

25 March 2014**Agenda Item:5**

REPORT OF SERVICE DIRECTOR – FINANCE & PROCUREMENT

PENSIONS INVESTMENT SERVICE PLAN AND TRAINING

1. Purpose of the Report

1. To inform Members of the Pensions & Treasury Management Service Plan in respect of pension fund investments for 2014/15 and of progress against the 2013/14 plan. To note the attendance at conferences and training during 2013/14 and to seek approval for attendance at conferences and training in 2014/15.

2. 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 2013/14 were presented to the Nottinghamshire Pension Fund Committee in April 2013 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 2014/15. The relevant extracts of the plan for 2014/15 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 2013/14. The NAPF Local Authority conference was attended by officers only as the conference fell before the first meeting of the newly constituted Nottinghamshire Pension Fund Committee following the County Council elections in May 2013. 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 2014/15 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. The LGE also offer a conference in June aimed specifically at LGPS “trustees” and it is proposed to add this to the list of key conferences.

6. As detailed in the service plan for 2014/15, a training needs analysis of members will be carried out and this will inform additional training to be arranged during the year.
7. Approval is sought for attendance at the following conferences and training in 2014/15:

Conference	Location	Date	Attendance
NAPF Local Authority Conference	Cotswolds	May	2 Members 1 Officer
LGE LGPS "Trustees" Conference	Bournemouth	June	2 Members 1 Officer
LGC Investment Summit	Celtic Manor	September	2 Members 1 Officer
LAPFF Annual Conference	Bournemouth	December	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

Statutory and Policy Implications

8. This report has been compiled after consideration of implications in respect of finance, the public sector equality duty, 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.

RECOMMENDATION/S

- 1) That the review of the 2013/14 Service Plan be noted.
- 2) That the 2014/15 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 2013/14 be noted.
- 5) That attendance at conferences and training as shown at paragraph 7 be approved.

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Constitutional Comments (KK 17/03/14)

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

Financial Comments (SRC 17/03/14)

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 2013/14

The relevant parts of the 2013/14 Service Plan are shown below with comments on progress.

Output/Tasks	Deadline	Comments
Statement of Accounts		
Prepare statement of accounts	31/05/13	Produced on time and with an unqualified audit opinion.
Report to Pension Fund Committee	16/09/13	Report to Pension Fund Committee on 24/9/13 to present the accounts and the external auditor's ISA260 report.
Annual Report		
Prepare annual report	06/09/13	Annual report prepared ahead of regulatory deadline and in time for audit opinion on accounts.
Publish on website and notify employers	20/09/13	Annual report published on Fund website on 20/9/13.
Triennial Valuation		
Provide data to actuaries	30/08/13	Investments data was provided on 5/9/13.
Meeting re preliminary results	18/10/13	Meeting was held on 17/1/14.
Communicate results to employers	31/10/13	Initial results were notified to employers on 19/2/14.
Finalise report and publish	30/03/14	Report will be published on the Fund website by 30/3/14.
Quarterly Reporting		Reconcile records and prepare reports for Sub-Committee
Quarter end March	05/06/13	All records reconciled and reports submitted by required deadlines for publication.
Quarter end June	28/08/13	
Quarter end September	27/11/13	
Quarter end December	05/03/14	
Other		
Determine approach to Member training	01/07/13	New members have continued to attend the LGE Fundamentals course. Two training sessions have been provided by the Fund's investment managers. Information was provided to members on the new performance reports from WM.

Appendix A

Consider items for Myners compliance	01/07/13	No action taken. Will be considered as part of review of Fund Policies.
Determine approach to Investment Strategy	31/10/13	Working parties have been held to consider the bond portfolio and property investments. Resulting changes have been, or are in process of being, implemented. A further working party is proposed to consider the "Specialist" portfolio.
Determine investment impact of new scheme	31/10/13	A report will be brought to the Pensions Sub-Committee in May regarding the implications on investment strategy arising from changes in cash flow highlighted by the triennial valuation process.
Finalise changes to benchmarks	31/10/13	The Fund's strategic and liability based benchmarks have been included in quarterly reports to Investment Sub-Committee from 1/4/13. In addition, estimated 3 and 5 year returns have been included in reports since December 2013.
Consider tender for Actuarial Services	31/03/14	Initial information has been requested on the National LGPS Framework for actuarial services. Will be included in Service Plan for 2014/15.
Consider tender for Independent Adviser	31/03/14	Will be included in Service Plan for 2014/15.
Consider tender for Proxy Voting Services	31/03/14	Will be included in Service Plan for 2014/15.

Pensions & Treasury Management Service Plan 2014/15

The relevant parts of the 2014/15 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	31/05/14	
Report to Pension Fund Committee	30/09/14	
Annual Report		
Prepare and publish annual report	31/08/14	
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	Reconcile records and prepare reports for Sub-Committee. Submit performance data to WM. Complete ONS returns.
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		Normal quarterly valuation and performance summary reports.
Pensions Sub-Committee		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		
Pensions Working Party		As required – Working Party proposed to consider investments within the “Specialist” portfolio.
Advice and information to committee members		As required.
Consider Training Needs Analysis to support training programme for committee members		Assess training needs of members in advance of possible role of the Pensions Regulator within LGPS.

Appendix B

Other		
Consider tender for Actuarial Services	31/07/14	
Consider tender for Independent Adviser	31/07/14	
Consider tender for Proxy Voting Services	31/08/14	
Impact of new Pensions Admin system	30/11/14	
Implementation of Pensions Board		New governance requirements expected from 1/4/15
Review Fund policies		Review policies and revise as appropriate

Attendance at conferences and training during 2013/14

Event/Training	Location	Date	Attendance
NAPF Local Authority Conference	Cotswolds	May	Nigel Stevenson (Officer) Simon Cunnington (Officer)
LGC Investment Summit	Celtic Manor	September	Cllr Parry Tsimbirdis Chris King Simon Cunnington (Officer)
LAPFF Annual Conference	Bournemouth	December	Cllr Darrell Pulk Nigel Stevenson (Officer)
Property inspection including training on Strategic Land	Various	October	Cllr Rigby Cllr Adair Cllr Barnfather Cllr Place Cllr Tsimbirdis Cllr Molife Neil Timms Chris King Chris Holmes (Officer) Nigel Stevenson (Officer) Simon Cunnington (Officer)
Local Government Employers LGPS Fundamentals course (3 days)	Various	October to December	Cllr Barnfather Cllr Tsimbirdis
Presentation of Independent Review of Fund Performance WM Company	County Hall	November	Cllr Smedley MBE Cllr Rigby Cllr Adair Cllr Barnfather Cllr Mrs Cutts MBE Cllr Place Cllr Pulk Cllr Tsimbirdis Cllr Molife Exec. Mayor Egginton Chris King Chris Holmes (Officer) Nigel Stevenson (Officer) Simon Cunnington (Officer)
Training on Asset Allocation Schroder Investment Management	London	December	Cllr Smedley MBE Cllr Rigby Cllr Adair Cllr Barnfather Cllr Place Cllr Tsimbirdis Cllr Wilkinson Cllr Clark Cllr Molife Exec. Mayor Egginton Chris King

Appendix C

			Chris Holmes (Officer) Simon Cunningham (Officer)
Training on Corporate Bonds Kames Capital	Edinburgh	March	Cllr Rigby Cllr Barnfather Cllr Mrs Cutts MBE Cllr Tsimbirdis Cllr Wilkinson Cllr Molife Cllr Morris Chris King Neil Timms Chris Holmes (Officer) Nigel Stevenson (Officer) Simon Cunningham (Officer)