

meeting **ADMINISTRATION COMMITTEE**

date **6 April 2011** agenda item number **6 (c)**

REPORT OF THE SERVICE DIRECTOR (FINANCE)

PENSION FUND TRAINING 2011/12

Purpose of the Report

1. To seek approval for:-
 - a. the attendance of Members at four Pension Fund conferences specified in the Pension Fund training programme agreed by the Pensions Investment Sub Committee on 24 March 2011;
 - b. the proposed travel and accommodation arrangements for the Pension Fund's Property Inspection in September/October 2011;
 - c. the provision of a lunch after the meeting of the Pensions Investment Sub Committee on 9 February 2012.

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 2011/12 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 2011/12 was agreed by the Pensions Investment Sub Committee on 24 March 2011 and Members' attendance at the following conferences is proposed:-

a. National Association of Pension Funds Local Authority Conference – 3 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 Warwickshire between 16 and 18 May 2011. 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 from Lord Hutton, Chair of the Independent Public Service Pensions Commission and Bob Neill MP, Parliamentary Under Secretary of State for Communities and Local Government, together with specialist breakout sessions on pensions administration, investment and thought leadership. The estimated costs of the attendance of three Members and one officer are:

	£
Registration fees and accommodation	1600
Travel expenses – by car	<u>250</u>
	1850

b. Local Government Chronicle Investment Summit – 3 Members

This conference provides a high quality overview of the current issues affecting local authority Pension Funds. It will be held on 8th and 9th September 2011. 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 three Members and one officer are:

	£
Registration fees and accommodation	4800
Travel expenses – by car	<u>300</u>
	5100

c. Local Authority Pension Fund Forum Conference – 1 Member

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 2011 taking place in early December 2011. 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 one Member and one officer. The cost of attendance of one Member and one officer at the Conference is estimated as:

	£
Registration fee	Free
Accommodation	650
Travel expenses – by car	<u>200</u>
	850

d. National Association of Pension Funds Investment Conference – 3 Members

The annual NAPF Conference will be taking place in Edinburgh in March 2012 and is regarded as one of the most authoritative of its type with high profile speakers addressing the key issues in the pensions world. It is proposed that the Conference is attended by three Members and one officer. The estimated cost of the attendance of three Members and one officer is:

	£
Registration fees and accommodation	5000
Travel expenses – by train	<u>500</u>
	5500

Pension Fund Property Inspection 2011

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 £266m, over 9% 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 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 two days in late September or

early October. The estimated costs of the property inspection based upon 15 Members and officers attending are:

	£
Coach hire	850
Accommodation	<u>1750</u>
	2600

Hospitality after Pensions Investment Sub Committee Meeting – February 2012

6. The 9 February 2012 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 £650.
7. The total estimated cost involved in the above is £16,500 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, personnel, crime and disorder and those using the service and where such implications are material they have been described in the text of the report.

RECOMMENDATIONS

9. That approval is given to:-
 - a) the attendance of Members at the four 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 September/October 2011;
 - c) the provision of a lunch after the meeting of the Pensions Investment Sub Committee on 9 February 2012.

ALAN SUMBY
SERVICE DIRECTOR (FINANCE)

Legal Services Comments

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.

Background Papers Available for Inspection

Nil.

Electoral Division(s) and Member(s) Affected

All.