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pay, pensions and
employment solutions

The Local Government Pensions Committee
Secretary: Terry Edwards

Please pass on sufficient copies of this Circular to your Treasurer/Director of Finance and to your Personnel and Pensions Officer(s) as quickly as possible

No. 210 - APRIL 2008

(1) LGPS TRUSTEES' CONFERENCE

(2) TRUSTEE TRAINING "FUNDAMENTALS VII 2008"

Purpose of this circular:

1. This Circular has been issued to advise authorities of:
 - a) the sixth LGPS Trustees' conference that has been organised by the Local Government Pensions Committee (LGPC) and
 - b) the seventh running of a series of "Fundamentals" regional training events for elected members and others who sit on Pension Committees and/or Panels.
2. Although primarily aimed at elected members, both the conference and training events announced in this Circular will be of interest to other persons who attend Pension Committees, Panels or sub-Committees etc. (e.g. employing authority, Trade Union and pensioner representatives).

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Managing Director Jan Parkinson

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(1) LGPS TRUSTEES' CONFERENCE

Background:

3. Responding to numerous requests from elected members, the LGPC staged an inaugural trustees' conference at York back in September 2003. The conference was specifically aimed at elected members with responsibility for the Local Government Pension Scheme in their area, and a number of speakers addressed issues from a "trustee" perspective. Following the success of the inaugural event, the conference has become an annual event.
4. Delegate places are not restricted to elected members only, indeed the conference has been attended by many officers who either support pension committees or hold pension fund investment/administration responsibilities. The conference also acts as an annual update for those persons who have been through the LGPC's "Fundamentals" course, keeping them up-to-date with developments in the local government pension world.

2008 Conference Details:

5. The sixth annual conference, themed "Peace In Our Time" is to be held on 23rd and 24th October 2008 at the Marriott Hotel, Mill Lane, Cardiff, CF10 1EZ commencing with a buffet lunch at 12:30. The first of the afternoon sessions will commence at 13:45. Following the afternoon programme there will be drinks reception in the evening and a private conference dinner with an after-dinner speaker. Overnight accommodation and breakfast is also included in the conference fee (see cost and booking details below). The second day consists of a full morning's programme concluding with a buffet lunch for delegates at 13:00. This format has been appreciated by previous delegates, as it allows plenty of time for travel and avoids the expense of an extra night's accommodation in many cases. However, if delegates wish to stay the night before the conference i.e. 22nd please contact the Hotel directly and state that you are attending this conference.
6. This year's conference follows six months on from the introduction of a "new look" LGPS in England and Wales, and six months in advance of the "new look" version planned for Scotland (on which the consultation closed on 27 March 2008). A "new look" version is also expected in Northern Ireland in due course. It will be interesting to compare the differences between the schemes and to perhaps see what lessons have been learned.
7. A conference leaflet including details of the two-day programme will be distributed with another LGPC Circular in May 2008. Topics are expected to include:
 - Tiered Ill-Health – The Practicalities
 - Eightieths Versus Sixtieths
 - Funding Levels in a New-Look World
 - The Evidence for Partner's Pensions
 - Councillors' Pensions
 - Investment and Legal Issues

Cost and booking

8. The venue for the 2008 conference is the Cardiff Marriott, which is set at the foot of St Mary Street in the heart of Cardiff, just 200 metres from Cardiff Central railway station. It also has a multi-storey car park attached to the Hotel. Please note we cannot guarantee reserved spaces. **The conference fee is all-inclusive.** All meals from arrival to departure, overnight accommodation at the Marriott, and all delegate materials are included in the conference fee of £449 plus VAT.
9. Early booking is highly recommended as places are limited. Bookings are made via the on-line events booking facility which is part of the Local Government Employers' website at www.lge.gov.uk. Please be sure to note our cancellation policy contained in our Terms and Conditions which you will be asked to confirm you have read when completing your booking details on the booking events page. You will also need full delegate details to hand including the address to which the invoice for payment is to be sent.
10. If you experience any difficulties in using the on-line website booking facility, please contact Elaine English, LGPC Executive Officer, by email elaine.english@lge.gov.uk

(2) TRUSTEE TRAINING “FUNDAMENTALS VII 2008”

Background:

11. Fundamentals is an A-Z bespoke Local Government Pension Scheme training course for elected members, and has been attended by well over 535 delegates since 2002. The 2008 event will incorporate all the recent and forthcoming changes to the LGPS and all sections are being refreshed to keep them up-to-date, relevant and interesting.
12. Despite these revisions, the aim of the LGPC remains unaltered; that is to deliver a single training course covering all aspects of the Scheme, including both “Benefits” and “Fund” administration, as well as investments, so that elected members can
 - demonstrate compliance with the first of the ten CIPFA principles;
 - Meet the objectives espoused in the Office of the Deputy Prime Minister’s report on the stock-take of the Local Government Pension Scheme; and
 - adhere to those principles set out in the Pensions Act 2004 that relate to the knowledge and understanding requirements that appertain to trustees of occupational pension schemes.

Details of Fundamentals VII 2008

13. The fundamentals course is run on an annual basis, and provides an insight into LGPS “trusteeship” for newly elected Committee members whilst also serving as an update/refresher course for longer-serving members. The course is of three days duration, spread over a number of months.
14. Fundamentals VII 2008 is to be delivered at three locations around the United Kingdom as follows:

Cardiff	Day 1	21 October 2008
	Day 2	11 November 2008
	Day 3	16 December 2008
Leeds	Day 1	15 October 2008
	Day 2	19 November 2008
	Day 3	4 December 2008
London	Day 1	13 October 2008
	Day 2	13 November 2008
	Day 3	9 December 2008
15. The outline programme for the course is attached at Appendix A, although some flexibility on the course content is built in to include any major developments in the world of local government pensions between now and the time the courses run. Fundamentals VII 2008 is designed as a 3-day

course, with identical material being delivered at each location. It is therefore possible to attend the course by visiting different locations should delegates' diaries not allow attendance on all three days at a particular location.

Certificate of Attendance

16. Attendees at all three sessions will receive an attendance certificate signed on behalf of the Local Government Pensions Committee. It is believed that attendance at all three days of the course will satisfy at least the minimum of training required to satisfy the first of the ten CIPFA principles.

Cost and booking

17. The delegate rate for each session, inclusive of lunch, refreshments and all delegate materials is £195 plus VAT at the standard rate, making the cost of the three-day course £585 plus VAT.
18. Early booking is highly recommended as places are limited. Bookings are made via the on-line events booking facility which is part of the Local Government Employers' website at www.lge.gov.uk. Please be sure to note our cancellation policy contained in our Terms and Conditions which you will be asked to confirm you have read when completing your booking details on the booking events page. You will also need full delegate details to hand including the address to which the invoice for payment is to be sent.
19. If the session at your preferred location is full and you do not wish to book on one at an alternative location, you are advised to enter your name on the reserves' list at your preferred location. It is important to do so as, not only will you have a priority warning should any cancellations occur, but it also enables the LGPC to judge demand for future events or, on occasion, to organise overflow events.
20. If you experience any difficulties in using the on-line website booking facility, please contact Elaine English, LGPC Executive Officer, by email elaine.english@lge.gov.uk

Further Training Opportunities

21. If you wish to comment or make suggestions for future training events please contact Tim Hazlewood, LGPC Training & Development Manager, by telephone on 01530 242777 or by email to tim.hazlewood@lge.gov.uk

Tim Hazlewood
LGPC Training and Development Manager
April 2008

Fundamentals 2008 - Day 1

- 9.30 **Registration and Coffee**
- 9.50 **Introduction to the Programme**
- 10.00 **The Benefits Framework "Past and Present"**
- The changing LGPS 1922 – 1997; how the scheme developed over the years
 - Interaction with State Provision; the impact of National Insurance, SERPS and S2P
 - The 1998 Scheme – a core scheme plus discretions; a look at the comprehensive benefit structure of the scheme
- 11.00 **Coffee Break**
- 11.15 **The Benefits Framework "Past and Present" Continued**
- How the scheme altered in 2008 in England and Wales
 - Administering Authority and Employing Authority Discretions – how many are there and who is responsible for them
 - Pensions for Councillors
- 11:45 **The Investment Framework**
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 1998 – the statutory framework for investments
 - CIPFA Principles – a look at the ten investment principles
 - Statement of Investment Principles
 - Interaction with the Funding Strategy Statement
- 12.30 **Lunch**
- 1.30 to 4:00 **(Break at 2:45)**
- BACK TO BASICS - Traditional Asset Classes**
- An explanation of:
- UK Equities
 - Overseas Equities
 - UK Gilts
 - UK Index-Linked Gilts
 - Corporate Bonds
 - Property
- Including a look at:
- Why invest in Fixed Income and Equity Markets?
 - Long Term Investment Performance of Equities and Fixed Income
 - Benchmarks used
 - Cashflows
 - The Bond Market
 - Return / Risk Profiles
- 4.00 **Close**

Fundamentals 2008 - Day 2

9:30 **Registration and Coffee**

9:45 **Valuations**

- How are valuations done?, What assumptions are used?
- What are the inputs and outputs?
- What things can affect the results?
- Inter-valuation monitoring

Funding Strategy Statements

- The requirements
- Funding targets
- Smoothing including Amortization periods and Stepping
- Dealing with multiple employers
- Constructing and Monitoring the Statement

11:15 **Break**

11.30 **Corporate Governance**

- Approach to Corporate Governance
- Voting
- Activism and Engagement
- Institutional Shareholders Committee principles
- Socially Responsible Investment

12.30 **Lunch**

1.30 **Communication Strategies/Policies**

- Policy Statement Requirements
- LGPS – Valuable part of employment package
- Purpose and effect – Changes and Choices
- Vehicle for satisfying disclosure
- A look at some good practice initiatives
 - Scheme Member Communications
 - Representation on Committee / Committee Structure
 - Participating Employer Involvement
 - Working together – National & local initiatives

Fundamentals 2008 - Day 2 Continued

2.00 to 4:00 **(Break at 2:45)**

BACK TO BASICS 2 – Established Alternative Investments

An explanation of:

- Private Equity, Commodities, Hedge Funds
- Emerging Markets, Currency Funds, High Yield Bonds and Overlays

Including a look at:

- The market evolution of Alpha and Beta
- Private Equity sectors
- Commodities – what do they cover and why include them in a portfolio?
- The Hedge Fund universe
- The background to Emerging markets
- The value of Currency Funds and Currency Overlays
- How High Yield Bonds fit into the Bond market
- Some examples of Overlay Funds & Strategies

4:00

Close

Fundamentals 2008 - Day 3

- 9:30 **Registration and Coffee**
- 9:45 **Duties and Responsibilities of Committee Members**
- The LGPS in its legal context
 - General local authority legal issues
 - LGPS specific duties and responsibilities
 - Wider duties and responsibilities
 - What happens when things go wrong?
- 11:15 **Break**
- 11:30 **The Future for the LGPS?**
- The Stocktake 2001 to 2008
 - 3 serious questions:
 - Is the scheme affordable?
 - Is it sustainable?
 - Can and should it survive?
 - Conceptual design of the New Look LGPS for 2008 in England & Wales
 - Cost Sharing mechanism for 2009
 - 2010 and beyond.....
- 12:30 **Lunch**
- 1:30 **Managers and Manager Selection**
- Selecting the right manager
 - Managing Manager Relationships
 - What to ask for in a Manager
 - Manager de-selection
- 2:00to 4:00 **(Break at 2:45)**
- BACK TO BASICS 3 - Bringing it all together**
- The Evolution of LGPS Benchmarks
 - Portfolios and Portfolio Construction
 - Portfolio Concepts
 - Combining Assets in your Portfolio
 - Risks and Efficient Frontiers
 - Standard Deviation
 - Correlation
 - Diversification
 - Three Things to Remember !!!
- 3:55 **Course Review and Further Information**
- 4:00 **Close**

Distribution sheet

Chief executives of local authorities
Pension managers (internal) of administering authorities
Pension managers (outsourced) and administering authority client managers
Officer advisory group
Local Government Pensions Committee
Trade unions
CLG
COSLA
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