



**REPORT OF SERVICE DIRECTOR – FINANCE, PROCUREMENT &
IMPROVEMENT**

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 2016/17 and of progress against the 2015/16 plan. To note the attendance at conferences and training during 2015/16 and to seek approval for attendance at conferences and training in 2016/17.

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 Resources Department and this team produces a service plan each year outlining key tasks and outputs.
3. The relevant parts of the plan for 2015/16 were presented to the Nottinghamshire Pension Fund Committee in March 2015 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 2016/17. The relevant extracts of the plan for 2016/17 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. Attendance at conferences and training during 2015/16 is shown at **Appendix C**. Reports have been presented to the Pensions Sub-Committee on each of the conferences attended as well as the property inspection.
5. It is proposed to arrange a further property inspection in 2016/17 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 2016/17. Nominations will be sought in due course for attendance at these events.

| Conference | Location | Date | Attendance |
|---|-----------------|---|--|
| PLSA Local Authority Conference (formerly NAPF) | Cotswolds | 16 th – 18 th May 2016 | 2 Members 1 Officer |
| LGE LGPS “Trustees” Conference | Cardiff (2015) | June | 2 Members 1 Officer |
| LGC Investment Summit | Celtic Manor | 7 th – 9 th Sep 2016 | 2 Members 1 Officer |
| LAPFF Annual Conference | Bournemouth | 7 th – 9 th Dec 2016 | 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 2015/16 Service Plan be noted.
- 2) That the 2016/17 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 2015/16 be noted.
- 5) That The Nottinghamshire Pension Fund Committee be recommended to approve attendance at conferences and training as shown at paragraph 7.

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

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Constitutional Comments (KK 18/01/16)

1. The proposals in this report are within the remit of the Pensions Sub-Committee.

Financial Comments (SRC 15/01/16)

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 2015/16

The relevant parts of the 2015/16 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 Global Services. |
| Statement of Accounts | | |
| Prepare statement of accounts | 31/05/15 | Produced on time and with an unqualified audit opinion. |
| Report to PF Committee | 30/09/15 | Report to Pension Fund Committee on 08/09/15 to present the accounts and the external auditor's ISA260 report. |
| Annual Report | | |
| Prepare and publish annual report | 30/09/15 | Regulatory deadline 1st December Annual report completed ahead of regulatory deadline and published on the Fund website on 28/09/15. |
| 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 | All records reconciled and reports submitted by publication deadlines. Performance data submitted to State Street. ONS returns completed. |
| 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 | Quarterly valuation and performance summary reports produced. |
| Pensions Sub-Committee | Ongoing | Reports produced in accordance with the Work Programmes for each committee. |
| Nottinghamshire Pension Fund Committee | Ongoing | |

| | | |
|---|----------|---|
| Pensions Working Party | Ongoing | Two Working Parties held to consider: 1. Investment in equities 2. Emerging markets and the Specialist Portfolio |
| Advice and information to committee members | Ongoing | Advice provided as required. |
| Consider Training Needs Analysis (TNA) | 30/06/15 | Report to Pensions Sub-Committee on 16/07/15 with TNA attached. |
| | | |
| Triennial Valuation | | Due as at 31 March 2016 |
| Set preliminary meeting with actuaries | 30/11/15 | Meeting set for February 2016. |
| | | |
| Other | | |
| Review Fund policies | Ongoing | Retained as item in 2016/17 plan. Policies will be reviewed in light of Pension Board. |
| Tender for Independent Adviser | 30/06/15 | Contract awarded from 01/10/15 |
| Tender for Proxy Voting Services | 30/04/15 | Decision made to participate in creation of LGPS Framework. Mini-tender will be undertaken once established. |
| Implementation of new Admin system | 30/06/15 | Reporting requirements from new system are under review. |
| Implementation of Pensions Board | Ongoing | First meeting of Board held in December 2015. External adviser appointed. Assessment of internal resources required included in 2016/17 plan. |

Pensions & Treasury Management Service Plan 2016/17

The relevant parts of the 2016/17 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 | 27/05/16 | |
| Report to PF Committee and Pension Board | 30/09/16 | |
| | | |
| Annual Report | | Regulatory deadline 1st December |
| Prepare and publish annual report | 30/09/16 | |
| | | |
| IAS19/FRS17 Reports | | |
| Year end 31st March | 29/04/16 | Reports relating to accounting disclosures commissioned from actuary on behalf of employers. |
| Year end 31st July | 31/08/16 | |
| Year end 31st August | 30/09/16 | |
| | | |
| Quarterly Closedown | Reports: | |
| Quarter end March | 31/05/16 | Reconcile records and prepare reports for Sub-Committee. Submit performance data to WM. Complete ONS returns. |
| Quarter end June | 23/08/16 | |
| Quarter end September | 22/11/16 | |
| Quarter end December | 21/02/17 | |
| | | |
| 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 agendas, the scheduling of business and forward planning. |
| Nottinghamshire Pension Fund Committee | Ongoing | |
| Pension Board | Ongoing | |
| Pensions Working Party | Ongoing | Two Working Parties scheduled. Items for consideration will be determined in conjunction with the Chairman. |
| Pension Fund Annual Meeting | October | Presentations to Annual Meeting. |
| Advice and information to committee members | Ongoing | As required. |
| | | |
| Triennial Valuation | | Due as at 31 March 2016 |
| Submit data to actuaries | 29/07/16 | Subject to separate timetable |
| Meet with actuaries to agree assumptions | 30/09/16 | Subject to separate timetable |
| Liaise with Admin re employer comms | Ongoing | |
| Agree final valuation report | 31/03/17 | |

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| LGPS Asset Pooling | | |
| Fortnightly meetings with LGPS Central | Ongoing | |
| Agree work programme with pool | 01/04/16 | |
| Final submission to government | 15/07/16 | |
| Implementation of pool | Ongoing | |
| | | |
| Other | | |
| Review Fund policies | Ongoing | Review policies and revise as appropriate |
| Tender for Proxy Voting Services | 31/12/16 | Utilise LGPS Framework once established |
| Implementation of Pensions Board | 30/04/16 | Assess resources in conjunction with external adviser |

Attendance at conferences and training during 2015/16

| Event/Training | Location | Date | Attendance |
|--|-----------------|---------------------|--|
| NAPF Local Authority Conference | Cotswolds | May | Cllr Parry Tsimbirdis Nigel Stevenson (Officer) |
| LGE LGPS "Trustees" Conference | Cardiff | June | Cllr John Wilkinson Chris King (Union Rep) Jon Clewes (Officer) |
| LGC Investment Summit | Celtic Manor | September | Cllr Reg Adair Cllr Sheila Place Simon Cunnington (Officer) |
| LAPFF Annual Conference | Bournemouth | December | Cllr Chris Barnfather Neil Robinson (Officer) |
| Property inspection including training on: <ul style="list-style-type: none"> • What we look for when investing in property • Overview of RPI/fixed uplift leases in the portfolio | Various | October | Cllr Reg Adair Cllr Mike Pringle Cllr Chris Barnfather Cllr Sheila Place Cllr John Wilkinson Chris King Alan Woodward Dave Forster (Officer) Simon Cunnington (Officer) |
| Local Government Employers LGPS Fundamentals course (3 days) | Various | October to December | Cllr Mike Pringle Cllr John Wilkinson |
| Presentation of Independent Review of Fund Performance State Street Global Services Presentation on the role of the Local Authority Pension Fund Forum Cllr Kieran Quinn (LAPFF Chairman) | County Hall | November | Cllr Reg Adair Cllr Mike Pringle Cllr Ken Rigby Cllr Chris Barnfather Cllr Mrs Kay Cutts MBE Cllr Sheila Place Cllr Parry Tsimbirdis Cllr John Wilkinson Cllr Anne Peach Chris King Alan Woodward Shaun Haggerty Terry Needham Dave Forster (Officer) Neil Robinson (Officer) Sarah Stevenson (Officer) Andy Durrant (Officer) Ciaran Guilfoyle (Officer) Simon Cunnington (Officer) |
| Training will also be given by Kames Capital in advance of the Pensions Investment Sub-Committee meeting | London | March | |