

NOTICE OF MEETING

Meeting	Hampshire Pension Fund Panel and Board
Date and Time	Tuesday, 28th September, 2021 at 10.00 am
Place	Mitchell Room
Enquiries to	members.services@hants.gov.uk

Carolyn Williamson FCPFA
Chief Executive
The Castle, Winchester SO23 8UJ

FILMING AND BROADCAST NOTIFICATION

This meeting may be recorded and broadcast live on the County Council's website. The meeting may also be recorded and broadcast by the press and members of the public – please see the Filming Protocol available on the County Council's website.

AGENDA

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

All Members who believe they have a Disclosable Pecuniary Interest in any matter to be considered at the meeting must declare that interest and, having regard to Part 3 Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter is discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore all Members with a Personal Interest in a matter being considered at the meeting should consider, having regard to Part 5, Paragraph 4 of the Code, whether such interest should be declared, and having regard to Part 5, Paragraph 5 of the Code, consider whether it is appropriate to leave the meeting while the matter is discussed, save for exercising any right to speak in accordance with the Code.

3. CONFIRMATION OF MINUTES (NON-EXEMPT) (Pages 5 - 14)

To confirm the Minutes of the meeting held on 27 July 2021.

4. DEPUTATIONS

To receive any deputations notified under Standing Order 12.

5. CHAIRMAN'S ANNOUNCEMENTS

To receive any announcements the Chairman may wish to make

6. MINUTES OF THE RESPONSIBLE INVESTMENT SUB-COMMITTEE - 7 SEPTEMBER 2021 (Pages 15 - 18)

To receive the minutes of the Responsible Investment Sub-Committee held on 7 September 2021.

7. TRAINING REPORT (Pages 19 - 60)

To consider a report from the Director of Corporate Operations setting out the training arrangements for members of the Pension Fund Panel and Board in 2021/22.

8. EXCLUSION OF THE PRESS AND PUBLIC

That in relation to the following items the press and public be excluded from the meeting, as it is likely, in view of the nature of the business to be transacted or the nature of proceedings, that if a member of the public were present during the items there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, and further that in all circumstances of the case, the public interest in maintaining the exempt information outweighs the public interest in disclosing the information, for the reasons set out in the report.

9. CONFIRMATION OF THE EXEMPT MINUTES OF 27 JULY 2021 (Pages 61 - 62)

To confirm the exempt minutes of the meeting held on 27 July 2021.

10. EXEMPT MINUTES OF THE RESPONSIBLE INVESTMENT SUB-COMMITTEE ON 7 SEPTEMBER 2021 (Pages 63 - 66)

To receive the exempt minutes of the Responsible Investment Sub-Committee held on 7 September 2021.

11. ACCESS DRAFT RESPONSIBLE INVESTMENT GUIDELINES (Pages 67 - 114)

To consider an exempt report from the Director of Corporate Operations allowing the Panel and Board to consider the draft ACCESS RI guidelines, which were first presented to the Responsible Investment sub-committee.

12. ACTUARY CONTRACT (Pages 115 - 122)

To consider an exempt report from the Director of Corporate Operations proposing a further extension to the Pension Fund's contract for Actuarial Services with Aon.

13. INVESTMENTS - UBS FACTOR INVESTING PORTFOLIO - OPTIONS FOR CARBON REDUCTION (Pages 123 - 144)

To consider an exempt report from the Director of Corporate Operations updating the Pension Fund panel and Board on options for reducing the carbon footprint of the investments in the UBS passive factor portfolios.

14. INVESTMENT - PROPERTY INVESTMENT PORTFOLIO (Pages 145 - 154)

To consider an exempt report from the Director of Corporate Operations updating the Panel and Board on the progress of the Property Investment Portfolio.

15. INVESTMENTS - ALTERNATIVE INVESTMENTS PORTFOLIO (Pages 155 - 170)

To consider the exempt report of the Director of Corporate Operations updating the Pension Fund Panel and Board on the progress of the alternative investments portfolio.

16. INVESTMENT - INVESTMENT UPDATE (Pages 171 - 184)

To consider the exempt report of the Director of Corporate Operations updating the Panel and Board on the progress of the Pension Fund's investments.

ABOUT THIS AGENDA:

On request, this agenda can be provided in alternative versions (such as large print, Braille or audio) and in alternative languages.

ABOUT THIS MEETING:

The press and public are welcome to attend the public sessions of the meeting. If you have any particular requirements, for example if you require wheelchair access, please contact members.services@hants.gov.uk for assistance.

County Councillors attending as appointed members of this Committee or by virtue of Standing Order 18.5; or with the concurrence of the Chairman in connection with their duties as members of the Council or as a local County Councillor qualify for travelling expenses.

Public Document Pack Agenda Item 3

AT A MEETING of the Hampshire Pension Fund Panel and Board of HAMPSHIRE COUNTY COUNCIL held at Ashburton Hall, Elizabeth II Court, Winchester on Tuesday, 27th July, 2021

PRESENT

Chairman:

* Councillor Mark Kemp-Gee

Vice-Chairman:

* Councillor Tom Thacker

* Councillor Alan Dowden
Councillor Jonathan Glen
* Councillor Dominic Hiscock
Councillor Andrew Joy

* Councillor Peter Latham
Councillor Derek Mellor
* Councillor Rob Mocatta

*Present

Co-opted members

Cllr Cal Corkery, Employer Representative - Portsmouth City Council
Councillor John Hannides, Employer Representative - Southampton City Council
Cllr Paul Taylor, Employer Representative - HLOWLGA
* Liz Bartle, Employer Representative - Other Employer
* Dr Clifford Allen, Scheme Member Representative - Pensioner Member
Sarah Manchester, Scheme Member Representative Substitute
* Neil Wood, Scheme Member Representative - Active Member
* Lindsay Gowland, Scheme Member Representative - Deferred Member

Independent Adviser:

C Dobson

BROADCASTING ANNOUNCEMENT

The Chairman announced that the press and members of the public were permitted to film and broadcast the meeting. Those remaining at the meeting were consenting to being filmed and recorded, and to the possible use of those images and recording for broadcasting purposes.

1. APOLOGIES FOR ABSENCE

Councillors Mellor, Joy, Glen, Hannides and Corkery and Mrs Manchester and Ms Dobson sent their apologies.

2. DECLARATIONS OF INTEREST

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3 Paragraph 1.5 of the County Council's

Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Personal interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 4 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

3. **CONFIRMATION OF MINUTES (NON-EXEMPT)**

The minutes of the previous meeting on 26 March 2021 were confirmed.

4. **DEPUTATIONS**

In accordance with Standing Order 12, the Panel and Board received a deputation from Ms Jenny Stables, a County Council pensioner, representing the Dirty Money campaign, focusing on whether investments will contribute to a better future.

Ms Stables stated that temperature increases need to be held to 1.5C, but markets reflect a 4C degree increase. Therefore being better than benchmark isn't enough.

Ms Stables highlighted the examples of Larry Fink from Blackrock calling for public and private collaboration to avert climate chaos and John Kerry who has said we need a war-time-like mobilisation of all our capacity and resources to decarbonise, to get off fossil fuels, and to enable developing economies to leapfrog to the new renewables-powered economy.

Ms Stables asserted that the Hampshire Pension Fund's investment strategy was not backing true climate solutions. It was still funding fossil fuel companies and other polluters on the basis that society needs fossil fuels. However, the International Energy Agency has just said to guard a 1.5C temperature increase, or as close as we can get to that now, 'beyond projects already committed as of 2021 there is no room for any new oil and gas fields; no new coal mines or mine extensions are required'.

Ms Stables quoted Sir David King that the 'window of opportunity for action' to hold near a 1.5C temperate increase is 'still open but only just'. And she sighted the positive examples of investors that had joined the Net Zero Asset Owner Alliance and the Institutional Investor Group on Climate Change (IIGCC), such as Cornwall, Devon and Oxfordshire Pension Funds and the Northern LGPS Pool.

Ms Stables finished by stating that Private investors can't do this alone and governments still aren't doing enough and that the Dirty Money campaign calls on the Hampshire Pension Fund to:

1. Produce a position statement on managing its portfolios to align with the Paris agreement of limiting our temperature increase to 1.5C.

2. Create a strategy and timetable for achieving this alignment
3. Report, consult and be advised by its members on its investment principles and how they are achieved
4. Call on members of the ACCESS Pool to become members of a 1.5 degrees Celsius-focused asset owner alliance or initiative such as the Net-Zero Asset Owner Alliance or the IIGCC's Net-Zero Investment Framework. This is the action taken in recent weeks by the Wiltshire Pension Fund committee and other funds in its pool.

5. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman welcomed new Members of Committee.

The Chairman stressed to the committee the importance of training for Members, particularly given Hampshire's approach of a Joint Panel and Board. The Chairman reminded Members that Training Needs Analysis forms (TNAs) will shortly be sent to Members for their completion to identify the training requirements for the committee for the coming years. Cllr Kemp-Gee invited Members to volunteer to attend the Local Government Chronicle Investment and Pensions Summit on 9 and 10 September 2021 for which the Pension Fund has three places.

6. **APPOINTMENTS TO THE RESPONSIBLE INVESTMENT SUB-COMMITTEE**

The Panel and Board considered a report of the Director of Corporate Operations (item 6 in the Minute Book) for appointments to be made to the Pension Fund's Responsible Investment Sub-Committee.

RESOLVED:

- (a) That Cllrs Kemp-Gee, Thacker, Mellor, and Dowden, Ms Gowland and Dr Bartle were appointed to the Responsible Investment Sub-Committee.
- (b) That Cllrs Latham, Hiscock, and Taylor and Mr Wood were appointed as deputies to the Responsible Investment Sub-Committee.

7. **INTERNAL AUDIT ANNUAL OPINION**

The Panel and Board received and noted a report of the Director of Corporate Operations (item 7 in the Minute Book) providing the Pension Fund Panel and Board with the Chief Internal Auditor's opinion on the adequacy and effectiveness of internal control of the Pension Fund. 'Substantial Assurance' can be placed on Pension Services' framework of governance, risk management and management control and audit testing has demonstrated controls to be working in practice.

8. PENSION FUND ADMINISTRATION UPDATE

The Panel and Board received a report from the Director of Corporate Operations (Item 8 in the Minute Book) on the administration of the Pension Fund in 2020/21. Pension Services have performed well against the four key measures for good administration in 2020/21 with 100% achievement against service standards for all key processes. The team has been able to maintain its service despite the continuing Covid-19 situation. Pension Services retained the Customer Service Excellence award following an interim assessment in April 2021, with compliance plus passes in five areas.

The Pension Fund's contract for Actuarial Services with Aon was let via the LGPS National Framework in 2014 and the intention was that in advance of the expiry of the current contract in December 2020 a new contract would be let through the next iteration of the LGPS National Framework. Unfortunately due to the pandemic, the new framework was delayed by a year and the existing contract was extended for a further year to 31 December 2021. The new LGPS National Framework for Actuarial, Benefits and Governance Consultancy Services is now live and the Panel and Board are asked to delegate authority to the Director of Corporate Operations to use this framework to procure actuarial services for the Fund by way of a mini competition between the four providers for Lot 1 on the framework.

The Pension Fund's Communication Policy Statement has been updated to more accurately reflect the ways in which Pension Services communicate with stakeholders including giving a year's notice that pensioners will no longer be automatically sent a paper payslip and P60 in March/April each year. This change is part of the overall move towards increasing online communications; there has been really good take up for those parts of the membership where an opt out rather than opt in approach is already in place.

Although it was clear in the newsletter that pensioners can continue to receive paper copies of their annual payslip and P60s by opting out of electronic communication, the announcement understandably has generated some concern. These concerns have been responded to on an individual basis, either through supporting the pensioner to access the Member Portal or accepting a request to opt out of electronic communications. A quarter of pensioners already have access to the Member Portal with 11,099 pensioners registered by 30 June 2021. Since announcing the move to electronic payslips 459 pensioners have requested that they retain their paper payslips. An exercise to write to any pensioner who have not either registered or opted out is planned to start in January 2022, to ensure that all pensioners will be able to access their end of year payslips and P60s in 2022 either electronically or by receiving a paper copy.

Dr Allen raised concerns on behalf of pensioners and their Trade Union representatives, that for a number of pensioners receiving electronic payslips and requesting in writing to retain a paper payslip was not appropriate. The Head of Pensions, Investments and Borrowing undertook to review the level of take-up of pensioners registering for the Member Portal or requesting to retain paper payslips and will review the move to electronic payslips after the first year of

operation. The Head of Pensions, Investments and Borrowing also reiterated that any pensioner who wishes to continue to receive a paper payslip and P60 can request to do so.

RESOLVED:

- (a) That approval was delegated to the Director of Corporate Operations to use the National LGPS Frameworks framework for Actuarial, Benefits and Governance Consultancy Services to procure actuarial services for the Pension Fund.
- (b) The updated Communication Policy statement was approved for publication.
- (c) That the strong performance of Pension Services in 2020/21 was noted.

9. **PENSION FUND COMMUNICATION REVIEW**

The Panel and Board received and noted a report from the Director of Corporate Operations (Item 9 in the Minute Book) on changes that have been made to the Pension Fund's website for scheme members and improvements to communications on the Fund's Responsible Investment (RI) activities. The changes have been made following the Pension Fund Panel and Board and RI Sub-Committee identifying the potential for the Pension Fund to improve its communication on RI.

10. **RISK REGISTER**

The Panel and Board received a report from the Director of Corporate Operations (Item 10 in the Minute Book) introducing the Pension Fund's Risk Register. The risks for employer insolvency, member communications, regulatory change and investment pooling have been amended in the Risk Register. The Risk Register will be published in the Pension Fund's Annual Report.

RESOLVED:

- (a) That the amendments to the Risk Register were approved.

11. **FIDUCIARY DUTY - ACCESS PAPER**

The Panel and Board received and noted a report from the Director of Corporate Operations (Item 11 in the Minute Book) introducing legal advice commissioned by the ACCESS pool on the fiduciary duties within the Local Government Pension Scheme (LGPS) and pension committees of LGPS Administering Authorities. The advice was produced following the Ministry for Housing Community & Local Government's (MHCLG) informal pooling consultation and the Scheme Advisory Board's (SAB) consultation on draft Responsible Investment Guidance, responses for both of which were made based on the

opinion of Paul Newman QC. Squire Patton Boggs have produced the advice for pensions committees based on the opinion of Mr Newman.

12. **CASH OUTTURN REPORT**

The Panel and Board received a report from the Director of Corporate Operations (Item 12 in the Minute Book) on the management of the Pension Fund's cash balances in 2020/21. The Pension Fund receives cash each month from contributions made by employees and employers, and from investment income. The Pension Fund requires a cash balance to be able to pay pensions and other costs. There are rigorous procedures in place to ensure the security of all cash deposits which are managed by the County Council in separate investment accounts for the Pension Fund. These include criteria for the quality of counterparties and limits on the amount that can be placed with any one counterparty as set out in the Pension Fund's Annual Investment Strategy for 2020/21 for cash, which was approved by the Pension Fund Panel and Board on 4 December 2020 and has been complied with.

RESOLVED:

- (a) That the outturn report on the Pension Fund's cash management in 2020/21 was approved.

13. **PENSION FUND ANNUAL REPORT**

The Panel and Board received a report from the Director of Corporate Operations (Item 13 in the Minute Book) introducing the 2020/21 draft Pension Fund Annual Report. The Pension Fund's accounts are included in the Annual Report. The accounts are subject to audit and it may therefore be necessary to make minor changes to the Annual Report at the conclusion of the audit. The Annual Report includes details of the Fund's governance, administration, and investments, as well as the Fund's accounts. The annual report now also includes additional information on pooling, including:

- details of the ACCESS pool's annual report
- an update on progress with investment pooling, and
- updates to sections of the report including investment.

The Director reported the total cost of managing the Pension Fund in 2020/21 which was presented based on CIPFA's guidance, which includes additional requirements for the Fund's Annual Report to report on investment management costs for pooled and non-pooled investments. The investment management costs of pooled investments are disproportionately lower than the non-pooled investments because of the different assets in each category. During 2020/21, Hampshire's net cumulative saving from pooling with ACCESS increased to £1.4m.

RESOLVED:

- a) That the contents of the draft Annual Report for 2020/21 was noted and approved for publication.

- b) That authority was delegated to the Director of Corporate Operations to make any necessary minor amendments to the Annual Report prior to publication.
- c) That the remainder of the report, including the total cost of managing the Fund, was noted.

14. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That the public be excluded from the meeting during the following items of business, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraphs 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the reports.

15. CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING

The exempt minutes of the Pension Fund Panel and Board held on 26 March 2021 were confirmed.

16. GOVERNANCE: PENSION FUND INVESTMENT MANAGEMENT COSTS 2020-21

The Panel and Board considered and noted the exempt appendix from the Director of Corporate Operations (Item 16 in the Minute Book) containing details of the Pension Fund's investment management costs.
[SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

17. FIDUCIARY DUTY EXEMPT APPENDIX (LEGAL ADVICE)

The Panel and Board considered and noted the exempt appendix from the Director of Corporate Operations (Item 17 in the Minute Book) containing legal advice on the Pension Fund and committee's fiduciary duty.
[SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

18. INVESTMENT - INVESTMENT UPDATE

The Panel and Board considered the exempt report from the Director of Corporate Operations (Item 18 in the Minute Book) updating the Panel and Board on the performance of the Pension Fund's investments.
[SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

Chairman,

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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Public Document Pack Agenda Item 6

AT A MEETING of the Hampshire Pension Fund Responsible Investment Sub-Committee of HAMPSHIRE COUNTY COUNCIL held at the Castle, Winchester on Tuesday, 7th September, 2021

Chairman:

* Councillor M. Kemp-Gee

Vice-Chairman:

*Councillor T. Thacker

Elected members of the Administering Authority (Councillors)

A. Dowden

*D. Mellor

Employer Representatives (Co-opted members):

Dr. L. Bartle

Scheme Member Representatives (Co-opted members):

*Ms L. Gowland (active scheme member representative)

*present

Election of Chairman

Mr Paul Hodgson opened the meeting and asked for nominations for Chairman of the Sub-Committee.

Resolved:

that Councillor Kemp-Gee was confirmed as Chairman.

Election of Vice-Chairman

Cllr Kemp-Gee proposed Cllr Thacker as Vice-Chairman.

Resolved:

that Cllr Thacker was confirmed as Vice-Chairman.

1. APOLOGIES

Councillor Dowden and Dr Bartle sent their apologies.

2. DECLARATIONS OF INTEREST

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Non-Pecuniary interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 2 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

3. **MINUTES**

The minutes of the Pension Fund Responsible Investment Sub-Committee held on 5 March 2021 were confirmed.

4. **DEPUTATIONS**

No deputations were received.

5. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman welcomed the new members of the committee and looked forward to the upcoming Local Government Chronicle conference in Leeds which had an Environmental, Social and Governance (ESG) focus.

The Chairman highlighted to members that since this meeting's agenda was published he had received over 100 emails from scheme members based on a template asking for the RI sub-committee to align the Fund's investment strategy with the goal of keeping the global temperature rise this century to no more than 1.5 degrees Celsius above pre-industrial levels, and to revisit a number of governance decisions made by the Pension Fund Panel and Board over the last year. The Chairman informed Members that a reply would be sent to all of the emails received and the Members asked to see a copy of the original email and the response that had been sent.

In addition, the Chairman drew Members' attention to an email that had been sent to the sub-committee in relation to the Pension Fund's investment in Suncor held in Dodge & Cox's global equities portfolio.

6. **SCHEME MEMBER COMMUNICATIONS**

The RI Sub-Committee received and noted the report from the Director of Corporate Operations (Item 6 in the Minute Book) updating the sub-committee on communication from scheme members since the last meeting of the sub-committee.

The Director highlighted to the sub-committee that its terms of reference include the action to engage directly and indirectly with scheme members and employers to hear representations concerning ESG issues. The Pension Fund continues to receive correspondence expressing strong views, particularly that relate to investments in companies with operations in Israel and climate change, including a deputation to the Pension Fund Panel and Board and correspondence received by a number of Members of the County Council from the LGPS Divest Campaign. The correspondence to date has been received from a very small minority of the nearly 183,000 scheme members.

7. **STEWARDSHIP REPORT**

The RI Sub-Committee received and noted the report from the Director of Corporate Operations (Item 7 in the Minute Book) providing a summary of how the Pension Fund's investment managers have voted on behalf of the Fund for the equities that they are invested in and engaged with company management. The Pension Fund is a signatory to the UN Principles for Responsible Investment and the UK Stewardship Code and as such recognises its role of promoting best practice in stewardship, which is considered to be consistent with seeking long term investment returns.

The analysis showed that the majority of votes cast against companies' management were for the following reasons:

- nominees for company directors being not sufficiently independent,
- remuneration policies where the level of pay was felt to be excessive
- to improve the empowerment of investors, and

the appointment of auditors where the incumbent audit firm has been in place too long or the disclosure of non-audit fees to the company was not clear.

The full details of how votes have been cast for the Pension Fund is published on its RI webpage

[Responsible Investment | Hampshire County Council \(hants.gov.uk\)](https://www.hants.gov.uk/responsible-investment)

The Director's report also included a number of examples of the company engagement activities that the Pension Fund's equity and multi-asset credit investment managers had undertaken. The examples deliberately focused on issues related to Climate Change and companies with operations in Israel, which scheme members had shown their interest in.

8. **CLIMATE CHANGE SCENARIO ANALYSIS**

The RI Sub-Committee received and noted a report from the Director of Corporate Operations (Item 8 in the Minute Book) summarising an exercise engaging with its investment managers on scenario analysis on the impact of Climate Change on the Pension Fund's investments.

The Pension Fund is a signatory to the Principles for Responsible Investment (PRI) and has adopted the reporting principles of the Taskforce on Climate Related Financial Disclosures (TCFD). The TCFD framework includes the requirement to '*describe the resilience of the organisation's strategy, taking into consideration different climate related scenarios*'. Having discussed with its consultants, MJ Hudson Spring, the Pension Fund has decided that for its first climate related scenario it would ask its investment managers to consider the impact of the *Inevitable Policy Response* policy forecasts developed by the PRI.

The Pension Fund received a variety of responses from its investment managers, ranging from those where further work would be required to be able to fully assess impact, to those that have undertaken their own detailed modelling in producing their response. Although the responses received have varied, this is partly due to this sort of exercise being fairly new to the sector, and as time passes it is expected that an improved level of information will be received, as it becomes more commonplace for investors to adopt the reporting principles of the TCFD. Therefore at this point it is too early to report on findings due to the range of depth in which investment managers are currently able to

respond. The engagement exercise between the officers and the investment managers has gone well, providing a number of learning points for the Pension Fund.

9. EXCLUSION OF PRESS AND PUBLIC

RESOLVED:

That the public be excluded from the meeting during the following items of business, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraphs 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the reports.

10. CONFIRMATION OF THE EXEMPT MINUTES OF THE PREVIOUS MEETING

The exempt minutes of the meeting of the Responsible Investment Sub-Committee held on 5 March 2021 were confirmed.

11. ACCESS DRAFT RESPONSIBLE INVESTMENT GUIDELINES

The Panel and Board considered the exempt report from the Director of Corporate Operations (Item 11 in the Minute Book) to allow the RI sub-committee to consider the draft ACCESS RI guidelines. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

12. UBS AND BARINGS PORTFOLIOS

The Panel and Board considered the exempt report from the Director of Corporate Operations (Item 12 in the Minute Book) on progress on considering options for reducing the carbon footprint of the investments in the UBS passive factor portfolios and proposals for reducing the carbon footprint of Barings' multi-asset credit portfolio. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

Chairman,

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Pension Fund Panel and Board
Date:	28 September 2021
Title:	Governance: Pension Fund Panel and Board Training in 2021/22
Report From:	Director of Corporate Operations

Contact name: Mike Chilcott

Tel: 0370 779 4620

Email: Mike.chilcott@hants.gov.uk

Purpose of this Report

1. The purpose of this report is to set out proposals for the training arrangements for members of the Pension Fund Panel and Board in 2021/22.

Recommendations

2. It is recommended that the Panel and Board:
 - i. Note the proposed training arrangements and consider any other topics for training that would be beneficial.
 - ii. Agree to the subscription of the Hymans Robertson LGPS Online Learning Academy at a cost of £5,000 per annum and in doing so also agree that all Panel and Board members will complete this essential training.
 - iii. Approve the remainder of the Training Policy and Plan for 2021/22.
 - iv. Note the remainder of the report.

Executive Summary

3. This report sets out proposals for the training arrangements for members of the Pension Fund Panel and Board in 2021/22.

4. The report considers the Training Needs Analyses completed by Panel and Board members in 2021. The report also includes proposals for the Panel and Board's training sessions in 2021/22 and 2022/23.
5. This report includes the proposed Training Policy and Plan for 2021/22 (attached at Appendix 1) for approval which is based on the Public Service Pension Act 2013 requirement for board members to have the knowledge and understanding that is appropriate for the purposes of enabling the individual properly to exercise the functions of a member of the pension board.

Background

6. 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.
7. The aim of completing the Training Needs Analysis is to identify members' individual training needs and enable the Training Policy and Plan for 2021/22 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.
8. It is a legal requirement, as set out under section 248A of the Pensions Act 2004, that every individual who is a member of a Local Pension Board must:
be conversant with:
 - the rules of the scheme, in other words the Regulations and other regulations governing the LGPS (including the Transitional Regulations, earlier regulations and the Investment Regulations); and
 - any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme; andhave knowledge and understanding of:
 - the law relating to pensions; and
 - such other matters as may be prescribed.

Training Needs Analysis

9. The Training Needs Analysis forms have been provided to members for their completion, and the majority of responses (13/19) have now been received. It is important that all Members return a completed form, and the template form is attached as Appendix 2.
10. 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.

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

	Number of Panel and Board members
Pensions legislative and governance context	12
Investment strategies, financial markets and regulation	10
Public procurement and supplier risk management	9
Actuarial methods, standards and practices	9
Performance and advisers	8
Pensions administration, strategy and tax	8

11. 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, suggestions have been received include Environmental, Social and Governance (ESG) investment issues and a request for training to allow the new members of the committee to gather the knowledge required of a Panel and Board member.

Proposals

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

Pensions legislative and governance context

13. Panel and Board members are required to have a general awareness of the pensions legislative framework in the UK as well as Local Government Pension Scheme (LGPS) specific legislation and the main features relating to

benefits, administration, and investment. Panel and Board members are also required to have full detailed knowledge of the constitutional framework, including an awareness of the role and statutory responsibilities of the treasurer and monitoring officer, and knowledge of the stakeholders of the Fund and the nature of their interests.

14. New members are encouraged to attend the LGA Fundamentals course which provides useful background on LGPS legislation and governance; each year a provision is in place within the budget for four members to attend this three-day course. The Fundamentals courses have returned to their usual format now that Coronavirus restrictions have been removed although there is still an option to attend virtually. Panel and Board members have been sent information regarding these courses separately.
15. During 2013 and 2017 Tim Hazlewood (who previously delivered the Fundamentals Course for the LGA) delivered his Essentials training to the Panel and Board which heavily features these training requirements. These slides are available from the officers for Panel and Board members to refresh themselves on these areas.
16. In addition, Panel and Board members are recommended to agree to a subscription of the Hymans Robertson LGPS Online Learning Academy and in doing so agree to complete the essential training – further information is provided at paragraph 26 of this report. The LGPS Online Learning Academy includes a section on ‘an introduction to LGPS oversight bodies, governance, legislation and guidance’ which would provide both new and more experienced Panel and Board members with the appropriate level of training in this area.

Investment strategies, financial markets and regulation

17. These areas include risk and return characteristics of the main asset classes (equities, bonds, property), and the role of these asset classes in long-term pension fund investing. 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. Panel and Board members also need to have an awareness of the limits placed by regulation on the investment activities of local government pension funds.
18. 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 to the Panel and Board or at conferences and seminars, 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 “An 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/>

19. The Fund’s investment strategy was reviewed during 2016/17 and 2020 following the triennial actuarial valuations of the Pension Fund, with the advice of Hymans Robertson who attended Panel and Board meetings as an extension of their advice, providing guidance and understanding. These reports are available from the officers and provide useful background as a training resource. The next actuarial valuation of the Pension Fund is due as at 31 March 2022 and a review of the investment strategy in 2022/23 would follow. Therefore, it is planned that during 2022/23 separate training sessions on the triennial valuation and the investment strategy will be provided to Panel and Board members.
20. In addition, the Hymans Robertson LGPS Online Learning Academy includes a section on ‘investment strategy, pooling and responsible investment’ which would provide both new and more experienced Panel and Board members with the appropriate level of training in this area.

Public procurement and supplier risk management

21. The requirements of the Public Procurement regulations, which apply to all Local Government procurement, including that associated with pension funds. Also, understanding the nature and scope of risks for the Pension Fund and their importance when selecting third parties. The requirement for procurement for the Pension Fund will significantly diminish now that investments are pooled, and much of Hampshire’s investments will be available via ACCESS. However, procurement will potentially be required for advisers and non-pooled investments in the future. Training on procurement was provided in 2014 and the slides remain available on the Training Library, which Panel and Board members can access through Pension Fund officers. If there are significant procurement regulation changes as a result of Brexit or other legislative changes updated training will be considered.

Actuarial

22. The next triennial revaluation of the Pension Fund will be in 2022 and as mentioned in paragraph 19 a separate training session will be provided to Panel and Board members as an introduction to them receiving the Fund actuary’s valuation report.

Performance and advisers

23. A key role of the Panel and Board is the evaluation of the Pension Fund's investments, including the setting of appropriate return targets and the use of benchmarks. The requirements of the 2016 LGPS Investment Regulations include seeking appropriate investment advice. The Pension Fund received training from its advisers and investment managers in 2017 when setting the revised investment strategy and considering investments in new asset classes. The investment strategy was reviewed again in 2020, with the advice of Hymans Robertson, who attended Panel and Board meetings as an extension of their advice, providing guidance and understanding. These reports are available from the officers and provide useful background as a training resource. Training is proposed on asset-backed securities, which is the most recent addition to the Pension Fund's investment strategy.

Pensions administration strategy and tax

24. Specific areas of the Fund's administration strategy on the monitoring of early and ill health retirement strain costs, the implications of including new employers into the Fund and of the cessation of existing employers. Also, a general awareness of the relevant considerations in relation to outsourcings and bulk transfers, and the importance of the employer covenant and the relative strengths of the covenant across the fund employers. Panel and Board members also require an understanding of how the Pension Fund interacts with the taxation system in the UK and overseas in relation to benefits administration.
25. The Fund's Administration Strategy details how the Fund deals with each of these areas; this is agreed each year by the Panel and Board and the current version is available in the Annual Report. In addition, Pensions Services report twice a year to the Panel and Board on the performance of the administration of the Pension Fund. Nick Weaver, the previous Head of Pensions, Investments and Borrowing, provided training for the Panel and Board in July 2015 on this area; these slides are available from Pension Fund officers. In addition, the Hymans Robertson LGPS Online Learning Academy includes a section on "LGPS administration, including policies and procedures, pension fund auditing" which would provide both new and more experienced Panel and Board members with the appropriate level of training in this area.

Hymans Robertson's LGPS Online Learning Academy

26. This report recommends expenditure of £5,000 per year for the ongoing subscription to the Hymans Robertson LGPS Online Learning Academy training modules. Panel and Board members and senior officers will need to complete all six modules in 12 months which should be a time commitment of

around 5 hours. The modules have been designed to cover the requirements of the Scheme Advisory Board's (SAB) Good Governance review which Hymans undertook for the SAB and include videos and a quiz. Officers and the Chairman have had a demonstration of the training from West Sussex Pension Fund, who have already commissioned it. A training session will be included in the training programme to demonstrate the LGPS Online Learning Academy to Members and answer any questions. Further information on the LGPS Online Learning Academy is available on its website:

[LGPS Online Learning Academy - Hymans Robertson](#)

Training sessions in 2021/22 and 2022/23

27. The Panel and Board has agreed that the equivalent of two in-house training half-days or four one-hour on-line sessions should be arranged for Panel and Board members each year as stand-alone sessions.
28. The proposals in Table 2 set out a suggested programme for 2021/22 and 2022/23 for the Panel and Board's comments.

Table 2 – Proposals for the Panel and Board's training sessions in 2021/22 and 2022/23

	Topics
2021/22	Pensions administration strategy / update Asset Backed Securities (Insight/24AM) Hymans Robertson LGPS Online Learning Academy Residential Property
2022/23	Triennial valuation (fund actuary) Investment strategy (investment consultants) Taskforce on Climate related Financial Disclosures (TCFD) Pooling update (Andrew Bouflower)

29. In addition to the proposals outlined any suggestions for training would be welcomed.

Training Policy and Plan 2021/22

30. 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 Policy and Plan is prepared each year and agreed by the Panel and Board. The proposed Training Policy and Plan for 2021/22 is attached as Appendix 1.
31. The Training Policy and 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.
32. Changes from last year's Training Policy and Plan have been highlighted in Appendix 1. No major changes have been made, although the Training Policy and Plan has been updated for the training sessions in 2021/22 and 2022/23, and the budget for 2021/22.

Training budget

33. Table 3 provides a summary of the training budget and actual expenditure for 2020/21, as well as a proposed budget for 2021/22.
34. The budget for 2021/22 includes three places at the LGC Investment & Pensions Summit. In previous years the budget has included two places at the LGC Investment Seminar, however during 2021 the LGC Investment Seminar is virtual and free of charge. The budget also includes the provision for four members of the Panel and Board to attend the LGA Fundamentals course.
35. In previous years the LGC Investment & Pensions Summit has taken place during September at Celtic Manor but is now held at the Royal Armouries Museum & New Dock Hall, in Leeds.
36. 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

	2020/21 Budget £	2020/21 Actuals £	2021/22 Budget £
Attendance at Conferences / Seminars etc.			
LGC Investment & Pensions Summit (Leeds, September)	3,000	789	3,000
LGC Investment Seminar (virtual, December)	1,260	0	0
LG Employers Fundamentals Course	0	0	4,000
Hymans Learning Academy	0	0	5,000
Other conferences	0	345	0
	<hr/> 4,260	<hr/> 1,134	<hr/> 12,000
In-house training sessions			
Fees paid to trainers	0	0	3,000
Other costs	160	0	200
	<hr/> 160	<hr/> 0	<hr/> 3,200
Total training budget	4,420	1,134	15,200

Expenses

37. The training request form, a template of which can be found in Annex 1 to Appendix 1 of this report, clarifies the Pension Fund's position on expenses for training. Panel and Board members are asked to provide an estimate of any expenses that a training event may incur. Estimated expenses should include all costs of attendance, i.e. travel, hotel, and any admission fee. Please note that hotel costs cannot be expensed if the event is held in normal office hours and is within reasonable reach of Winchester, which includes London.
38. It will not be possible to claim expenses for an event where there is a fee, or where travel costs are in excess of standard travel costs to London, if there is an equivalent event which is more local and/or complimentary. If Panel and Board members feel that such an event would be beneficial to their training needs, they should contact officers to allow them to help find the best solution to meet those training needs.

Online training library

39. While the internally arranged training sessions 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.

40. With this in mind, officers have developed a collection of training materials, that members can access through the officers, selecting the materials on topics they feel would most benefit their own training needs. A list of these training materials will be circulated to Panel and Board members following this meeting, and training materials can be accessed through requesting particular materials from investments@hants.gov.uk . The officers are exploring what the best possible IT solution is to transfer the training materials to an online library to allow members to log in and access as required; details will be provided to members once the project is completed.
41. The collection of training materials contains slides and supplementary materials, where appropriate, (and more recently recordings) 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.

Other training resources and information

External training courses

42. If members would like to attend an external training course or conference, please complete the training request form available at Annex 1 to Appendix 1 and return to investments@hants.gov.uk.
43. During the pandemic, no in person training took place due to lockdowns and social distancing restrictions. Instead, Panel and Board members were invited to a great number of free of charge webinars organised by recognised professionals within the industry. Following the reopening of the economy, although in person training sessions have begun again, the industry have realised the benefits of virtual training and so virtual training has continued.
44. In the case of appropriate, free of charge webinars, it has been decided that Panel and Board members are not required to complete the training request form but must complete the training evaluation form (available at Annex 2 to Appendix 1 of this report) following the event to enable the recording of training in line with the Pension Fund's policy.

Training logs for 2020/21

45. Training logs are maintained by Director of Corporate Operations' 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 2020/21

were circulated to Panel and Board members for review, and included details of all relevant training courses, seminars and events attended by each member. These logs have since been included in the published draft Annual Report.

46. Panel and Board members are also encouraged to complete a short evaluation form (available at Annex 2 to Appendix 1 of this report) 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. The training logs also include an assessment of whether each training event has fulfilled the need it was intended to meet.

Annual Employers Meeting 2021

47. The Annual Employers Meeting is currently scheduled to be held in Ashburton Hall in Winchester on 22 October 2021 starting at 10:00 am, and Panel and Board members are encouraged to attend the Annual Employers Meeting if they are available.

Climate Change Impact Assessments

48. Hampshire County Council utilises two decision-making tools to assess the carbon emissions and resilience of its projects and decisions. These tools provide a clear, robust, and transparent way of assessing how projects, policies and initiatives contribute towards the County Council's climate change targets of being carbon neutral and resilient to the impacts of a 2°C temperature rise by 2050. This process ensures that climate change considerations are built into everything the Authority does.
49. The Pension Fund itself has a negligible carbon footprint, but it recognises that the companies and other organisations that it invests in will have their own carbon footprint and a significant role to play in the transition to a lower carbon economy. Therefore, the Pension Fund recognises the risk that environmental, social and governance (ESG) factors including the impact of climate change can materially reduce long-term returns. The Pension Fund has a role to play as an investor, in ensuring that its investment managers are suitably considering the impact and contribution to climate change in their investment decisions and acting as a good steward to encourage these companies to play their part in reducing climate change. This is explained further in the Pension Fund's Responsible Investment (RI) policy [InvestmentStrategyStatementincludingRIpolicy.pdf](https://www.hants.gov.uk/investmentstrategystatementincludingripolicy.pdf) ([hants.gov.uk](https://www.hants.gov.uk))

50. The training plan takes account of Panel and Board members' need to keep abreast of ESG issues and regulatory developments to implement the Fund's RI policy.

REQUIRED CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	no
People in Hampshire live safe, healthy and independent lives:	no
People in Hampshire enjoy a rich and diverse environment:	no
People in Hampshire enjoy being part of strong, inclusive communities:	no
OR	
This proposal does not link to the Strategic Plan but, nevertheless, requires a decision because of the ongoing management of the Hampshire Pension Fund.	

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

EQUALITIES IMPACT ASSESSMENTS:

1. Equality Duty

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 by or under the Act with regard to the protected characteristics as set out in section 4 of the Act (age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation);
- Advance equality of opportunity between persons who share a relevant protected characteristic within section 149(7) of the Act (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, sex and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic within section 149(7) of the Act (see above) and persons who do not share it.

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

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

2. Equalities Impact Assessment:

Equality objectives are not considered to be adversely affected by the proposals in this report as the proposals do not directly affect scheme members.

Hampshire Pension Fund

Pension Fund Panel and Board

Training Policy and Plan 2021/22

Background

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.
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.
3. This training policy and plan has been prepared for the Pension Fund Panel and Board for 2021/22. As the Panel and Board's responsibilities include both investment management of the Pension Fund and pensions administration, the training policy and plan also covers both areas.
4. This training policy and plan has been updated to reflect training requirements identified by the completion of the detailed Training Needs Analyses carried out by members of the Panel and Board in 2021.

Training Policy

5. As an administering authority of the Local Government Pension Scheme (LGPS), Hampshire County Council recognises the importance of ensuring that all officers and members charged with financial management and decision making for the pension scheme are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.
6. It therefore seeks to appoint individuals who are both capable and experienced and will provide and arrange training for relevant officers and members. The training is designed to enable officers and members to acquire and maintain an appropriate level of expertise, knowledge, and skills.
7. A formal training plan is prepared each year to identify and meet the training needs of the Panel and Board, both as a group and as individuals, and is based upon the recommendations of the CIPFA Pensions Finance Knowledge and Skills Framework.
8. The **Director of Corporate Operations** of the County Council is responsible for ensuring that policies and strategies are implemented. Pension Fund Panel and Board members training is evaluated, recorded and reported as part of the Fund's Annual Report each year.

9. 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.
10. It is a legal requirement, as set out under section 248A of the Pensions Act 2004, that every individual who is a member of a Local Pension Board must:
- be conversant with:
- the rules of the scheme, in other words the Regulations and other regulations governing the LGPS (including the Transitional Regulations, earlier regulations and the Investment Regulations); and
 - any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme; and
- have knowledge and understanding of:
- the law relating to pensions; and
 - such other matters as may be prescribed.
11. 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.
12. The Government also requires 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.
13. 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 11 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.
 14. The CIPFA guide includes the further comment that the principle in paragraph 11 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.
 15. The 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.
 16. 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.
 17. 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.
 18. 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.

Pension Fund Panel and Board

19. There are 19 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)	16 years
Tom Thacker (Vice Chairman)	12 years
Dominic Hiscock	New Member
Alan Dowden	4 years with previous membership on the Pension Fund Panel
Jonathan Glen	4 years
Rob Mocatta	New Member
Andrew Joy	8 years
Peter Latham	5 years
Derek Mellor	4 years
County Council deputies:	
David Drew	New Member
Tim Davies	New Member
City Councils' representative:	
Rob Harwood	New Member
Cal Corkery	1 year
District councils' representative:	
Paul Taylor	1 year
Other employers' representative:	
Liz Bartle	1 year
Pensioners' representative	
Cliff Allen	7 years
Deferred members' representative:	
Lindsay Gowland	1 year
Employees' representative:	
Neil Wood	5 years
Sarah Manchester	3 years

20. 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.

Access to training

21. 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.

22. 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.
23. 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. An updated CIPFA Knowledge and Skills Framework is expected shortly and the Training Needs Analysis will be updated accordingly going forward. The outcome of the Training Needs Analysis for 2021/22 will be discussed by the Panel and Board at this meeting. As a result, eight training sessions have been planned for 2021/22 and 2022/23 which directly relate to the training needs identified.
24. The Director of Corporate Operations' staff have developed a collection 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 collection of training resources contains slides and supplementary materials, where appropriate, (and more recently recordings) for all the internal training sessions carried out since 2009, which cover a wide range of topics. There are also other useful documents available 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. The collection of training resources will be updated whenever new material is available. The officers are exploring what the best possible IT solution is to transfer the training materials to an online library to allow members to log in and access as required; details will be provided to Panel and Board members once the project is complete.

Online learning opportunities

25. A number of online training facilities on pension fund matters have been developed by various organisations in recent years. From 2021/22 Panel and Board members and officers will have access to Hymans Robertson's LGPS Online Learning Academy, and will be expected to complete all 5

modules within 12 months. The online platform is designed to support the training needs of Pension Committees, Pension Boards and Fund Officers and consists of a series of short video presentations with supplemental learning materials and quizzes. Further information on the LGPS Online Learning Academy is available at the following website: [LGPS Online Learning Academy - Hymans Robertson](#)

26. **In addition**, the Trustee Toolkit is available for free from the Pension Regulator at the following website: <http://www.trusteetoolkit.thepensionsregulator.gov.uk>. 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.

Proposed training in 2021/22 and 2022/23

27. This training plan for 2021/22 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.
28. The Panel and Board has agreed that the equivalent of two in-house training half-days should be arranged for Panel and Board members each year as stand-alone sessions. Table 2 sets out the programme for 2021/22 and 2022/23, which has been formulated based upon key learning points from the Training Needs Analysis, and recommendations from Panel and Board members.

Table 2 – Proposals for the Panel and Board’s training sessions in 2021/22 and 2022/23

	Topics
2021/22	<p>Pensions administration strategy / update</p> <p>Asset Backed Securities (Insight/24AM)</p> <p>Hymans Robertson LGPS Online Learning Academy</p> <p>Residential Property</p>

Table 2 – Proposals for the Panel and Board’s training sessions in 2021/22 and 2022/23

	Topics
2022/23	<p>Triennial valuation (fund actuary)</p> <p>Investment strategy (investment consultant)</p> <p>Taskforce on Climate related Financial Disclosures (TCFD)</p> <p>Pooling update (Andrew Bouflower)</p>
29.	<p>These training sessions 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.</p>
30.	<p>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 webinars, 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 and Pensions Summit held in September each year. The Pension Fund’s investment managers hold annual client conferences and the Fund’s actuary Aon also provides training events. The Director of Corporate Operations’ staff will continue to circulate details of these training opportunities to members.</p>
31.	<p>When new members are appointed to the Panel and Board, the training proposed is as follows:</p> <ul style="list-style-type: none"> • Attending the “Fundamentals” course held by the Local Government Association, which specifically covers the basics for the LGPS. • Attending the training sessions to be held during 2021/22. • 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.
32.	<p>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.</p>

33. 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.

Training budget

34. Table 3 shows the training budget for 2020/21, with the actuals for comparison, together with the proposed budget for 2021/22.
35. The budget for 2021/22 includes three places at the LGC Investment & Pensions Summit. In previous years the budget has included two places at the LGC Investment Seminar, however during 2021 the LGC Investment Seminar is virtual and free of charge. The budget also includes the provision for four members of the Panel and Board to attend the LGA Fundamentals course.
36. 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

	2020/21 Budget £	2020/21 Actuals £	2021/22 Budget £
Attendance at Conferences / Seminars etc.			
LGC Investment & Pensions Summit (Leeds, September)	3,000	789	3,000
LGC Investment Seminar (virtual, December)	1,260	0	0
LG Employers Fundamentals Course	0	0	4,000
Hymans Learning Academy	0	0	5,000
Other conferences	0	345	0
	4,260	1,134	12,000
In-house training sessions			
Fees paid to trainers	0	0	3,000
Other costs	160	0	200
	160	0	3,200
Total training budget	4,420	1,134	15,200

Training logs

37. 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.

Evaluation

38. The actual training undertaken by Panel and Board members in 2021/22 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 2 to this Training Plan. This information will be used to design the training plan for the following year.

Training Request Form

To be completed before the Training Activity

Please return this form electronically for approval prior to booking the training activity to investments@hants.gov.uk

Panel member's name	
Training event / activity (including provider)	
Date	
Location	
Estimated expense of attendance*	
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	

*Estimated expenses should include all costs of attendance, i.e. travel, hotel, and any admission fee. Please note that hotel costs cannot be expensed if the event is held in normal office hours and is within reasonable reach of Winchester, which includes London.

It will not be possible to claim expenses for an event where there is a fee, or where travel costs are in excess of standard travel costs to London, if there is an equivalent event which is more local and/or complimentary. If you feel that such an event would be beneficial to your training needs, please contact officers to allow them to help you find the best solution to meet your training needs.

Training Evaluation – to be completed after the Training Activity

Panel member's name	
Training event / activity (including provider)	
Date	
Were the training needs identified in the Training Request Form met?	
Aspects of the training needs that were not met	
Is further training required to meet the training needs identified in the Training Request Form?	
Comments	
Would you recommend attendance next time/year? Why?	

Please return the completed form electronically, after the Training activity, to investments@hants.gov.uk

Training Needs Analysis - Pensions Knowledge and Skills Framework (2021)

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
Page 44	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 24 November 2017, and Schroders Trustee Training Fundamentals Training Schroders Trustee Training
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. <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 		Training session provided by Tim Hazelwood on 20 September 2013 and 24 November 2017 plus training session on Duties and Responsibilities by Paul Hodgson in September 2018. Fundamentals Training

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> - 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 Reports to the Panel in 2010 and 2011</p> <p>Available from Pension Services website</p>
Page 3 Page 45	<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 - 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 		<p>Training session provided by Tim Hazelwood on 20 September 2013 and 24 November 2017 Fundamentals Training</p>

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> - 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 Page 46	<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 - annual benefit statements - transfers to and from other pension funds - other non-LGPS legislation affecting pensions and HR policies 		<p>Training session provided by Tim Hazelwood on 20 September 2013 and 24 November 2017 Fundamentals Training</p> <p>Published each year Published each year in the Annual Report</p> <p>Published each year in the Annual Report Published each year in the Annual Report</p>
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 		<p>Training session provided by Tim Hazelwood on 20 September 2013 and 24 November 2017 Fundamentals Training</p>

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
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 		<p>Training session provided by Tim Hazelwood on 20 September 2013 and 24 November 2017 Fundamentals Training</p>
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 and invest the Pension Fund - 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 		<p>Training session provided by Tim Hazelwood on 20 September 2013 and 24 November 2017 Training session provided by Paul Hodgson on 11 December 2015. Annual Report Pension Services website</p>
1.6	<p>Pensions regulators and advisors 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 		<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
1.7	<p>General constitutional framework 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 - 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 		<p>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 and 24 November 2017, Legal Services training session November 2014, and training session provided by Paul Hodgson on 11 December 2015</p> <p>Fundamentals Training Annual Report Pension Services website</p>
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 		<p>Training session provided by Tim Hazelwood on 20 September 2013 and 24 November 2017</p> <p>Fundamentals Training</p>
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 		<p>Reviewed annually by the Panel and Board Published in the Pension Fund's Annual Report</p>
1.10	<p>Knowledge of the Myners principles and associated CIPFA and SOLACE guidance.</p> <ul style="list-style-type: none"> - the Myners principles 		<p>Reflected in the Pension Fund's statutory documents reviewed by the Panel and Board</p>

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> - 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 Authorities, published in 2007 - CIPFA's Guide to Delivering Good Governance in Local Government Pension Funds, published in 2009 		autumn and published in the Annual Report
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 		Training session provided by Tim Hazelwood on 20 September 2013 and 24 November 2017 Fundamentals Training

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> - deferred pensioners - council tax payers 		
1.13	<p>Knowledge of consultation, communication and involvement options relevant to the stakeholders.</p> <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 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 		The Risk Management Report is published in the Pension Fund's annual report
1.15	Understanding how conflicts of interest are identified and monitored		Training session provided by Paul Hodgson on 11 December 2015
1.16	Understanding how breaches in law are reported		<p>Training session provided by Paul Hodgson on 11 December 2015</p> <p>Module on breaches in the Trustee Toolkit online learning resource</p>

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
2.	Pensions accounting and auditing standards		
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 Operations 		<p>Reflected in the Pension Fund's Statement of Accounts published each year</p> <p>Southern Internal Audit Partnership session in February 2021</p> <p>Neil Pitman session 28 February 2014 and Southern Internal Audit Partnership session in February 2021</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 and Southern Internal Audit Partnership session in February 2021</p> <p>Reports to the Panel and Board by the Chief Internal Auditor.</p> <p>Independent Auditor's report included in the Statement of Accounts.</p>
2.3	An understanding of the role played by third party assurance providers		<p>Training session for the Panel and Board provided by Nick Weaver in November 2016 and Southern Internal Audit Partnership session in February 2021</p>

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
3.	Financial services procurement and relationship management		
3.1	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 organisations. <ul style="list-style-type: none"> - CIPFA guide to procuring efficiency in public sector pensions administration, published in 2011 		As incorporated in the procurement processes over the years for investment managers and other service providers, and Procurement training session July 2014.
3.2	A general understanding of the main public procurement requirements of UK and EU legislation. <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	Supplier risk management Understanding of the nature and scope of risks for the pension fund and of the importance of considering risk factors when selecting third parties. <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	An understanding of how the pension fund monitors and manages the performance of their outsourced providers.		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 - 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 		<p>Reflected in the regular reports considered by the Panel and Board on investment matters</p> <p>Schroders training session July 2014 and Schroders Trustee Training</p>

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
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 Investment Strategy Statement 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 Page 54	<p>Performance of support services Awareness of the range of support services, who supplies them and the nature of the performance monitoring regime.</p> <p>Support services</p> <ul style="list-style-type: none"> - in-house staff - Director of Corporate Operations - Finance staff – Investments - Finance staff – Pensions Services - Chief Internal Auditor - Legal Services - 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 		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"> - investment consultants, such as Inalytics - 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 Page 55	<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 - risks and returns - diversification - correlations - asset classes, including: <ol style="list-style-type: none"> 1. equities, both UK and overseas 2. bonds, both Government and corporate 3. index linked bonds 		<p>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. Training sessions on Alternative Beta/Factoring investments from UBS and Acadian in September and December 2018</p> <p>Training session for the Panel and Board on growth investing provided by Baillie Gifford in March 2021, as well as regular presentations by the Pension Fund's investment managers at Panel and Board meetings</p> <p>Training session for the Panel and Board on multi asset credit provided by Western in October 2017, and by Alcentra in November 2018</p> <p>Training session for the Panel and Board on Index Linked Gilts provided by Royal London Asset Management in December 2020.</p>

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
Page 56	<ul style="list-style-type: none"> 4. property, direct and indirect funds 5. alternative investments, including private equity, hedge funds and other categories 6. exchange traded funds (ETFs) 7. cash 8. 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 and private debt provided by Aberdeen in October 2017, and by JP Morgan in September 2018</p> <p>Training sessions provided annually in November by Arlingclose</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) 	
5.3	<p>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.</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 		<p>Pension Fund Panel and Board custodian and investment update reports</p> <p>Training session provided by Kevin McDonald giving a Pooling Update in March 2021</p>

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> - tax and Pension Fund investments - investment styles, including “growth” and “value” managers etc - risk assessment in investment decisions - stock lending 		<p>Growth: Training session provided by Baillie Gifford on 22 March 2021 on Growth investing</p> <p>Value: presentations by Dodge & Cox at Panel and Board meetings</p> <p>Low volatility: presentations by Acadian at Panel and Board meetings</p>
5.4 Page 57	<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</p> <p>Training sessions delivered by MJ Hudson Spring and UN PRI in January 2020</p> <p>Training session for the Panel on social, environmental and ethical investment provided by Newton in November 2011</p> <p>Responsible Investment Sub-Committee reports</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 - reporting arrangements for investment managers - reviews of investment managers’ performance and appointments - powers to borrow 		Regular Pension Fund Panel and Board reports

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> - separate bank accounts - Investment Strategy Statement 		
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 Funding Framework - 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 		<p>See 6.1</p> <p>The Funding Strategy Statement is reviewed each year by the Pension Fund Panel and Board and published in the Annual Report</p>

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
	- FRS17 / IAS19 information for employers' statements of accounts (Financial Reporting Standard 17 and International Accounting Standard 19)		
6.3	Awareness of the importance of monitoring early and ill health retirement strain costs. - 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	A broad understanding of the implications of including new employers into the fund and of the cessation of existing employers. - 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	Outsourcing A general awareness of the relevant considerations in relation to outsourcings and bulk transfers. - Hampshire Pension Fund's policy on Outsourcing and Pass-Through Arrangements for small admission bodies		Training session for the Panel and Board provided by Nick Weaver in July 2015
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		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"> - Internal dispute resolution - Contributions collection - Scheme communications and materials 		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
7.4	Knowledge of the pensions administration strategy and delivery <ul style="list-style-type: none"> - Use of third party supplies - Selection of third party suppliers - Performance management and assurance processes 		Training session for the Panel and Board provided by Nick Weaver in November 2016 The administration strategy is reviewed annually by the Panel and Board and published each year in the Pension Fund annual report
7.5	An understanding of how the Pension Fund interacts with the taxation system in the UK and overseas in relation to benefits administration		Pension Fund Panel and Board annual custodian reports
7.6	An understanding of what additional voluntary contribution arrangements exist and the principles relating to the operation of those arrangements <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 		Pension Fund Panel and Board administration update reports

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

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of the Local Government Act 1972.

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