

Pension Fund Committee

14 March 2022

Pension Fund Committee Training



Report of Paul Darby, Corporate Director of Resources

Purpose of the Report

- 1 To provide an overview of the issues considered by the Committee at training held during 2021-22.

Executive summary

- 2 During the 2021-22 financial year the Committee have engaged in a range of training activities to support their overall knowledge and understanding of the Local Government Pension Scheme (LGPS). Additional training has been provided to support any investment decision made by the Committee.

Recommendation(s)

- 3 Members are asked to note this report, and authorise a summary of the Committee's training activity to be published in the Fund's Governance Compliance Statement and Annual Report.

Background

June

- 4 As part of the council's Members' Induction Programme, induction training for the Pension Fund Committee was held on 2nd and 17th June 2021, via 'Teams'. The sessions covered an overview of the Public Service Pension Schemes, Legal Framework and Committee's Terms of Reference, LGPS Benefits and Administration, and Investments. The Investment training was supported by the Fund's consultants, and provided an overview of:
 - The Fund's Primary Objective,
 - Key Considerations When Setting Investment Objectives,
 - Understanding the Asset Allocation,
 - Underlying Asset Classes.
- 5 Supplementary sessions were provided on 16th July for those Members unable to attend.

September

- 6 In September 2021, the Fund's asset pool Border to Coast Pension Partnership held their Annual Conference over two days in conference facilities at Leeds Marriott. The Conference, 'Investing for a Sustainable Recovery', was supported by the pool's external partners and, as well as round table discussions, featured presentations from BCPP, their external asset managers, and the LGA, covering:
 - Pooling in Perspective,
 - Investment Trends,
 - Responsible Investment,
 - Opportunities in Private Markets,
 - Multi-Asset Credit,
 - Investing in China,
 - The Road to Net Zero,
 - Looking Ahead.

- 7 Prior to the Conference, training for new members of the Committee was facilitated by BCPP. The session gave an insight on effective investment strategy, and how asset classes work.
- 8 On 24th September the Fund held a training session focused on a particular asset class: Real Estate. Training was provided in how Real Estate fits within the Fund's current and future strategy, supported by a presentation and question and answer session with the Fund's Investment Consultants. Members also received a presentation from BCPP's Property Team and had the opportunity to discuss BCPP's Real Estate programme with the Team.

October

- 9 In October the Fund held training focused on its Private Markets Considerations. Held remotely via Teams on 8th October 2021, the Fund's Investment Consultants provided a presentation covering:
 - Private Markets within the Fund's Strategic Asset Allocation,
 - Durham's Private Market's Portfolio,
 - Liquid Alternatives
 - Impact Investing
- 10 BCPP also attended the session, with the Pool's Portfolio Manager providing a detailed overview of BCPP's planned Listed Alternatives strategy. BCPP facilitated a question-and-answer session with members regarding Listed Alternatives.

November

- 11 On 10th November the Fund held its Annual Meeting, attended by Fund Employers and members of the Committee. Officers of the Fund presented the Fund's Annual Report for 2020-21 and provided an annual LGPS update. BCPP provided an update on the pool's strategic progress, whilst the Fund's Investment Consultants provided a review of 2020-21 Investment Markets and Investment Management Arrangements. Finally, the Fund's actuary updated members and employers on the funding position since the last Valuation.

December

- 12 Ahead of investment decisions regarding the Fund's Private Markets strategy, the Fund held a training session on 2nd of December 2021 to support members in relation to those decisions. BCPP provided a recap of their Listed Alternatives strategy and discussed that strategy with members. Additionally, members considered a presentation from Foresight who detailed their proposed Regional Investment strategy. Foresight facilitated a discussion with members on the detail of this strategy.
- 13 Supplementing the Private Markets focus, additional training was provided on Responsible Investment (RI) supported by BCPP's Head of RI.

February

- 14 On 10th February the Fund held training to recap the existing strategy in respect of BCPP's Private Markets programme and to consider the pool's Climate Opportunities fund. Members were supported by the Fund's Investment Consultants and Officers, receiving a presentation from BCPP on their Private Markets Series 2. BCPP engaged in a Q&A session with members in respect of Series 2, and the new Climate Opportunities Fund.

Next Steps

- 15 It is proposed that at the next meeting of the Committee a review of the Terms of Reference is undertaken and corresponding training needs analysis is commenced; with a view to establishing a training plan to support the needs of the Committee. A summary of the Committee's training activity will be included as an appendix to the Fund's Governance Compliance Statement, which is included in the Annual Report and Accounts. A copy of the existing Terms of Reference and Governance Compliance Statement are included in appendix 1 and 2 respectively.

Author(s)

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