

17 March 2015**Agenda Item:**

REPORT OF SERVICE DIRECTOR – FINANCE & PROCUREMENT

PENSIONS INVESTMENT SERVICE PLAN AND TRAINING

Purpose of the Report

1. To inform Members of the Pensions & Treasury Management Service Plan in respect of pension fund investments for 2015/16 and of progress against the 2014/15 plan. To note the attendance at conferences and training during 2014/15 and to seek approval for attendance at conferences and training in 2015/16.

Information and Advice

2. It is considered best practice that a business plan is agreed to support the work of the Fund, including major milestones and issues to be considered during the year and appropriate provisions regarding training. The investment related activity of the Fund is supported by the Pensions & Treasury Management team within the Finance & Procurement Division and this team produces a service plan each year outlining key tasks and outputs.
3. The relevant parts of the plan for 2014/15 were presented to the Nottinghamshire Pension Fund Committee in March 2014 and these are reviewed at **Appendix A**. The majority of issues were properly considered and appropriate actions taken but outstanding items that remain relevant have been included in the plan for 2015/16. The relevant extracts of the plan for 2015/16 are shown at **Appendix B**.
4. The Fund is committed to ensuring those charged with decision-making and financial management have effective knowledge and skills and this is achieved through attendance at key conferences and the provision of specific training and information for members. **Appendix C** shows attendance at conferences and training during 2014/15. Reports have been presented to the Pensions Sub-Committee on each of the conferences attended and the property inspection.
5. It is proposed to arrange a further property inspection in 2015/16 and to continue to attend key pension conferences. The Local Government Employers (LGE) LGPS Fundamentals course is well regarded by those who have attended and it is proposed to continue to offer this course to new members of the Committees or those wishing to refresh existing knowledge.

7. Approval is sought for attendance at the following conferences and training in 2015/16. Nominations will be sought in due course for attendance at these events.

| Conference | Location | Date | Attendance |
|---------------------------------|-----------------|---|--|
| NAPF Local Authority Conference | Cotswolds | 18 th – 20 th May 2015 | 2 Members 1 Officer |
| LGE LGPS “Trustees” Conference | Bournemouth | June | 2 Members 1 Officer |
| LGC Investment Summit | Celtic Manor | 9 th – 11 th Sep 2015 | 2 Members 1 Officer |
| LAPFF Annual Conference | Bournemouth | 2 nd – 4 th Dec 2015 | 1 Member 1 Officer |
| Property Inspection | Various | October | Available to all members of Sub-Committees |
| LGE LGPS Fundamentals Course | Various | October to December | New Members and Members requiring refresher training |

Reason/s for Recommendation/s

8. It is considered best practice for an administering authority to prepare a business plan to support the work of the Fund and to ensure those charged with decision-making and financial management have effective knowledge and skills.

Statutory and Policy Implications

9. This report has been compiled after consideration of implications in respect of crime and disorder, finance, human resources, human rights, the NHS Constitution (Public Health only), the public sector equality duty, safeguarding of children and vulnerable adults, service users, sustainability and the environment and ways of working and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

RECOMMENDATION/S

- 1) That the review of the 2014/15 Service Plan be noted.
- 2) That the 2015/16 Plan be noted.
- 3) That it be noted that attendance at key conferences and training is part of the Fund’s commitment to ensuring those charged with decision-making and financial management have effective knowledge and skills.
- 4) That attendance at conferences and training during 2014/15 be noted.
- 5) That attendance at conferences and training as shown at paragraph 7 be approved.

Name of Report Author: Simon Cunnington

Title of Report Author: Senior Accountant – Pensions & Treasury Management

For any enquiries about this report please contact: Simon Cunnington

Constitutional Comments (KK 03/03/2015)

1. The proposals in this report are within the remit of the Nottinghamshire Pension Fund Committee.

Financial Comments (SRC 23/02/15)

2. Costs associated with attending conferences and other training events are a legitimate charge to the Fund in accordance with governing regulations. An appropriate proportion of the costs of the Pensions & Treasury Management team is recharged to the Fund on an annual basis.

Background Papers

None

Pensions & Treasury Management Service Plan 2014/15

The relevant parts of the 2014/15 Service Plan are shown below with comments on progress.

| Output/Tasks | Deadline | Comments |
|---|----------|--|
| Investment Performance | | |
| Manage In-house portfolio | Ongoing | Transactions, values and returns reported to Investment Sub-Committee each quarter. |
| Monitor Fund performance against strategy | Ongoing | Fund valuation reported to Investment Sub-Committee each quarter. Fund performance presented to Pensions Sub-Committee by State Street (WM). |
| | | |
| Statement of Accounts | | |
| Prepare statement of accounts | 31/05/14 | Produced on time and with an unqualified audit opinion. |
| Report to Pension Fund Committee | 30/09/14 | Report to Pension Fund Committee on 16/09/14 to present the accounts and the external auditor's ISA260 report. |
| | | |
| Annual Report | | |
| Prepare and publish annual report | 31/08/14 | Annual report completed ahead of regulatory deadline and published on the Fund website on 30/09/14. |
| | | |
| IAS19/FRS17 Reports | | |
| Year-end 31st March | | Reports relating to accounting disclosures commissioned from actuary on behalf of employers. |
| Year-end 31st July | | |
| Year-end 31st August | | |
| | | |
| Quarterly Closedown and Reporting | | |
| Quarter end March | 28/05/14 | All records reconciled and reports submitted by publication deadlines. Performance data submitted to WM. ONS returns completed. |
| Quarter end June | 27/08/14 | |
| Quarter end September | 19/11/14 | |
| Quarter end December | 25/02/15 | |
| | | |
| Advice and Support to Committees etc | | |
| Pensions Investment Sub-Committee | | Quarterly valuation and performance summary reports produced. |
| Pensions Sub-Committee | | Reports produced in accordance with the Work Programmes for each committee. |
| Nottinghamshire Pension Fund Committee | | |

| | | |
|--|----------|---|
| Pensions Working Party | | Two Working Parties held to consider: 1. additional property investments 2. private equity, infrastructure and activist equity investments |
| Advice and information to committee members | | Advice provided as required. |
| Consider Training Needs Analysis to support training programme for committee members | | This has not yet been carried out but will be included in the 2015/16 Service Plan and work programme for the Pensions Sub-Committee. |
| | | |
| Other | | |
| Consider tender for Actuarial Services | 31/07/14 | Contact extended in line with provision within existing contract. |
| Consider tender for Independent Adviser | 31/07/14 | Tender in February/March 2015 with view to award from June. |
| Consider tender for Proxy Voting Services | 31/08/14 | Tender in February/March 2015 with view to award from April. |
| Impact of new Pensions Admin system | 30/11/14 | Reports have been brought to Pensions Sub-Committee on progress with the new system. The reporting requirements for accounting purposes will be assessed now the system is live. |
| Implementation of Pensions Board | | New governance requirement from 01/04/15. Report to be taken to Full Council to establish the Board. |
| Review Fund policies | | The following statements have been review and revised as appropriate: <ul style="list-style-type: none"> • Funding Strategy Statement • Statement of Investment Principles • Risk Management Strategy and Risk Register |

Pensions & Treasury Management Service Plan 2015/16

The relevant parts of the 2015/16 Service Plan are shown below.

| Output/Tasks | Deadline | Comments |
|---|----------|---|
| Investment Performance | | |
| Manage In-house portfolio | Ongoing | |
| Monitor Fund performance against strategy | Ongoing | |
| Statement of Accounts | | |
| Prepare statement of accounts | 31/05/15 | |
| Report to PF Committee | 30/09/15 | |
| Annual Report | | Regulatory deadline 1st December |
| Prepare and publish annual report | 30/09/15 | |
| IAS19/FRS17 Reports | | |
| Year end 31st March | 31/04/15 | Reports relating to accounting disclosures commissioned from actuary on behalf of employers. |
| Year end 31st July | 31/08/15 | |
| Year end 31st August | 30/09/15 | |
| Quarterly Closedown | | |
| Quarter end March | 27/05/15 | Reconcile records and prepare reports for Sub-Committee. Submit performance data to WM. Complete ONS returns. |
| Quarter end June | 26/08/15 | |
| Quarter end September | 25/11/15 | |
| Quarter end December | 24/02/16 | |
| Advice and Support to Committees etc | | |
| Pensions Investment Sub-Committee | Ongoing | Reports produced from Quarterly Closedown process |
| Pensions Sub-Committee | Ongoing | Work Programme will be maintained to assist the management of the Committees' agendas, the scheduling of Committee business and forward planning. |
| Nottinghamshire Pension Fund Committee | Ongoing | |
| Pensions Working Party | Ongoing | Two Working Parties scheduled. Items for consideration will be determined in conjunction with the Chairman. |
| Advice and information to committee members | Ongoing | As required. |
| Consider Training Needs Analysis | 30/06/15 | Schedule in Work Programme |
| Triennial Valuation | | Due as at 31 March 2016 |
| Set preliminary meeting with actuaries | 30/11/15 | |

| | | |
|------------------------------------|----------|---|
| Other | | |
| Review Fund policies | Ongoing | Review policies and revise as appropriate |
| Tender for Independent Adviser | 30/06/15 | Aim for award from June 2015 |
| Tender for Proxy Voting Services | 30/04/15 | Aim for award from April 2015 |
| Implementation of new Admin system | 30/06/15 | Ensure reporting requirements are met |
| Implementation of Pensions Board | Ongoing | Assess resource impact once established |

Attendance at conferences and training during 2014/15

| Event/Training | Location | Date | Attendance |
|---|-----------------|---------------------|---|
| NAPF Local Authority Conference | Cotswolds | May | Cllr Ken Rigby Cllr Thulani Molife Nigel Stevenson (Officer) |
| LGE LGPS "Trustees" Conference | Bournemouth | June | Cllr Parry Tsimbirdis Cllr Reg Adair Simon Cunnington (Officer) |
| LGC Investment Summit | Celtic Manor | September | Cllr Sheila Place Cllr Thulani Molife Simon Cunnington (Officer) |
| LAPFF Annual Conference | Bournemouth | December | Cllr John Wilkinson Neil Robinson (Officer) |
| Property inspection including training on Strategic Land | Various | October | Cllr Ken Rigby Cllr Sheila Place Cllr John Wilkinson Cllr Reg Adair Cllr Thulani Molife Executive Mayor Tony Egginton Chris King Alan Woodward Dave Forster (Officer) Neil Robinson (Officer) Simon Cunnington (Officer) |
| Local Government Employers LGPS Fundamentals course (3 days) | Various | October to December | Cllr Thulani Molife Terry Needham Alan Woodward |
| Presentation of Independent Review of Fund Performance WM Company | County Hall | November | Cllr Rigby Cllr Adair Cllr Barnfather Cllr Mrs Cutts MBE Cllr Place Cllr Tsimbirdis Cllr Wilkinson Chris King Alan Woodward Terry Needham Dave Forster (Officer) Neil Robinson (Officer) Nigel Stevenson (Officer) Sarah Stevenson (Officer) Simon Cunnington (Officer) |
| Training on Asset Classification and Dilapidations Aberdeen Asset Management | Edinburgh | March | Cllr Darren Langton Cllr Ken Rigby Cllr Chris Barnfather |

Appendix C

| | | | |
|--|--|--|---|
| | | | Cllr Ian Campbell Cllr Parry Tsimbiridis Cllr Thulani Molife Executive Mayor Tony Eggington Neil Timms Chris King Alan Woodward Dave Forster (Officer) Neil Robinson (Officer) Simon Cunningham (Officer) |
|--|--|--|---|