

## **REPORT OF THE SERVICE DIRECTOR - FINANCE AND PROCUREMENT**

### **PENSION FUND TRAINING 2012/13**

#### **Purpose of the Report**

1. To seek approval for:-
  - a. the attendance of Members at three Pension Fund conferences specified in the Pension Fund training programme agreed by the Pensions Investment Sub Committee on 22 March 2012;
  - b. the proposed travel and accommodation arrangements for the Pension Fund's Property Inspection in October 2012;
  - c. the provision of a lunch after the meeting of the Pensions Investment Sub Committee on 7 February 2013.

#### **Information and Advice**

2. On an annual basis, the Pensions Investment Sub Committee, and subsequently the Pensions Committee, receives a Pensions Investment Business Plan to support the work of the Sub Committee. The Business Plan includes a training programme which involves attendance at training events throughout the coming year. In order to streamline the Administration Committee reporting process and to give the Committee a fuller understanding of the training needs involved, this composite report covering the training in 2012/13 has been produced in order to seek the Committee's approval for Member attendance at these events.

#### **Attendance at Pension Fund Conferences**

3. The Pension Fund's Statement of Investment Principles details the responsibilities of the Pensions Investment Sub Committee's Members (or trustees, as they are also known) and specifies that Members should be encouraged to receive suitable training to help them discharge their responsibilities. This is endorsed at a national level by both the Myners Principles, which detail best practice in the management of pension investments, and the Pensions Act 2004, which says that trustees must have appropriate knowledge and understanding of pension fund assets and the funding of pension schemes. Accordingly, the Pension Fund's Training Policy identifies the attendance at major conferences as an important means of maintaining

Members' knowledge and understanding and these feature in the Business Plan.

4. The training programme for 2012/13 was agreed by the Pensions Investment Sub Committee on 22 March 2012 and Members' attendance at the following conferences is proposed:-

a. National Association of Pension Funds Local Authority Conference – 2 Members

The National Association of Pension Funds (NAPF) provides representation and advice to its 1200 members in both the private and public sector in the UK. The County's Pension Fund is a member of NAPF. The NAPF Local Authority Conference is being held in The Cotswolds between 21 and 23 May 2012. This Conference is specifically relevant to Local Authorities' Pension Scheme trustees and provides the opportunity to hear from leading government and industry figures on key issues. The Conference will include keynote speeches, together with specialist breakout sessions on pensions administration, investment and thought leadership. The estimated costs of the attendance of two Members and one officer are:

	£
Registration fees and accommodation	1200
Travel expenses – by car	<u>300</u>
	1500

b. Local Government Chronicle Investment Summit – 2 Members

This conference provides a high quality overview of the current issues affecting local authority Pension Funds. It will be held on 6 and 7 September 2012. The Summit will cover a number of important issues including the direction of the economy, asset allocation strategies, responsible ownership, funding and sustainability. The estimated costs of the attendance of two Members and one officer are:

	£
Registration fees and accommodation	3600
Travel expenses – by car	<u>300</u>
	3900

c. Local Authority Pension Fund Forum Conference – 2 Members

The Authority is a member of the Local Authority Pension Fund Forum (LAPFF) and as such is entitled to two free delegate places at the LAPFF Conference 2012 taking place in early December 2012. The Conference will focus on maximising local authority pension funds' influence as shareholders and on promoting corporate social responsibility. It is proposed that the Conference is attended by two Members and one officer. The cost of attendance of two Members and one officer at the Conference is estimated as:

£

Registration fee	400
Accommodation	975
Travel expenses – by car	<u>250</u>
	1625

### **Pension Fund Property Inspection 2012**

5. The Pension Fund has a larger proportion of its assets invested in property than most pension funds and at the last valuation, the Fund's total investment in UK property assets amounted to approximately £292m, or 10% of the Fund's value. The vast bulk of the property portfolio is managed by Aberdeen Property Investors. Each year, Aberdeen arranges a property inspection to better inform Members of the type and quality of property held by the Fund. The inspection, which is likely to take place this year in Scotland, provides Members with the opportunity to:-
- a) appreciate the nature and potential of the properties in the Fund's portfolio
  - b) assess the investment performance of each property at first hand
  - c) discuss with the Fund Managers their plans for the properties and offer views on proposed strategies
  - d) assess the state of the property market specific to the properties inspected
  - e) increase their awareness of the Fund Manager's performance.

The properties to be inspected are being finalised, as are the dates of the inspection which will take place over three days in October 2012. The estimated costs of the property inspection based upon 12 Members and officers attending are:

	£
Travel	3600
Accommodation	<u>4500</u>
	8100

### **Hospitality after the Pensions Investment Sub Committee Meeting – February 2013**

6. The 7 February 2013 meeting of the Pensions Investment Sub Committee meeting is held at County Hall and is attended by the Fund Managers who work for the Pension Fund. It has become customary to provide lunch after the meeting. This reciprocates hospitality provided by the Fund Managers after the three other Pensions Investment Sub Committees attended by the Fund Managers. The estimated cost of providing the lunch is approximately £750.
7. The total estimated cost involved in the above is £15,875 and this cost will be met from the Pension Fund's budget for Trustee Activities and Training.

## **Statutory and Policy Implications**

8. This report has been compiled after consideration of implications in respect of finance, equal opportunities, human resources, crime and disorder, human rights, the safeguarding of children, sustainability and the environment and those using the service and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

## **RECOMMENDATIONS**

9. That approval is given to:-
- a) the attendance of Members at the three Pension Fund Conferences specified in the Pension Fund training programme, agreed by the Pensions Investment Sub Committee, in accordance with the Pension Fund's training policy and to meet the requirements of the Myners Principles;
  - b) the proposed travel and accommodation arrangements for the Pension Fund's Property Inspection in October 2012 and associated costs to be met from the Pension Fund's budget;
  - c) the provision of a lunch after the meeting of the Pensions Investment Sub Committee on 7 February 2013.

**Neil Robinson**

**Group Manager (Investments and Treasury Management)**

**For any enquiries about this report please contact: Neil Robinson (ext. 73578)**

**Constitutional Comments (SLB 10/04/12)**

10. The Administration Committee is responsible for approving expenditure to be incurred for Member attendance at conferences and seminars including expenditure on travel, accommodation and associated costs. This Committee is also responsible for authorising hospitality to be offered by the County Council. The proposals in this report are therefore within the remit of this Committee.

**Financial Comments (NDR 02/04/12)**

11. The financial implications are highlighted throughout the report and summarised in paragraph 7.

## **Background Papers Available for Inspection**

Nil.

## **Electoral Division(s) and Member(s) Affected**

All.