

## HAMPSHIRE COUNTY COUNCIL

### Decision Report

<b>Decision Maker:</b>	Pension Fund Panel and Board
<b>Date:</b>	25 September 2020
<b>Title:</b>	Governance: Pension Fund Panel and Board Training in 2020/21
<b>Report From:</b>	Deputy Chief Executive and Director of Corporate Resources

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#### 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 2020/21.

#### Recommendations

2. That the proposed training arrangements are noted, and Panel and Board members consider any other topics for training that would be beneficial.
3. That the Training Policy and Plan for 2020/21 be approved.
4. That the remainder of the report be noted.

#### Executive Summary

5. This report sets out proposals for the training arrangements for members of the Pension Fund Panel and Board in 2020/21.
6. The report considers the Training Needs Analyses completed by Panel and Board members in 2020. The report also includes proposals for the Panel and Board's training half days in 2020/21 and 2021/22.
7. This report includes the proposed Training Policy and Plan for 2020/21 (attached at Appendix 1) for approval which is based on the Public Service Pension Act 2013 requirement for board members to have the knowledge and

understanding that is appropriate for the purposes of enabling the individual properly to exercise the functions of a member of the pension board.

## **Background**

8. Members of the Pension Fund Panel and Board are asked to complete a Training Needs Analysis, which was designed around the CIPFA Pensions Finance Knowledge and Skills Framework for Elected Representatives and Non-Executives in the Public Sector, and the CIPFA Technical Knowledge and Skills Framework for Local Pension Boards, in order to ensure the Panel and Board meet the requirements set out in the guidance referenced in the regulations.
9. The aim of completing the Training Needs Analysis is to identify members' individual training needs and enable the Training Policy and Plan for 2020/21 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.
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; andhave knowledge and understanding of:
  - the law relating to pensions; and
  - such other matters as may be prescribed.

## **Training Needs Analysis**

11. The Training Needs Analysis forms have been provided to members for their completion, and the majority of responses (17/21) have now been received. It is important that all members return a completed form, and the template form is attached as Appendix 2.
12. The following summary is based on the completed Training Needs Analyses. The training areas for which the largest numbers of Panel and Board members requested training are listed in Table 1 overleaf.

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

	<b>Number of Panel and Board members</b>
Public procurement and supplier risk management	15
Investment strategies, financial markets and regulation	14
Pensions administration strategy and tax	14
Pensions legislative and governance context	13
Performance and advisers	11

13. As well as assessing themselves against the topics included in CIPFA's Knowledge and Skills Framework, Panel and Board members were also invited to propose additional ideas for training which they think could benefit the Panel and Board. So far, suggestions have been received to cover Brexit and the effect on EU/UK rules, an understanding of the role played by third party assurance providers, and an ACCESS Governance update.

### **Proposals**

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

#### **Public procurement and supplier risk management**

15. The requirements of the Public Procurement regulations, which apply to all Local Government procurement, including that associated with pension funds. Also, understanding the nature and scope of risks for the Pension Fund and their importance when selecting third parties. The requirement for procurement for the Pension Fund will significantly diminish now that investments are pooled, and much of Hampshire's investments will be available via ACCESS. However, procurement will potentially be required for advisers and non-pooled investments in the future. Training on the procurement regulations was provided in 2014 and the slides remain available on the Training Library. Procurement regulation could be changing as a result of Brexit negotiations; therefore, it is proposed that an internal training session is arranged for the Panel and Board on public procurement and supplier risk management either in 2021/22 or as a change to procurement regulation and its impact on the Pension Fund becomes clear.

## **Investment strategies, financial markets and regulation**

16. These areas include risk and return characteristics of the main asset classes (equities, bonds, property), and the role of these asset classes in long-term pension fund investing. Within investment markets is a requirement for a broad understanding of the workings of the financial markets and of the investment vehicles available to the Pension Fund and the nature of the associated risks. Panel and Board members also need to have an awareness of the limits placed by regulation on the investment activities of local government pension funds.
17. 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/>
18. The Fund’s investment strategy was reviewed during 2016/17 and 2020 with the advice of Hymans Robertson who attended Panel and Board meetings as an extension of their advice, providing guidance and understanding. These reports are available from the officers and provide useful background as a training resource.
19. It is proposed that further training will be provided to give Panel and Board members an overview of the limits placed by regulation on the investment activities of local government pension funds.

## **Pensions administration strategy and tax**

20. 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.

21. The Fund's Administration Strategy details how the Fund deals with each of these areas; this is agreed each year by the Panel and Board and the current version is available in the Annual Report. In addition, Pensions Services report twice a year to the Panel and Board on the performance of the administration of the Pension Fund. Nick Weaver, the previous Head of Pensions, Investments and Borrowing, provided training for the Panel and Board in July 2015 on this area; these slides can be circulated following the meeting. If members require further training following the review of these materials, it is proposed that a training session is delivered on pensions administration strategy during 2021/22.

### **Pensions legislative and governance context**

22. 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.
23. New members are encouraged to attend the LGA Fundamentals course which provides useful background on LGPS legislation and governance; each year a provision is usually in place within the budget for four members to attend this three-day course. Due to the Coronavirus pandemic, the LGA Fundamentals course in its regular format will not take place this year, but the LGA have advised that a series of three, hour long, webinars will be held on 6-8 October 2020 to help provide an introduction to some of the governance and investment issues in the LGPS universe. Panel and Board members have been sent the relevant information to sign up to these webinars.
24. During 2013 and 2017 Tim Hazlewood (who previously delivered the Fundamentals Course for the LGA) delivered his Essentials training to the Panel and Board which heavily features these training requirements. These slides are available from the officers for Panel and Board members to refresh themselves on these areas. Although the slides are a useful reminder, the membership of the Panel and Board has changed since 2017, and it has been found that this kind of content is best delivered by a trainer, and therefore it is proposed that Tim Hazlewood is invited back to provide a training session on these training requirements during 2021/22. This date is suggested as it will be four years since the previous course and allows for a change in County Councillors' membership of the Panel and Board. The Panel and Board should note that Tim Hazlewood has made the decision to not provide training virtually at this time.

## Performance and advisers

25. 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 earlier in 2020, with the advice of Hymans Robertson, who attended Panel and Board meetings as an extension of their advice, providing guidance and understanding. These reports are available from the officers and provide useful background as a training resource.

## Training sessions in 2020/21 and 2021/22

26. 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.
27. The proposals in Table 2 below set out a suggested programme for 2020/21 and 2021/22 for the Panel and Board's comments.

**Table 2 – Proposals for the Panel and Board's training sessions in 2020/21 and 2021/22**

	<b>Topics</b>
2020/21	An understanding of the role played by third party assurance providers including pensions accounting and auditing standards (Neil Pitman)
	ACCESS and pooling (Andrew Boutflower)
	Investment strategies, financial markets and regulation (TBC)
	Growth investing (Baillie Gifford)
2021/22	LGPS Essentials (Tim Hazlewood – Pentag)
	Public procurement and supplier risk management - post Brexit (Legal Services / MJ Hudson)
	Pensions administration strategy (Andy Lowe)

**Table 2 – Proposals for the Panel and Board’s training sessions in 2020/21 and 2021/22**

**Topics**

Asset Backed Securities (Insight/24AM)

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

**Impact of the Coronavirus pandemic**

29. The Panel and Board’s programme of training sessions will be conducted in line with Hampshire County Council policy on meetings during the Coronavirus pandemic. Panel and Board members will be notified of all arrangements in advance of these training sessions.

**Training Policy and Plan 2020/21**

30. The Panel and Board has fully supported the principle that Panel and Board members and officers should have access to training on Pension Fund matters to be able to fulfil their duties to the appropriate standard. To that end, a Training Policy and Plan is prepared each year and agreed by the Panel and Board. The proposed Training Policy and Plan for 2020/21 is attached as Appendix 1.
31. The Training Policy and Plan is an important part of demonstrating from a governance perspective that proper training in Pension Fund matters is made available to and undertaken by Panel and Board members.
32. Changes from last year’s Training Policy and Plan have been highlighted in Appendix 1. No major changes have been made, although the Training Policy and Plan has been updated for the training sessions in 2020/21 and 2021/22, and the budget for 2020/21.

**Training budget**

33. Table 3 overleaf provides a summary of the training budget and actual expenditure for 2019/20, as well as a proposed budget for 2020/21.
34. The budget for 2020/21 includes three places at the LGC Investment & Pensions Summit, as well as two places at the LGC Investment Seminar at Chester (with the possibility of an additional free place), in line with attendance in previous years. In a normal year the budget would also include the provision for four members of the Panel and Board to attend the LGA Fundamentals course, however as the LGA will not be running this course this year due to the ongoing Coronavirus outbreak, this provision has been removed from the budget. This provision will be reinstated in the budget for 2021/22.
35. In previous years the LGC Investment Summit has taken place during September at Celtic Manor, but as a result of the current and ongoing Coronavirus outbreak the LGC Investment Summit has been moved to 3-5 March 2021, and will be held at the Royal Armouries Museum & New Dock Hall, in Leeds.
36. Training costs are met from the governance costs of the Pension Fund. Re-allocation of planned places at courses within the budget is possible, should the Panel and Board feel it would meet training needs better to give priority to different events.

**Table 3 – Training budget**

	2019/20 Budget £	2019/20 Actuals £	2020/21 Budget £
<b>Attendance at Conferences / Seminars etc.</b>			
LGC Investment & Pensions Summit (Celtic Manor, September)	2,850	3,996	3,000
LGC Investment Seminar (Chester, March)	1,200	1,258	1,260
LG Employers Fundamentals Course	2,760	780	0
Other conferences	0	0	0
	<hr/> 6,810	<hr/> 6,034	<hr/> 4,260
<b>In-house training sessions</b>			
Fees paid to trainers	0	0	0
Other costs	160	0	160
	<hr/> 160	<hr/> 0	<hr/> 160
<b>Total training budget</b>	<b>6,970</b>	<b>6,034</b>	<b>4,420</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 days are intended to provide training on topics which will benefit the majority of Panel and Board members, individual members may find that they have additional areas on which they may require training or perhaps on which they wish to refresh their knowledge.
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). The officers are exploring what the best possible IT solution is to transfer the training materials to an online library to allow members to log in and access as required; details will be provided to members once the project is completed.
41. The collection of training materials contains slides (and supplementary materials, where appropriate) 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. Over the last 6 months, no in-person training has taken place due to the impact of the Coronavirus pandemic. Instead, Panel and Board members have been invited to a great number of free of charge webinars organised by recognised professionals within the industry.
44. In the case of appropriate, free of charge webinars, it has been decided that Panel and Board members are not required to complete the training request form, but must complete the training evaluation form (available at Annex 2 to Appendix 1 of this report) following the event to enable the recording of training in line with the Pension Fund's policy.

### **Training logs for 2019/20**

45. Training logs are maintained by Director of Corporate Resources' staff for each member of the Panel and Board based upon members' input, in order to record the training undertaken during the year. Training logs for 2019/20 were circulated to Panel and Board members for review, and included details of all relevant training courses, seminars and events attended by each member. These logs have since been included in the published draft Annual Report.
46. The training logs also include an assessment of whether each training event has fulfilled the need it was intended to meet.
47. 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.

### **Annual Employers Meeting 2020**

48. The Annual Employers Meeting is currently scheduled to be held in Ashburton Hall in Winchester on 9 November 2020 starting at 10:00 am, and Panel and Board members are encouraged to attend the Annual Employers Meeting if they are available. It is expected that due to the ongoing Coronavirus pandemic that this meeting will not take place as an in-person event and will instead take place using the MS Teams platform. Panel and Board members as well as employers of the Fund will be advised as appropriate.



**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 2020/21

#### 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 2020/21. 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 2020.

#### 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 Deputy Chief Executive and Director of Corporate Resources 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; andhave 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 21 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)

**15 years**



**Table 1****Membership of the Pension Fund Panel and Board**

Tom Thacker (Vice Chairman)	11 years
Christopher Carter	11 years
Alan Dowden	3 years with previous membership on the Pension Fund Panel
Jonathan Glen	3 years
Andrew Gibson	8 years
Andrew Joy	7 years
Peter Latham	4 years
Bruce Tennent	11 years
County Council deputies:	
Keith House	6 years
Derek Mellor	3 years
Michael White	2 years
Roger Price	2 years
City Councils' representative:	
Stephen Barnes-Andrews	2 years with previous membership on the Pension Fund Panel
<b>Cal Corkery</b>	New member
District councils' representative:	
<b>Paul Taylor</b>	New member
Other employers' representative:	
<b>Liz Bartle</b>	New member
Pensioners' representative	
Cliff Allen	6 years
Deferred members' representative:	
<b>Lindsay Gowland</b>	New member
Employees' representative:	
Neil Wood	4 years
Sarah Manchester	2 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 2020/21 will be discussed by the Panel and Board at this meeting. As a result, eight training sessions have been planned for 2020/21 and 2021/22 which directly relate to the training needs identified.
24. The Director of Corporate Resources' 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) 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. Examples include the Trustee Toolkit which 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 2020/21 and 2021/22**

26. This training plan for 2020/21 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.
27. 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 below sets out the programme for 2020/21 and 2021/22, 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 2020/21 and 2021/22**

#### **Topics**

#### **2020/21**

An understanding of the role played by third party assurance providers including pensions accounting and auditing standards (Neil Pitman)

ACCESS and pooling (Andrew Boutflower)

Investment strategies, financial markets and regulation (TBC)

Growth investing (Baillie Gifford)

#### **2021/22**

LGPS Essentials (Tim Hazlewood – Pentag)

Public procurement and supplier risk management - post Brexit (Legal Services / MJ Hudson)

Pensions administration strategy (Andy Lowe)

Asset Backed Securities (Insight/24AM)

28. 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.

29. 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 Summit held in September each year. The Pension Fund's investment managers hold annual client conferences and the Fund's actuary Aon Hewitt also provides training events. The Deputy Chief Executive and Director of Corporate Resources' staff will continue to circulate details of these training opportunities to members.
30. If new members are appointed to the Panel and Board, the training proposed is as follows:
- Attending the "Fundamentals" course held by the Local Government Association, which specifically covers the basics for the LGPS.
  - Attending the training sessions to be held during 2020/21.
  - Completing the Training Needs Analysis for Panel and Board members, to help identify any additional training requirements.
  - Informing new members of any external conferences and training opportunities in the future, along with the rest of the Panel and Board.
31. 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.
32. Panel and Board members will also be able to undertake background reading on pension fund matters and this too can contribute to meeting their training needs.

### Training budget

33. Table 3 below shows the training budget for 2019/20, with the actuals for comparison, together with the proposed budget for 2020/21.
34. The budget for 2020/21 includes three places at the LGC Investment & Pensions Summit, as well as two places at the LGC Investment Seminar at Chester (with the possibility of an additional free place), in line with attendance in previous years. In a normal year the budget would also include the provision for four members of the Panel and Board to attend the LGA Fundamentals course, however as the LGA will not be running this course this year due to the ongoing Coronavirus outbreak, this provision has been removed from the budget. This provision will be reinstated in the budget for 2021/22.
35. 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**

	2019/20 Budget £	2019/20 Actuals £	2020/21 Budget £
<b>Attendance at Conferences / Seminars etc.</b>			
LGC Investment & Pensions Summit (Celtic Manor, September)	2,850	3,996	3,000
LGC Investment Seminar (Chester, March)	1,200	1,258	1,260
LGA Fundamentals Course	2,760	780	0
Other conferences	0	0	0
	<b>6,810</b>	<b>6,034</b>	<b>4,260</b>
<b>In-house training sessions</b>			
Fees paid to trainers	0	0	0
Other costs	160	0	160
	<b>160</b>	<b>0</b>	<b>160</b>
<b>Total training budget</b>	<b>6,970</b>	<b>6,034</b>	<b>4,420</b>

### Training logs

36. 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

37. The actual training undertaken by Panel and Board members in 2020/21 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 (2020)

Name:

Date:

### Key to rating of whether knowledge is Essential or Desirable

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

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
1.	<b>Pensions legislative and governance context</b>		
1.1	<b>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 2014 Fundamentals Training Schroders Trustee Training
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> <li>- the LGPS 2014 scheme from April 2014</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
	<ul style="list-style-type: none"> <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 section and website</p>
1.3	<p>An awareness of the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 and their main features.</p> <ul style="list-style-type: none"> <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>		<p>Training session provided by Tim Hazelwood on 20 September 2013 and 24 November 2017 Fundamentals Training</p>

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> <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	<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</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 Fundamentals Training Annual Report Pensions 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> <li>- dispute resolution procedures</li> </ul>		<p>Training session provided by Paul Hodgson on 11 December 2015</p>

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
1.7	<p><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 session November 2014, and training session provided by Paul Hodgson on 11 December 2015</p> <p>Fundamentals Training Annual Report Pensions Services website</p>
1.8	<p>Awareness of the role and statutory responsibilities of the treasurer and monitoring officer.</p> <ul style="list-style-type: none"> <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 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>Reviewed each autumn by the Panel and Board Published in the Pension Fund's Annual Report</p>

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
1.10	<p>Knowledge of the Myners principles and associated CIPFA and SOLACE guidance.</p> <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>		<p>Reflected in the Pension Fund's statutory documents reviewed by the Panel and Board autumn and published in the Annual Report</p>
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>		<p>Through membership of the Pension Fund Panel and Board, and from training session provided by Paul Hodgson on 11 December 2015</p> <p>Considered during the appointment of the Independent Adviser in 2011</p>
1.12	<p>Knowledge of the stakeholders of the pension fund and the nature of their interests.</p>		<p>Training session provided by Tim Hazelwood on 20 September 2013 and 24 November 2017</p>

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
	<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> <li>- pensioners</li> <li>- deferred pensioners</li> <li>- council tax payers</li> </ul>		Fundamentals Training
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 in the autumn and published in the Annual Report</p> <p>Available on Pensions 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>		The Risk Management Report is published in the Pension Fund's annual report
1.15	Understanding how conflicts of interest are identified and monitored		Training session provided by Paul Hodgson on 11 December 2015
1.16	Understanding how breaches in law are reported		Training session provided by Paul Hodgson on 11 December 2015

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
			Module on breaches in the Trustee Toolkit online learning resource
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 Resources</li> </ul>		<p>Reflected in the Pension Fund's Statement of Accounts published each year</p> <p>Neil Pitman session 28 February 2014</p>
2.2	<p>Awareness of the role of both internal and external audit in the governance and assurance process.</p> <ul style="list-style-type: none"> <li>- Internal Audit</li> <li>- external Independent Audit, currently provided by Ernst &amp; Young</li> </ul>		<p>Neil Pitman session 28 February 2014</p> <p>Reports to the Panel and Board by the Chief Internal Auditor. Independent Auditor's report included in the Statement of Accounts.</p>
2.3	An understanding of the role played by third party assurance providers		Training session for the Panel and Board provided by Nick Weaver in November 2016
3.	<b>Financial services procurement and relationship management</b>		
3.1	<b>Understanding public procurement</b>		As incorporated in the procurement processes over the years for investment managers and

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
	<p>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.</p> <ul style="list-style-type: none"> <li>- CIPFA guide to procuring efficiency in public sector pensions administration, published in 2011</li> </ul>		<p>other service providers, and Procurement training session July 2014.</p>
3.2	<p>A general understanding of the main public procurement requirements of UK and EU legislation.</p> <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>		<p>As above</p>
3.3	<p><b>Supplier risk management</b></p> <p>Understanding of the nature and scope of risks for the pension fund and of the importance of considering risk factors when selecting third parties.</p> <ul style="list-style-type: none"> <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>		<p>Procurement training session July 2014</p>
3.4	<p>An understanding of how the pension fund monitors and manages the performance of their outsourced providers.</p>		<p>Training session for the Panel and Board provided by Nick Weaver in November 2016 Reports to the Panel and Board on pension administration</p>



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>		
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> </ul>		<p>Reflected in the regular reports considered by the Panel and Board on investment matters</p> <p>Schroders training session July 2014 Schroders Trustee Training</p>

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> <li>- basis for fees, including ad valorem fees and performance fees</li> <li>- transaction costs</li> </ul>		
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	<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 Resources</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> </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>- banker</li> <li>- actuary</li> <li>- independent adviser</li> <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	<p><b>Investment strategy</b> 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: <ul style="list-style-type: none"> <li>- equities, both UK and overseas</li> <li>- bonds, both Government and corporate</li> </ul> </li> <li>- index linked bonds</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 multi asset credit provided by Western in October 2017, and by Alcentra in November 2018</p>

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> <li>- property, direct and indirect funds</li> <li>- alternative investments, including private equity, hedge funds and other categories</li> <li>- exchange traded funds (ETFs)</li> <li>- cash</li> <li>- 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>
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>		<p>Training session for the Panel on investment strategies by Aon Hewitt in July 2014.</p> <p>Training sessions for the Panel on LDI by Schroders in June and November 2011</p>
5.3	<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> <li>- tax and Pension Fund investments</li> <li>- investment styles, including "growth" and "value" managers etc</li> </ul>		

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
	<ul style="list-style-type: none"> <li>- risk assessment in investment decisions</li> <li>- stock lending</li> </ul>		
5.4	<p>An awareness of the limits placed by regulation on the investment activities of local government pension funds.</p> <ul style="list-style-type: none"> <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> </ul> <ul style="list-style-type: none"> <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>
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> <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>		<p>Updates on tax reclaims are reported annually in Panel and Board papers</p>

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
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> <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>		<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>
6.3	Awareness of the importance of monitoring early and ill health retirement strain costs.		Training session for the Panel and Board provided by Nick Weaver in July 2015

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
	<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>		
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
6.5	<p><b>Outsourcing</b> 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	A general understanding of the importance of the employer covenant and the relative strengths of the covenant across the fund employers		Report to the Panel and Board on the draft employer policy in December 2015
7.	<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
7.2	<p>Understanding of the required and adopted scheme policies and procedures relating to:</p> <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>		<p>Training session for the Panel and Board provided by Nick Weaver in November 2016</p> <p>The communication policy statement is published each year in the Pension Fund annual report</p>

Key	Training need	Training required? Yes/No	Possible sources of information, including training provided previously
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 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		
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>		

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