

## NOTICE OF MEETING

<b>Meeting</b>	Hampshire Pension Fund Panel and Board
<b>Date and Time</b>	Friday, 30th September, 2022 at 10.00 am
<b>Place</b>	Mitchell Room, Ell Court, Winchester
<b>Enquiries to</b>	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 - 16)

To confirm the Minutes of the meeting held on 28 July 2022.

### 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. GOVERNANCE: PENSION FUND PANEL AND BOARD TRAINING IN 2022/23** (Pages 17 - 58)

To consider a report of the Director of Corporate Operations setting out proposals for the training arrangements for members of the Panel and Board in 2022/23.

**7. 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.

**8. CONFIRMATION OF THE EXEMPT MINUTES OF THE PREVIOUS MEETING** (Pages 59 - 60)

To confirm the exempt minutes of the meeting held on 28 July 2022.

**9. 2022 ACTUARIAL VALUATION** (Pages 61 - 66)

To consider the exempt report of the Director of Corporate Operations updating the Panel and Board on progress for the 2022 valuation.

**10. INVESTMENTS - INVESTMENT UPDATE** (Pages 67 - 80)

To consider the exempt report of the Director of Corporate Operations updating the Panel and Board on the Pension Fund's investments since the last meeting of the Panel and Board on 28 July 2022.

**11. INVESTMENTS - ALTERNATIVE INVESTMENTS PORTFOLIO UPDATE** (Pages 81 - 96)

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

**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](mailto: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.

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# Agenda Item 3

AT A MEETING of the Hampshire Pension Fund Panel and Board of  
HAMPSHIRE COUNTY COUNCIL held at Mitchell Room, Ell Court, Winchester  
on Thursday, 28th July, 2022

## PRESENT

Chairman:

\* Councillor Mark Kemp-Gee

Vice-Chairman:

\* Councillor Tom Thacker

## Elected members of the Administering Authority (Councillors)

- |                              |                           |
|------------------------------|---------------------------|
| * Councillor Alex Crawford   | * Councillor Andrew Joy   |
| Councillor Alan Dowden       | * Councillor Derek Mellor |
| * Councillor Jonathan Glen   | * Councillor Rob Mocatta  |
| * Councillor Dominic Hiscock |                           |

## Employer Representatives (Co-opted members):

- \* Councillor Steve Leggett, Employer Representative - Southampton City Council
- \* Councillor Judith Smyth, Employer Representative - Portsmouth City Council
- \* Cllr Paul Taylor, Employer Representative - HLOWLGA
- \* Liz Bartle, Employer Representative - Other Employer

## Scheme Member Represented (Co-opted members):

- \* Dr Clifford Allen, Scheme Member Representative - Pensioner Member
- \* Neil Wood, Scheme Member Representative - Active Member
- \* Lindsay Gowland, Scheme Member Representative - Deferred Member

## Independent Adviser:

- \* C. Dobson

\*Present

Also present with the agreement of the Chairman: Councillor Davies as an observer

## 67. APOLOGIES FOR ABSENCE

Cllr Dowden sent his apologies.

## 68. 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.

Cllr Smyth & Cllr Leggett declared that they were both members of the trade union UNISON with regard to items 11 and 12 of the agenda that UNISON had previously made representations on.

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

The minutes of the Pension Fund Panel and Board held on 25 March 2022 were confirmed.

**70. DEPUTATIONS**

There were no deputations.

**71. CHAIRMAN'S ANNOUNCEMENTS**

The Chairman welcomed new Members of the Committee; Cllr Smyth from Portsmouth City Council and Cllr Leggett from Southampton City Council. Cllr Smyth will be the employer representative for the coming year, and Cllr Leggett the deputy. Cllr Kemp-Gee thanked Ms Sarah Manchester who has stepped down as the deputy scheme member representative, and Dr Liz Bartle who will be stepping down as an employer representative at the end of the year. The Pension Fund will shortly be seeking applications for their replacements.

The Chairman reminded Members that following changes agreed by the ACCESS Joint Committee there will be the opportunity for Pension Board observers to attend the Joint Committee. Two representatives from Hampshire are invited to the Joint Committee meeting on 5 December 2022.

The Chairman thank Members for the recent training they had undertaken, particularly the progress being made with the Hymans online modules, which the Chairman reminded Members that they had previously agreed they would all complete the modules in a year (by December 2022) when it was agreed to commission the training. Cllr Kemp-Gee reminded members there were opportunities for members to put themselves forward for the training at the LGC Investment and Pensions Summit, Ballie Giffords' Local Government Conference and the LGA Fundamentals Course. The Chairman Informed 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 year.

The Chairman informed the Panel and Board that he, along with the Director of Corporate Operations and Pension Fund Officers met with Christine Holloway from the Hampshire Pension Fund Divest group to discuss the Pension Fund's Responsible Investment Policy. The Chairman added that he would meet with any other bona-fide group to discuss relevant matters.

**72. ACCESS JOINT COMMITTEE - MINUTES OF MEETING ON 7 MARCH 2022**

The Panel and Board received the (non-exempt) minutes of the ACCESS Joint Committee on 7 March 2022.

**73. GOVERNANCE: RESPONSIBLE INVESTMENT SUB-COMMITTEE APPOINTMENTS**

The Panel and Board considered a report of the Director of Corporate Operations (item 6a 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, Mocatta, and Hiscock, Dr Allen and Cllr Smyth were appointed to the Responsible Investment Sub-Committee.
- (b) That Cllrs Mellor, Dowden, Dr Bartle and Ms Gowland were appointed as deputies to the Responsible Investment Sub-Committee.

**74. GOVERNANCE: INTERNAL AUDIT REPORT AND 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 the Pension Fund's framework of governance, risk management and management control and audit testing has demonstrated controls to be working in practice.

**75. GOVERNANCE: INTERNAL AUDIT 2022/23 PLAN**

The Panel and Board received and noted a report of the Director of Corporate Operations (item 8 in the Minute Book) providing the Pension Fund Panel and Board with the Internal Audit Plan for 2022/23 for the Pension Fund. The aim of internal audit's work is to provide independent and objective assurance to management, that the frameworks of governance, risk management and management control are appropriate and operating effectively, and risks to the achievement of the Pension Fund's objectives are identified, assessed and managed.

76. **GOVERNANCE: PENSIONS ADMINISTRATION UPDATE**

The Panel and Board received a report from the Director of Corporate Operations (Item 9 in the Minute Book) on the administration of the Pension Fund in 2021/22. Pension Services have performed well against the four key measures for good administration in 2021/22. The 2021/22 administration cost per member was £12.82 (£12.57 in 2020/21). The increase in cost from the previous year was due to the work on the McCloud remedy for which the Fund's share was £62,000 (32p per member). There will be further costs of the McCloud remedy over the next two to three years. In addition, the Fund will also incur costs in 2022/23 on two further projects; pension dashboards and GMP rectification.

The McCloud remedy project has continued with the large majority of employers having provided data for the period 1 April 2014 to 31 March 2021. Returns for the period 1 April 2021 to 31 March 2022 have in the main been delayed as employers have prioritised end of year queries.

Employers have provided their annual returns to Pensions which provides information on active members and is used to produce annual benefit statements and valuation data. All these returns have been uploaded onto the pension administration system, although there has been a higher level of queries raised this year due in part to employers experiencing resourcing pressures.

It was confirmed at the meeting that the table in paragraph 10 on page 49 had an incorrect subtotal. The correct table is shown below.

Employer Type	Employers	Member type		
		Active members	Deferred members	Pensioner members
Scheduled	192	59,108	80,061	45,166
Resolution	56	308	230	241
Admitted	73	1,506	1,174	1,211
Community admitted	10	52	294	392
Transferee admitted	19	70	274	254
<b>Active employers total</b>	<b>350</b>	<b>61,044</b>	<b>82,033</b>	<b>47,264</b>
Councillors (no active members)	10	0	84	134
Ceased (no active members)	52	0	229	638
<b>Grand Total</b>	<b>412</b>	<b>61,044</b>	<b>82,346</b>	<b>48,036</b>



This error also meant that the percentages detailed in paragraphs 5, 30 and 31 of the report were incorrect. These should have read that 40% of pensioners have now registered for the Portal (not 43%), 26% had opted to receive annual paper payslips and P60s (not 28%) and 34% had neither registered nor opted out (not 29%). The errors did not impact on the point of paragraphs 30 and 31 which was to identify a cohort of pensioners (34%) who had not engaged with the Fund either by opting for a paper payslip or registering for the Portal. Officers confirmed the intention to contact this group to reiterate the options available to them. A new reporting facility has been developed so that use of the Portal can be monitored to inform future developments and communications.

Work on reviewing cyber security has continued over the last six months with the results of the first annual vulnerability assessment now with the software supplier and Hampshire IT for consideration. No critical, high or urgent vulnerabilities were identified by the exercise.

At the start of 2022, the Department for Works and Pensions (DWP) consulted on draft regulations to establish Pension Dashboards. Pension Dashboards will allow individuals to go to a single website and receive details of all the pensions they hold across UK pension providers, including public sector schemes. Hampshire's staging date will be 30 September 2024, by which time the Pension Fund must be able to connect to the dashboard and respond to data requests, although dashboards will not be live and available to individuals until the majority of pension providers have connected. Preparations for the Pension Dashboards programme have commenced with officers attending webinars and training sessions to understand the statutory requirements for this project. Civica are undertaking their preparatory work to be able to connect the system with dashboards in line with the defined project timescales.

In December 2019, the Panel and Board were updated on the progress of the GMP reconciliation project for the Fund which was nearing completion of the first, reconciliation, stage. The project was then paused while Civica developed the required software solution for importing the matched GMP values into UPM. Following the completion of the 2022 pension increase, the project can now move to the second stage; rectification. This stage involves calculating and correcting the under and over payments which have occurred due to the discrepancy in the GMP values held by HMRC compared to those held by the Fund.

GMP values need to be corrected for all membership statuses, however the key group is pensioner and beneficiary members who are currently receiving pension payments from the Fund. The initial data pass suggests that just under 35% of the group are currently being overpaid because the GMP held on the member's record is incorrect. The total overpayment (i.e. the total of all overpayments since the pensions for affected pensioners have been in payment) is approximately £2.2m. Once these records are corrected, the Fund will reduce its ongoing liabilities. Conversely it is anticipated that the Fund has underpaid pensions by around £400,000 in total and these pensions will be increased, with the increase backdated from when the pension came into payment. the Pension Ombudsman has been clear that it would

be inappropriate to claim overpayments in situations where members would have been unaware they were being overpaid. The correction of pensions which are higher than they should be will be done so that the reduced pension comes into payment in April 2023. All affected pensioners will be written to in advance of the reduction.

RESOLVED:

- (a) That the Panel and Board agreed in principle that:
- all records will be corrected to show the correct GMP value,
  - all underpayments greater than £1 per annum will be repaid to the member,
  - if the underpayment is less than £1 per annum, the record will be corrected but no contact will be made with the member, and
  - no attempt will be made at recovering overpayments

The Panel and Board agreed to delegate authority to the Director of Corporate Operations to consider any special cases which may emerge when the detailed assessment of the records is made.

That the remainder of the report, including the strong performance of Pension Services in 2021/22, was noted and that the forecast cost per member will increase in 2022/23 due to the work associated with the three statutory projects; McCloud, Pension Dashboards and GMP rectification.

## 77. **GOVERNANCE: TRIENNIAL VALUATION**

The Panel and Board received and noted a report from the Director of Corporate Operations (Item 10 in the Minute Book) on information about the 2022 actuarial valuation process. Work is underway for the current valuation which is as at 31 March 2022. Membership data will be supplied to the Fund Actuary by 21 July 2022 and initial whole of Fund results will be presented to the Panel and Board by the Actuary at their meeting on 30 September 2022 before being shared with employers at the Annual Employer meeting in October. Initial individual employer results will be provided to all employers by the end of December 2022, with the rates and adjustments certificate being finalised by 31 March 2023. New contribution rates are payable from 1 April 2023.

The Director reminded the committee that one of the three aims of the Fund as set out in the Funding Strategy Statement is to enable primary contribution rates to be kept as constant as possible (subject to the administering authority not taking undue risk). It is with this aim in mind that the key assumptions used in the valuation are determined. The Actuary has done initial work on the assumptions that will be used at the valuation:

- Agreeing the best fit market data for demographic assumptions from the latest version of the CMI mortality tables published in March 2022.

- Determining the likely funding target for different groups of employers, which will remain unchanged from the 2019 valuation for employers in the Scheduled Body Group.
- Agreeing the CPI and pay growth assumptions, which is 2.3% plus a one-off uplift on the scheduled body funding target for the short term inflation to take account of the 2022/23 pay award.

From the work already carried out by the Actuary, it is anticipated that there will be a material improvement in the funding level at a whole of fund position compared with 2019, due to the higher than assumed asset returns. This means that secure scheduled bodies should be able to bank the deficit contribution reduction from the 2019 valuation and still see stable contribution rates at the 2022 valuation; this of course is a provisional view at this stage subject to confirmation once the valuation work is complete. However, given the significant falls, employers with a funding target linked to gilts such as the Higher Education/Further Education sector may see increases in their contributions at this valuation.

#### 78. **GOVERNANCE: DEPUTATIONS TO THE PANEL AND BOARD**

The Panel and Board received a report from the Director of Corporate Operations (Item 11 in the Minute Book) proposing amendments to the rules regarding deputations made to the Pension Fund Panel and Board and its sub committees. The current deputation rules preclude deputations being received at Panel and Board meetings from scheme members (active, deferred and retired) of the Hampshire LGPS who live outside of the Hampshire County Council area (including in Portsmouth or Southampton). To ensure fairness and reasonable opportunities for engagement, it is considered that members of the Hampshire Local Government Pension Scheme who live outside of Hampshire should be allowed to make deputations to the Panel and Board, or its sub committees. In order to enable this, the County Council's Standing Orders and the Panel and Board's Terms of Reference need to be amended.

##### RESOLVED:

- That the Pension Fund Panel and Board recommends the proposed changes to the County Council's Standing Orders set out at Appendix 1 of the report to Cabinet for its endorsement and recommendation to the County Council for approval.
- That the Pension Fund Panel and Board recommends the proposed changes to the Pension Fund Panel and Board's Terms of Reference, as set out at Appendix 2 of the report, to Cabinet for its endorsement and recommendation to the County Council for approval.

#### 79. **INVESTMENT: RESPONSIBLE INVESTMENT CONSULTATION AND POLICY**

The Panel and Board considered the report from the Director of Corporate Operations (Item 12 in the Minute Book) recommending amendments to the Pension Fund's Responsible Investment (RI) policy following consultation with

scheme members and employers. The Director confirmed that every effort had been made to give every scheme member and employer the opportunity to respond to the consultation, including emailing every scheme member that Pension Services held email addresses for.

The RI policy was proposed for consultation at the Panel and Board's last meeting in March 2022, following the inclusion of updates based on feedback received from the RI consultants Minerva and key areas that have been brought out in Members' discussions and representations from scheme members. The most significant additions to the policy are:

- that the Pension Fund supports the objectives of the Paris Agreement, and believes that keeping a global temperature rise this century to well below 2°C relative to pre-industrial levels is entirely consistent with securing strong financial returns;
- to address Climate Change there needs to be a transition to a low carbon economy, but that must be an orderly transition that is inclusive and does not leave anyone behind – this is referred to as a Just Transition; and
- that the Pension Fund commits to the aim for its investments to have net-zero greenhouse gas emissions by 2050.

The consultation asked a number of questions to test whether the Fund's proposed policy on its climate change aim and approach to fossil fuel companies was clear and understood by respondents. 701 responses were received that showed:

- At least 92% of respondents were aware of important international standards responding to Climate Change.
- 83% understood the rationale to aim for investments to have net-zero greenhouse gas emissions by 2050.
- 67% understood the rationale for not disinvesting from fossil fuel companies at this time.
- 85% understood the rationale for continuing to reduce the climate impact of the Fund's investments by disinvesting from Thermal Coal.

Following the responses received the Director outlined a number of changes being made to the RI policy:

- that the Fund's RI policy be amended to state that the Fund intends its adoption of the Paris Agreement is the aim to limiting temperature rises no more than 1.5 deg C,
- clarifying that the Pension Fund wants its investments to be net zero by 2050 at the latest, and
- to be clear that being net zero in Green-house Gas emissions means scope 1, 2 and 3 emissions.

RESOLVED:

That the responses to the consultation were noted and the proposed updates to the Responsible Investment policy were approved.

**80. INVESTMENT: PENSION FUND CASH ANNUAL REPORT 2021/22**

The Panel and Board received a report from the Director of Corporate Operations (Item 13 in the Minute Book) on the management of the Pension Fund's cash balances in 2021/22. 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 2021/22 for cash, which was approved by the Pension Fund Panel and Board on 10 December 2021 and has been complied with.

RESOLVED:

- (a) That the outturn report on the Pension Fund's cash management in 2021/22 was approved.

**81. GOVERNANCE: RISK REGISTER**

The Panel and Board received a report from the Director of Corporate Operations (Item 14 in the Minute Book) introducing the Pension Fund's Risk Register. The format of the Risk Register has been revised in line with best practice. A more detailed approach has now been implemented with risks identified individually, linked to the Pension Fund's aims from its Business Plan and rated on a scale of 1 to 5. Further amendments are planned for the next iteration of the Risk Register to be included in the 2022/23 Business Plan for December 2022:

- Risks will be separated into strategic and operational, to help identify the greatest threats to the Pension Fund's operation.
- The evaluation of risk prior to implementation of mitigating actions will be included to highlight the effectiveness of those actions.

RESOLVED:

That the amended Risk Register was approved.

**82. GOVERNANCE: ANNUAL REPORT AND PENSION FUND COSTS**

The Panel and Board received a report from the Director of Corporate Operations (Item 15 in the Minute Book) introducing the 2021/22 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 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 2021/22 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 2021/22, Hampshire's net cumulative saving from pooling with ACCESS increased to £2.6m.

RESOLVED:

- (a) That the contents of the draft Annual Report for 2021/22 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.

**83. 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.

**84. CONFIRMATION OF THE EXEMPT MINUTES OF THE PREVIOUS MEETING**

The exempt minutes of the Pension Fund Panel and Board held on 25 March 2022 were confirmed.

**85. ACCESS JOINT COMMITTEE EXEMPT MINUTES FROM MEETING HELD ON 7 MARCH 2022**

The Panel and Board received the (exempt) minutes of the ACCESS Joint Committee on 7 March 2022.

86. **ANNUAL REPORT AND PENSION FUND COSTS - EXEMPT APPENDIX**

The Panel and Board considered and noted the exempt appendix from the Director of Corporate Operations (Item 19 in the Minute Book) containing details of the Pension Fund's investment management costs.

87. **INVESTMENT - INVESTMENT UPDATE**

The Panel and Board considered the exempt report from the Director of Corporate Operations (Item 20 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].

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Chairman,

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## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Pension Fund Panel and Board
<b>Date:</b>	30 September 2022
<b>Title:</b>	Governance: Pension Fund Panel and Board Training in 2022/23
<b>Report From:</b>	Director of Corporate Operations

**Contact name:** Alan Kitcher

**Tel:** 0370 779 6597

**Email:** Alan.Kitcher@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 2022/23.

### 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 sign up to the Hymans Robertson LGPS National Knowledge Assessment at a cost of £4,000 per annum and in doing so also agree that all Panel and Board members will participate in this independent assessment.
  - iii. Reconfirm the committee's commitment to completing the Hymans Robertson LGPS online learning academy training by their final meeting of 2022 on 16 December 2022.
  - iv. Approve the remainder of the Training Policy and Plan for 2022/23.
  - v. 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 2022/23.
4. The report considers the Training Needs Analyses (TNAs) completed by Panel and Board members in 2022. The report also includes proposals for the Panel and Board's training sessions in 2022/23 and 2023/24.
5. This report includes the proposed Training Policy and Plan for 2022/23 (attached at Appendix 1) for approval which is based on the Public Service Pension Act 2013 requirement for Pension 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 TNA, 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 TNAs is to identify members' individual training needs and enable the Training Policy and Plan for 2022/23 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 TNAs forms have been provided to members for their completion, and the majority of responses (14/18) 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 TNAs. 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**

	<b>Number of Panel and Board members</b>
Pensions legislative and governance context	7
Pensions accounting and auditing standards	6
Financial services procurement and relationship management	9
Investment performance and risk management	10
Financial markets and products knowledge	10
Actuarial methods, standards and practices	9
Pensions Administration	11

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.

## 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 in person format 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 a summarised version of the Essentials Training was presented 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 if required.
16. In addition, the Panel and Board agreed in 2021 to subscribe to the Hymans Robertson LGPS Online Learning Academy and in doing so agreed to complete this essential training by the end of 2022. 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 there 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 training. These reports are available from the officers and provide useful background as a training resource. The latest actuarial valuation of the Pension Fund is underway and a review of the investment strategy in will follow. A training session on the Actuarial Valuation will be provided as part of this agenda, and one on the investment strategy review will follow in 2023.
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 has diminished 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 officers will circulate as required. If there are significant procurement regulation or legislative changes, updated training will be provided.

### **Actuarial**

22. The triennial revaluation of the Pension Fund is underway 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 at this meeting.

## **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 will be circulated by officers as required. Further training is proposed on the Pension Fund's investment strategy in 2023.

## **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. The training plan for 2022/23 includes a training session by Andy Low and Lois Downer on Pensions Administration. 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, which officers will circulate as required.. 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 National Knowledge Assessment**

26. This report recommends expenditure of £4,000 for Hymans Robertson's LGPS National Knowledge Assessment. This is an online independent assessment that will analyse the knowledge and skills of Panel and Board

members with a particular focus on technical knowledge, roles and responsibilities, and decision making. This involves Members taking a 20-minute multiple choice assessment. The output of this assessment will be a report detailing an analysis of results, a bespoke training plan, and suggested next steps.

## **Cyber security**

27. In March 2022 officers provided the first Cyber Security training sessions. This session provided information and advice on the cyber risks facing the Hampshire Pension Fund and the controls in place to mitigate and manage these risks. It is recommended that this session becomes an annual training requirement for all Panel and Board members.

## **Training sessions in 2022/23 and 2023/24**

28. The Panel and Board has previously 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.
29. The proposals in Table 2 set out a suggested programme for 2022/23 and 2023/24 for the Panel and Board's comments.

### **Table 2 – Proposals for the Panel and Board's training sessions in 2022/23 and 2023/24**

	<b>Topics</b>
2022/23	Triennial Valuation (Aon - Fund Actuary)
	Carbon Strategy (MJ Hudson)
	Taskforce on Climate related Financial Disclosures (Andrew Bouflower)
	Investment Strategy (Hymans Robertson)
	Pensions Administration (Andy Lowe and Lois Downer)

**Table 2 – Proposals for the Panel and Board’s training sessions in 2022/23 and 2023/24**

	<b>Topics</b>
2023/24	Financial services procurement (TBC)
	Investment strategy (Investment Consultants)
	Advisor Performance (TBC)

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

### **Training Policy and Plan 2022/23**

31. 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 2022/23 is attached as Appendix 1.

32. 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.

33. 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 2022/23 and 2023/24, and the budget for 2022/23.

### **Training budget**

34. Table 3 provides a summary of the training budget and actual expenditure for 2021/22, as well as a proposed budget for 2022/23.

35. The budget for 2021/22 included three places at the LGC Investment & Pensions Summit in Leeds but there was only one Member who took up a place. It is therefore recommended that this is reduced to two places for



2022/23. 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 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**

	<b>2021/22 Budget £</b>	<b>2021/22 Actuals £</b>	<b>2022/23 Budget £</b>
<b>Attendance at Conferences / Seminars etc.</b>			
LGC Investment & Pensions Summit (Leeds, September)	3,000	2,997	2,000
LGC Investment Seminar	0	0	0
LG Employers Fundamentals Course	4,000	3,010	4,000
Hymans Learning Academy	5,000	0	5,000
Hymans Knowledge Assessment	0	0	4,000
Other conferences	0	1,040	0
	12,000	7,047	15,000
<b>In-house training sessions</b>			
Fees paid to trainers	3,000	0	3,000
Other costs	200	0	200
	3,200	0	3,200
<b>Total training budget</b>	<b>15,200</b>	<b>7,047</b>	<b>18,200</b>

### 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](mailto:investments@hants.gov.uk).
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](mailto:investments@hants.gov.uk).
43. 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 2021/22**

44. 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 2021/22 will be 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 are included in the published draft Annual Report.

45. 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 2022**

The Annual Employers Meeting is currently scheduled to be held in Ashburton Hall in Winchester on 12 October 2022 starting at 10:00 am, and Panel and Board members are encouraged to attend.

### **Climate Change Impact Assessments**

46. 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.
47. 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)
48. 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**

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

**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 2022/23**

#### **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 2022/23. 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 2022.

#### **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)	17 years
Tom Thacker (Vice Chairman)	13 years
Dominic Hiscock	1 year
Jonathan Glen	5 years
Rob Mocatta	1 year
Andrew Joy	9 years
Derek Mellor	5 years
Alex Crawford	1 year
County Council deputies:	
David Drew	1 year
Tim Davies	1 year
Kim Taylor	New Member
Jacky Tustain	New Member
City Councils' representative:	
Steve Leggett	New Member
Judith Smyth	New Member
District councils' representative:	
Paul Taylor	2 years
Other employers' representative:	
Liz Bartle	2 years
Pensioners' representative	
Cliff Allen	8 years
Deferred members' representative:	
Lindsay Gowland	2 years
Employees' representative:	
Neil Wood	6 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. The outcome of the Training Needs Analysis for 2022/23 will be discussed by the Panel and Board at this meeting. As a result, eight training sessions have been planned for 2022/23 and 2023/24 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. Since 2021/22 Panel and Board members and officers have had access to Hymans Robertson's LGPS Online Learning Academy, and will be expected to complete all 6 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 2022/23 and 2023/24**

27. This training plan for 2022/23 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 2022/23 and 2023/24, 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 2022/23 and 2023/24**

	<b>Topics</b>
2022/23	Triennial Valuation (Fund Actuary)
	Carbon Strategy (MJ Hudson)
	Taskforce on Climate related Financial Disclosures (Andrew Bouflower)
	Investment Strategy (Investment Consultants)
	Pensions Administration (Andy Lowe and Lois Downer)

**Table 2 – Proposals for the Panel and Board’s training sessions in 2022/23 and 2023/24**

	<b>Topics</b>
2023/24	<p>Financial services procurement</p> <p>Investment strategy (Investment Consultants)</p> <p>Advisor Performance (TBC)</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"> <li>• Attending the “Fundamentals” course held by the Local Government Association, which specifically covers the basics for the LGPS.</li> <li>• Attending the training sessions to be held during 2022/23.</li> <li>• Completing the Training Needs Analysis for Panel and Board members, to help identify any additional training requirements.</li> <li>• Informing new members of any external conferences and training opportunities in the future, along with the rest of the Panel and Board.</li> </ul>
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.	<p>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.</p>

### Training budget

34. Table 3 shows the training budget for 2021/22, with the actuals for comparison, together with the proposed budget for 2022/23.
35. The budget for 2022/23 includes three places at the LGC Investment & Pensions Summit. 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**

	<b>2021/22 Budget £</b>	<b>2021/22 Actuals £</b>	<b>2022/23 Budget £</b>
<b>Attendance at Conferences / Seminars etc.</b>			
LGC Investment & Pensions Summit (Leeds, September)	3,000	2,997	2,000
LGC Investment Seminar	0	0	0
LG Employers Fundamentals Course	4,000	3,010	4,000
Hymans Learning Academy	5,000	0	5,000
Hymans Knowledge Assessment	0	0	4,000
Other conferences	0	1,040	0
	12,000	7,047	15,000
<b>In-house training sessions</b>			
Fees paid to trainers	3,000	0	3,000
Other costs	200	0	200
	3,200	0	3,200
<b>Total training budget</b>	<b>15,200</b>	<b>7,047</b>	<b>18,200</b>

### 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 2022/23 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](mailto: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](mailto:investments@hants.gov.uk)



**Training Needs Analysis - Pensions Knowledge and Skills Framework (2022)**

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 41	<b>Pensions legislative and governance context</b>		
	<b>1.1 General pensions framework</b> A general awareness of the pensions legislative framework in the UK. <ul style="list-style-type: none"> <li>- brief history of the development of pensions provision in the UK</li> <li>- defined benefit and defined contribution schemes</li> <li>- final salary and career average revalued earnings (CARE) schemes</li> <li>- State pensions and occupational pensions</li> </ul>		Training session provided by Tim Hazelwood on 20 September 2013 and 24 November 2017, and Schroders Trustee Training Fundamentals Training Schroders Trustee Training Hymans Robertson LGPS Learning Academy on 03 November 2021 Training session provided by Tim Hazelwood on 20 September 2013 and 24 November 2017, and
1.2	<b>Scheme-specific legislation</b> 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"> <li>- the role of central Government , including the Department for Communities and Local Government</li> <li>- how the LGPS has developed, from 1922</li> <li>- the scheme before April 2008</li> <li>- the 'New Look' scheme from April 2008</li> </ul>		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
Page 42	<ul style="list-style-type: none"> <li>- the LGPS 2014 scheme from April 2014</li> <li>- Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007</li> <li>- Local Government Pension Scheme (Administration) Regulations 2008</li> <li>- councillors' pension scheme</li> <li>- auto enrolment</li>   <li>- the Hutton Review of Public Sector Pensions</li> <li>- proposals for cost sharing between employers and employees, under LGPS 2014</li> <li>- scheme guides for employees, employers, councillors</li> </ul>		<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>
	3	<p>An awareness of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 and their main features.</p> <ul style="list-style-type: none"> <li>- the 'New Look' scheme from April 2008</li> <li>- employee contribution rates</li> <li>- employer contribution rates</li> <li>- accrual rates</li> <li>- age at which pensions are payable</li> <li>- lump sums</li> <li>- widows and widowers' pensions, dependants' pensions, civil partners, co-habiting partners</li> <li>- ill health retirement</li> <li>- early retirement</li> <li>- death in service and in retirement</li> <li>- part-time staff</li> <li>- early retirement</li> <li>- rule of 85</li> <li>- opting in to membership, or not</li> </ul>	

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> <li>- vesting period, during which employee contributions are repayable if the employee ceases to be a member of the Pension Fund</li> <li>- deferred pensioners</li> <li>- additional voluntary contributions (AVCs)</li> <li>- pensions increases for inflation each April, including the use of CPI instead of RPI</li> <li>- discretionary benefits</li> <li>- other non-LGPS legislation affecting pensions and HR policies</li> </ul>		
1.3 cont  Page 43	<p>An awareness of the Local Government Pension Scheme (Administration) Regulations 2008 and their main features.</p> <ul style="list-style-type: none"> <li>- the New Look scheme from April 2008 (as above)</li> <li>- who can be a member, eg, not teachers, police officers, firefighters who have separate pension schemes</li> <li>- employees contributions including additional voluntary contributions (AVCs)</li> <li>- Accounts and audit</li> <li>- Annual Report</li> <li>- Funding Strategy Statement</li> <li>- actuarial valuations and certificates</li> <li>- Pension Administration Strategy</li> <li>- Communication Policy Statement</li> <li>- annual benefit statements</li> <li>- transfers to and from other pension funds</li> <li>- other non-LGPS legislation affecting pensions and HR policies</li> </ul>		<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"> <li>- change from a Final Salary scheme to a Career Average Revalued Earnings (CARE) scheme</li> <li>- accrual rate of 1/49<sup>th</sup></li> <li>- 50/50 option for employees</li> </ul>		<p>Training session provided by Tim Hazelwood on 20 September 2013 and 24 November 2017 Fundamentals Training Hymans Robertson LGPS Learning Academy on 03 November 2021</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"> <li>- discretions which the Pension Fund can apply</li> <li>- discretions which employers can apply</li> </ul>		<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"> <li>- 89 LGPS funds in England and Wales</li> <li>- each with an “administering authority”, such as Hampshire County Council</li> <li>- size of the LGPS nationally - statistics</li> <li>- size of the Hampshire Pension Fund – fund value, number of employers, contributors, pensioners, deferred pensioners</li> <li>- administering authority’s responsibility to maintain, administer and invest the Pension Fund</li> <li>- role of the administering authority in respect of all the employers in the Pension Fund (including the County Council)</li> <li>- administering authority’s powers in the LGPS regulations, and under general ‘vires’ powers of local authorities</li> </ul>		<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><b>Pensions regulators and advisors</b> 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"> <li>- the Pensions Regulator</li> <li>- the Pensions Advisory Service</li> <li>- the Pensions Ombudsman</li> <li>- any other relevant bodies</li> </ul>		<p>Training session provided by Paul Hodgson on 11 December 2015 Hymans Robertson LGPS Learning Academy on 03 November 2021 Scheme Advisory Board and Residential Property Training on 17 December 2021</p>

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
	- dispute resolution procedures		
1.7	<p><b>General constitutional framework</b> 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"> <li>- Hampshire County Council's constitution in relation to the Pension Fund, and the powers delegated to the Pension Fund Panel and Board</li> <li>- terms of reference of the Pension Fund Panel and Board</li> <li>- membership of the Pension Fund Panel and Board</li> <li>- co-opted representatives of other employers, pensioners and contributors</li> <li>- voting rights of Pension Fund Panel and Board members</li> <li>- the 'informal' sub-group of Panel and Board members</li> <li>- Pension Fund's Business Plan</li> <li>- Pension Board, to be introduced following the Public Service Pensions Act 2013</li> <li>- role of the Scheme Advisory Board nationally</li> </ul>		<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 Scheme Advisory Board and Residential Property on 17 December 2021</p>
1.8	<p>Awareness of the role and statutory responsibilities of the treasurer and monitoring officer.</p> <ul style="list-style-type: none"> <li>- treasurer to the Pension Fund</li> <li>- monitoring officer</li> </ul>		<p>Training session provided by Tim Hazelwood on 20 September 2013 and 24 November 2017</p> <p>Fundamentals Training</p>
1.9	<p><b>Pension scheme governance</b> An awareness of the LGPS main features.</p> <ul style="list-style-type: none"> <li>- the Governance Policy Statement</li> <li>- the Governance Compliance Statement</li> </ul>		<p>Hymans Robertson LGPS Learning Academy on 03 November 2021</p> <p>Reviewed annually by the Panel and Board</p> <p>Published in the Pension Fund's Annual Report</p>
1.10	Knowledge of the Myners principles and associated CIPFA and SOLACE guidance.		Reflected in the Pension Fund's statutory

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
Page 46	<ul style="list-style-type: none"> <li>- the Myners principles</li> <li>- CIPFA's guide to the Application of the Myners Principles, published in 2009, including the six principles of:               <ul style="list-style-type: none"> <li>- Effective decision making</li> <li>- Clear objectives</li> <li>- Risk and liabilities</li> <li>- Performance assessment</li> <li>- Responsible ownership</li> <li>- Transparency and reporting</li> </ul> </li> <li>- CIPFA/SOLACE Code of Corporate Governance in Local Authorities, published in 2007</li> <li>- CIPFA's Guide to Delivering Good Governance in Local Government Pension Funds, published in 2009</li> </ul>		documents reviewed by the Panel and Board 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"> <li>- Pension Fund Panel and Board</li> <li>- representatives on the Panel and Board of other employers</li> <li>- representatives on the Panel and Board of pensioners and contributors</li> <li>- Hampshire County Council's Members Code of Conduct</li> <li>- declarations of interest</li> <li>- conflicts of interest in the roles of Panel and Board members</li> <li>- role of the Independent Adviser</li> </ul>	
1.12	<p>Knowledge of the stakeholders of the pension fund and the nature of their interests.</p> <ul style="list-style-type: none"> <li>- the employers, including scheduled bodies, admitted bodies, resolution bodies, community admission bodies, transferee admission bodies</li> <li>- Hampshire County Council as the administrative authority</li> <li>- employees</li> </ul>		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"> <li>- pensioners</li> <li>- deferred pensioners</li> <li>- council tax payers</li> </ul>		
1.13	<p>Knowledge of consultation, communication and involvement options relevant to the stakeholders.</p> <ul style="list-style-type: none"> <li>- the Pension Fund's Communication Policy Statement</li> <li>- Annual Employers Meeting</li> <li>- Annual Report</li> <li>- Annual leaflet for pensioners and contributors</li> <li>- Employee's guides</li> <li>- Employer manuals</li> <li>- Training for employers</li> <li>- Pension Services website</li> <li>- Annual benefit statements</li> <li>- Pensioners' newsletters</li> </ul>		<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"> <li>- Risk Management Report</li> </ul>		<p>The Risk Management Report is published in the Pension Fund's annual report Hymans Robertson LGPS Learning Academy on 03 November 2021</p>
1.15	<p>Understanding how conflicts of interest are identified and monitored</p>		<p>Training session provided by Paul Hodgson on 11 December 2015</p>
1.16	<p>Understanding how breaches in law are reported</p>		<p>Training session provided by Paul Hodgson on 11 December 2015 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.	<b>Pensions accounting and auditing standards</b>		
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"> <li>- Accounts and Audit Regulations</li> <li>- CIPFA/LASAAC Code of Practice on Local authority Accounting in the UK</li> <li>- CIPFA's Example Accounts and Disclosure Checklist for LGPS Fund Accounts 2011/12</li> <li>- role of the Audit Committee</li> <li>- role of the Pension Fund Panel and Board</li> <li>- role of the Director of Corporate Operations</li> </ul>		<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"> <li>- Internal Audit</li> <li>- external Independent Audit, currently provided by Ernst &amp; Young</li> </ul>		<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.	<b>Financial services procurement and relationship management</b>		
3.1	<b>Understanding public procurement</b> 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"> <li>- CIPFA guide to procuring efficiency in public sector pensions administration, published in 2011</li> </ul>		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"> <li>- EU procurement procedures and thresholds</li> <li>- the County Council's procurement policies and procedures</li> <li>- the roles of officers and Panel and Board members in procurement decisions</li> <li>- applying those procurement procedures to the Pension Fund's contracts</li> <li>- use of framework contracts and other techniques to reduce the cost of externally-sourced services</li> <li>- the terms of appointment of the Pension Fund's investment managers and other external providers</li> </ul>		As above
3.3	<b>Supplier risk management</b> 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"> <li>- procurement procedures</li> <li>- risk assessments in connection with using consultants and external fund managers</li> <li>- investment performance cannot be guaranteed</li> <li>- what to look for when selecting an investment manager</li> </ul>		Procurement training session July 2014 Hymans Robertson LGPS Learning Academy on 03 November 2021
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"> <li>- external printing</li> <li>- tracing agency</li> <li>- external legal advisers</li> <li>- software providers</li> </ul>		Reports to the Panel and Board on pension administration
4.	<b>Investment performance and risk management</b>		
4.1	<p><b>Total fund</b> 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"> <li>- the LGPS Management and Investment of Funds Regulations</li> <li>- triennial actuarial valuations of the Pension Fund's liabilities</li> <li>- 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</li> <li>- reviewing the Pension Fund's asset allocation on a tactical or medium-term basis</li> <li>- monitoring investment returns of individual managers and the Pension Fund as a whole</li> </ul>		<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><b>Performance of advisors</b> 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"> <li>- the Myners principle</li> <li>- performance of investment managers</li> <li>- how to assess the performance of fund managers, including what questions to ask</li> <li>- performance benchmarks, including market indices such as FTSE and MSCI, and 'absolute' measures such as RPI or LIBOR</li> <li>- outperformance targets</li> <li>- basis for fees, including ad valorem fees and performance fees</li> <li>- transaction costs</li> </ul>		<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><b>Performance of the Pension Fund Panel and Board</b> 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"> <li>- compliance with the Myners Principles is set out in the Pension Fund's Statement of Investment Principles</li> </ul>		
	<ul style="list-style-type: none"> <li>- 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</li> </ul>		
4.4 Page 51	<p><b>Performance of support services</b> 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"> <li>- in-house staff</li> <li>- Director of Corporate Operations</li> <li>- Finance staff – Investments</li> <li>- Finance staff – Pensions Services</li> <li>- Chief Internal Auditor</li> <li>- Legal Services</li> <li>- Monitoring officer</li> <li>- Business Advice and Members Support</li> <li>- Human Resources</li> </ul> <p>External providers</p> <ul style="list-style-type: none"> <li>- investment managers and advisers</li> <li>- custodian</li> <li>- investment performance measurement services</li> <li>- transition manager, if appointed to implement changes of investment managers</li> <li>- banker</li> <li>- actuary</li> <li>- independent adviser</li> </ul>		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"> <li>- investment consultants, such as Inalytics</li> <li>- specialist lawyers</li> <li>- Axise - Pensions Services' software provider</li> <li>- independent property valuer</li> </ul> <p>Assessment of Third Party Providers</p> <ul style="list-style-type: none"> <li>- Good Practice Guidance on Assessment of Third Party Providers published by the National Association of Pension Funds in 2006</li> </ul>		
5.	<b>Financial markets and products knowledge</b>		
5.1 Page 52	<p><b>Investment strategy</b></p> <p>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"> <li>- asset allocation</li> <li>- shorter term or tactical asset allocation</li> <li>- risks and returns</li> <li>- diversification</li> <li>- correlations</li> <li>- asset classes, including: <ol style="list-style-type: none"> <li>1. equities, both UK and overseas</li> <li>2. bonds, both Government and corporate</li> <li>3. index linked bonds</li> </ol> </li> </ul>		<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 53	<ul style="list-style-type: none"> <li>4. property, direct and indirect funds</li> <li>5. alternative investments, including private equity, hedge funds and other categories</li> <li>6. exchange traded funds (ETFs)</li> <li>7. cash</li> <li>8. currencies, and whether or not to hedge currency exposure back to Sterling</li> </ul>		<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><b>Financial markets</b> Understanding of the primary importance of the investment strategy decision.</p> <ul style="list-style-type: none"> <li>- formulating the investment strategy, in conjunction with the Fund actuary</li> <li>- asset/liability studies</li> <li>- reviewing the Pension Fund's investment strategy, as in 2011</li> <li>- tactical asset allocation</li> <li>- liability driven investment (LDI)</li> </ul>	
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"> <li>- the asset classes listed in section 5.1 above</li> <li>- segregated or pooled investments</li> <li>- active or passive (index tracking) management</li> <li>- shareholdings, partnerships, direct investments</li> </ul>		<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"> <li>- tax and Pension Fund investments</li> <li>- investment styles, including “growth” and “value” managers etc</li>   <li>- risk assessment in investment decisions</li> <li>- stock lending</li> </ul>		<p>Growth: Training session provided by Baillie Gifford on 22 March 2021 on Growth investing</p> <p>Value: presentations by Dodge &amp; Cox at Panel and Board meetings</p> <p>Low volatility: presentations by Acadian at Panel and Board meetings</p>
5.4 Page 54	<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"> <li>- limits on investment matters in the LGPS Management and Investment of Funds Regulations</li>   <li>- discretions permitted by the LGPS Management and Investment of Funds Regulations</li> <li>- cases where the Pension Fund has exercised these discretions</li>   <li>- fiduciary duty of administering authorities and Pension Fund Panel and Board members</li> <li>- social, environmental and ethical considerations</li> <li>- exercising the rights attached to investments</li> </ul>		<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> <p>Hymans Robertson LGPS Learning Academy on 03 November 2021</p>
5.5	<p>LGPS Management and Investment of Funds Regulations</p> <ul style="list-style-type: none"> <li>- categories of investments permitted by the Regulations</li> <li>- restrictions on the engagement of investment managers</li> <li>- investment managers’ terms of appointment</li> <li>- reporting arrangements for investment managers</li> <li>- reviews of investment managers’ performance and appointments</li> <li>- powers to borrow</li> </ul>		<p>Regular Pension Fund Panel and Board reports</p>

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> <li>- separate bank accounts</li> <li>- Investment Strategy Statement</li> </ul>		
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"> <li>- Pension Fund's tax status</li> <li>- Tax reclaims</li> </ul>		Updates on tax reclaims are reported annually in Panel and Board papers
6.	<b>Actuarial methods, standards and practices</b>		
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><b>Valuations</b></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"> <li>- actuarial valuation process</li> <li>- arrangements for the grouping of employers in the Hampshire Pension Fund for valuation and other purposes – the Group Funding Framework</li> <li>- Funding Strategy Statement</li> <li>- how employer contribution rates are calculated for future service – as a percentage of pensionable pay</li> <li>- how employer contribution rates are calculated for the past service deficit – as a cash lump sum</li> <li>- arrangements for employers' contribution rates for past service and for future service</li> <li>- recovery of the deficit over an appropriate period, eg 25 years</li> <li>- monitoring the position between the triennial valuations</li> </ul>		<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> <p>Hymans Robertson LGPS Learning Academy on 03 November 2021</p>

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> <li>- impact of increasing longevity</li> <li>- FRS17 / IAS19 information for employers' statements of accounts (Financial Reporting Standard 17 and International Accounting Standard 19)</li> </ul>		
6.3	<p>Awareness of the importance of monitoring early and ill health retirement strain costs.</p> <ul style="list-style-type: none"> <li>- the Pension Fund's policy for the relevant employers to meet the cost to the Fund of strain costs</li> </ul>		Training session for the Panel and Board provided by Nick Weaver in July 2015
6.4	<p>A broad understanding of the implications of including new employers into the fund and of the cessation of existing employers.</p> <ul style="list-style-type: none"> <li>- new admission bodies, including transferee admission bodies</li> <li>- cessation of employers, including the recovery of any deficits</li> <li>- Hampshire Pension Fund's Group Funding Framework</li> <li>- Hampshire Pension Fund's Policy on Cessation Contributions</li> </ul>		Training session for the Panel and Board provided by Nick Weaver in July 2015 Hymans Robertson LGPS Learning Academy on 03 November 2021
6.5	<p><b>Outsourcing</b></p> <p>A general awareness of the relevant considerations in relation to outsourcings and bulk transfers.</p> <ul style="list-style-type: none"> <li>- Hampshire Pension Fund's policy on Outsourcing and Pass-Through Arrangements for small admission bodies</li> </ul>		Training session for the Panel and Board provided by Nick Weaver in July 2015
6.6	<p>A general understanding of the importance of the employer covenant and the relative strengths of the covenant across the fund employers</p>		Report to the Panel and Board on the draft employer policy in December 2015
7.	<b>Pensions Administration</b>		
7.1	<p>An understanding of best practice in pensions administration</p> <ul style="list-style-type: none"> <li>- Performance</li> <li>- Cost measures</li> </ul>		Training session for the Panel and Board provided by Nick Weaver in November 2016



Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
7.2	Understanding of the required and adopted scheme policies and procedures relating to: <ul style="list-style-type: none"> <li>- Member data maintenance and record-keeping processes</li> <li>- Internal dispute resolution</li> <li>- Contributions collection</li> <li>- Scheme communications and materials</li> </ul>		Training session for the Panel and Board provided by Nick Weaver in November 2016  The communication policy statement is published each year in the Pension Fund annual report
7.3	Knowledge of how discretionary powers operate		Training session for the Panel and Board provided by Nick Weaver in November 2016
7.4	Knowledge of the pensions administration strategy and delivery <ul style="list-style-type: none"> <li>- Use of third party supplies</li> <li>- Selection of third party suppliers</li> <li>- Performance management and assurance processes</li> </ul>		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"> <li>- Choice of investments to be offered to members</li> <li>- The provider's investment and fund performance report</li> <li>- The payment schedule for such arrangements</li> </ul>		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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