribution rates for past service and for future service - recovery of the deficit over an appropriate period, eg 25 years - monitoring the position between the triennial valuations - impact of increasing longevity - FRS17 / IAS19 information for employers’ statements of accounts (Financial Reporting Standard 17 and International Accounting Standard 19) 		
6.3	<p>Awareness of the importance of monitoring early and ill health retirement strain costs.</p> <ul style="list-style-type: none"> - the Pension Fund’s policy for the relevant employers to meet the cost to the Fund of strain costs 		Training session for the Panel and Board provided by Nick Weaver in July 2015
6.4	<p>A broad understanding of the implications of including new employers into the fund and of the cessation of existing employers.</p> <ul style="list-style-type: none"> - new admission bodies, including transferee admission bodies - cessation of employers, including the recovery of any deficits - Hampshire Pension Fund’s Group Funding Framework - Hampshire Pension Fund’s Policy on Cessation Contributions 		Training session for the Panel and Board provided by Nick Weaver in July 2015
6.5	<p>Outsourcing</p> <p>A general awareness of the relevant considerations in relation to</p>		Training session for the Panel and Board provided by Nick Weaver in July 2015

Key	Training need	Training required? Yes/no	Possible sources of information, including training provided previously
	outsourcings and bulk transfers. - Hampshire Pension Fund's policy on Outsourcing and Pass-Through Arrangements for small admission bodies		
6.6	A general understanding of the importance of the employer covenant and the relative strengths of the covenant across the fund employers		Report to the Panel and Board on the draft employer policy in December 2015
7.	Pensions Administration		
7.1	An understanding of best practice in pensions administration - Performance - Cost measures		Training session for the Panel and Board provided by Nick Weaver in November 2016
7.2	Understanding of the required and adopted scheme policies and procedures relating to: - Member data maintenance and record-keeping processes - Internal dispute resolution - Contributions collection - Scheme communications and materials		Training session for the Panel and Board provided by Nick Weaver in November 2016 The communication policy statement is published each year in the Pension Fund annual report
7.3	Knowledge of how discretionary powers operate		Training session for the Panel and Board provided by Nick Weaver in November 2016

Key	Training need	Training required? Yes/no	Possible sources of information, including training provided previously
7.4	<p>Knowledge of the pensions administration strategy and delivery</p> <ul style="list-style-type: none"> - Use of third party supplies - Selection of third party suppliers - Performance management and assurance processes 		<p>Training session for the Panel and Board provided by Nick Weaver in November 2016</p> <p>The administration strategy is published each year in the Pension Fund annual report</p>
7.5	<p>An understanding of how the Pension Fund interacts with the taxation system in the UK and overseas in relation to benefits administration</p>		
7.6	<p>An understanding of what additional voluntary contribution arrangements exist and the principles relating to the operation of those arrangements</p> <ul style="list-style-type: none"> - Choice of investments to be offered to members - The provider's investment and fund performance report - The payment schedule for such arrangements 		

Please add list below any additional topics on which training would be helpful

