



HAMPSHIRE
PENSION FUND

Hampshire Pension Fund (HPF)

Conflicts of
Interest Policy



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Conflicts of Interest Policy

Introduction

1. The potential for conflicts of interest has always existed for those with Local Government Pension Scheme (LGPS) administering authority responsibilities as well as for advisers to LGPS funds. This simply reflects the fact that many of those managing or advising LGPS funds will have a variety of other roles and responsibilities, for example, as a member of the scheme, as an elected member of an employer participating in the LGPS or as an adviser to more than one LGPS administering authority. Further, any of those persons may have an individual personal, business or other interest which might conflict, or be perceived to conflict, with their role managing or advising LGPS funds.
2. It is generally accepted that LGPS administering authorities have both fiduciary and public law duties to act in the best interest of both the scheme beneficiaries and participating employers. This, however, does not preclude those involved in the management of the Fund from having other roles or responsibilities which may result in an actual or potential conflict of interest. Accordingly, it is good practice to document within a policy, such as this, how any such conflicts or potential conflicts are to be managed.

3. This is the Conflict-of-Interest Policy of the Hampshire Pension Fund, which is managed and administered by Hampshire County Council (the Administering Authority). The Policy details how actual and potential conflicts of interest are identified and managed by those involved in the management and governance of the Hampshire Pension Fund, whether directly or in an advisory capacity.
4. This Conflict-of-Interest Policy is established to guide Hampshire Pension Fund Panel and Board (PFPB) Members, Fund Officers and Advisers. Along with other constitutional documents, including the PFPB's Terms of Reference, the Officer's Code of Conduct, the Code of Conduct for Members and relevant HR policies, it aims to ensure that those individuals do not act improperly or create a perception that they may have acted improperly. It is an aid to good governance, encouraging transparency and minimises the risk of any matter prejudicing decision-making or management of the Fund otherwise.
5. This Conflict-of-Interest Policy is a key tool for all the stakeholders in the Hampshire Pension Fund to assist in complying with the law and meeting the Fund's objective to act with integrity.

To whom this Policy Applies

6. This Conflict-of-Interest Policy applies to:
 - all elected and co-opted Members of the PFPB, including scheme members and employer representatives, whether voting members or not;
 - all managers in the Hampshire County Council Pension Fund Management Team and the Director of Corporate Operations (Section 151 Officer) are, from hereon in, collectively referred to as the 'senior officers of the Fund';
 - all "advisers" to the Fund. This includes all advisers, suppliers and other parties providing advice and services to the Administering Authority, the PFPB, the Responsible Investment Sub Committee or officers in relation to pension fund matters. This includes but is not limited to actuaries, investment consultants, independent advisers, benefits consultants, third-party administrators, fund managers, lawyers, custodians and Additional Voluntary Contribution (AVC) providers. Where an advisory appointment is with a firm rather than an individual, reference to "advisers" will normally mean the lead adviser(s) responsible for the delivery of advice and services to the Administering Authority rather than the firm as a whole.



Responsibilities

7. **Hampshire County Council**, as the Administering Authority for the Hampshire Pension Fund, must be satisfied that conflicts of interest are appropriately managed. For this purpose, the Director of Corporate Operations for Hampshire County Council (CFO for the Pension Fund) is the designated individual for ensuring the procedures below are carried out.
8. However, it is also the responsibility of each individual covered by this Policy to identify any potential instances where their personal, financial, business or other interests might come into conflict with their pension fund duties, to declare and register interests and to seek advice and where necessary withdraw from meetings if there is a conflict.
9. **The Director of Corporate Operations** will monitor potential conflicts for less senior officers involved in the daily management of the Fund and highlight this Policy to them as appropriate.
10. This Policy and the issue of conflicts of interest, in general, must be considered in light of each individual's role, whether this is a management, advisory or assistance role and including responsibilities representing the Fund on other boards, committees, groups and bodies.

11. **Members** – Elected and co-opted members of the PFPB are responsible for understanding their obligations under the County Council's Constitution, including the Code of Conduct for Members, and this Policy, including ensuring their declarations of interest are accurate and up-to-date and adhering to the operational processes set out in this Policy.
12. **Officers** – Officers are responsible for understanding their obligations under the Code of Conduct for Officers and this Policy and for adhering to the operational processes set out in this Policy.
13. **Advisers** - In accepting any role covered by this Policy, advisers agree that they must:
 - acknowledge any potential conflict of interest they may have;
 - be open with the Administering Authority and any other body on which they represent the Administering Authority on any actual or potential conflicts of interest they may have;
 - adopt practical solutions to managing those conflicts;
 - plan ahead and agree with the Administering Authority on how they will manage any conflicts of interest which arise in future.
14. The procedures outlined later in this Policy provide a framework for each individual to meet these requirements.

What is a Conflict or Potential Conflict?

15. The Public Service Pensions Act 2013 defines a conflict of interest as a financial or other interest which is likely to prejudice a person's exercise of functions.
16. Therefore, a conflict of interest may arise when an individual:
 - has a responsibility or duty in relation to the management of, or provision of advice to, the Hampshire Pension Fund;
 - at the same time has a separate personal interest (financial or otherwise);
 - has another responsibility in relation to that matter, giving rise to a possible conflict with their first responsibility;
 - has an interest due to a family member or close colleague having a specific responsibility or interest in a matter.

Areas of potential conflict that are specific to the LGPS

17. There are areas of potential conflict that the Scheme Advisory Board identifies as specific to the LGPS. They apply to PFPB Members, as well as officers, advisers and suppliers and are to be managed in the same way as other conflicts of interest under this and other relevant policies:

- Any commercial relationships between the administering authority or host authority and other employers in the Fund/or other parties which may impact decisions made in the best interests of the Fund. These may include shared service arrangements which impact the Fund operations directly but will also include outsourcing relationships and companies related to or wholly owned by the County Council, which do not relate to Pension Fund operations.
- Contributions setting for the administering authority and other employers.
- Cross-charging for services or shared resourcing between the administering authority and the Fund.
- Dual role of the administering authority as owner and client of a pool.
- Local investment decisions.
- Any other roles within the County Council being carried out by committee members or officers which may result in a conflict either in the time available to dedicate to the Fund or in decision-making or oversight. For example, some roles on other finance committees, audit or health committees or cabinet should be disclosed.

Minor Gifts and Hospitality

18. The acceptance of gifts and hospitality can lead to potential conflicts of interest or the perception of conflicts of interest. Hampshire County Council Members and Officers are required to comply with the Code of Conduct for Members and the Officers Code of Conduct which contain the applicable rules regarding the acceptance and registration of gifts and hospitality.

Summary

19. A conflict of interest may arise when an individual has a responsibility or duty in relation to the management of, or provision of advice to, the Hampshire Pension Fund and at the same time has:

- a separate personal interest (financial or otherwise);
- another responsibility in relation to that matter, giving rise to a possible conflict with their first responsibility. An interest could also arise due to a family member or close colleague having a specific responsibility or interest in a matter.

20. Some examples of potential conflicts of interest relating to the areas of conflict specific to the LGPS are included in Appendix 1.

Managing Conflicts of Interest

21. Hampshire County Council, as Administering Authority, will encourage a culture of openness and transparency and will encourage individuals to be vigilant, have a clear understanding of their role and the circumstances in which they may have a conflict of interest, and of how potential conflicts should be managed.

22. The Administering Authority will evaluate the nature of any interests or responsibilities that are highlighted and assess the impact on pension fund operations and good governance were an actual conflict of interest to materialise.

23. Elected and co-opted members of the PFPB need to ensure their register of disclosable pecuniary interests is up to date and actively consider at each meeting of the PFPB whether they have any prejudicial interests (whether personal or pecuniary) in any matter of PFPB business.

24. Officers will need to consider whether they have any conflicts of interest as defined in this Policy and, if so, declare these in accordance with the procedures set out in this Policy so that appropriate management action and mitigation can be considered.

25. Advisers and suppliers to the Fund also need to consider whether any of the above conflicts of interest apply to their contract with the Administering Authority and, if so, declare them in accordance with the procedures set out in this Policy so that appropriate mitigation can be considered.

26. The Administering Authority will evaluate the nature of any dual interests or responsibilities that are highlighted and assess the impact on pension fund operations and good governance were an actual conflict of interest to materialise.

27. Ways in which conflicts of interest may be managed include:

- the individual concerned abstaining from discussion, decision-making or providing advice relating to the relevant issue;
- the individual being excluded from the meeting(s) and any related correspondence or material in connection with the relevant issue (for example, a report for a PFPB meeting);
- a working group or sub-committee being established, excluding the individual concerned, to consider the matter outside of the formal meeting (where the terms of reference permit this to happen).



NB, in respect of elected and co-opted members of the PFPB, there are requirements in the Localism Act 2011 and the County Council's Constitution that require the disclosure of pecuniary interests and regulate member participation in matters relating to such interests. These requirements must be adhered to by all elected and co-opted members of the PFPB.

28. The above is not an exhaustive list of the measures that may be taken in respect of a particular conflict, and the Administering Authority will, having taken any appropriate professional advice, endeavour to manage conflicts that arise reasonably and proportionately.

Operational procedure for elected and co-opted PFPB Members and Senior Officers

29. The following procedures must be followed by all individuals to whom this Policy applies.

30. However, it should be noted all Members of the PFPB have an overriding legal obligation to follow and abide by the requirements of the Localism Act 2011 and Hampshire County Council's Code of Conduct for Members relating to the treatment and disclosure of certain disclosable pecuniary interests and personal interests. Accordingly, for those Members, disclosures under this Policy may be in addition to disclosures required under the Council's Code of Conduct/the Localism Act 2011.

What is required	How this will be done
<p>Step 1 - Initial identification of interests which do or could give rise to a conflict.</p>	<p>On appointment to their role or on the commencement of this Policy, if later, all Members and Senior Officers will be provided with a copy of this Policy and will be required to complete a Registration of Interest Form similar to that included in Appendix 2.</p> <p>The information contained in these forms will be collated into the Pension Fund Register of Interests.</p> <p>Elected and co-opted Members of the PFPB are also required to complete a register of interests in respect of “disclosable pecuniary interests” and personal interests and submit it to Hampshire County Council’s Monitoring Officer. This will be published in accordance with the County Council’s obligations and Constitution.</p>
<p>Step 2 - Ongoing notification and management of potential or actual conflicts of interest.</p>	<p>At the commencement of any meeting of the PFPB or other formal meeting where pension fund matters are to be discussed, the Chairman will ask all those present who are covered by this Policy to declare any interests relevant to any item of business at the meeting as well – whether or not they are already on the register – as well as any new potential conflicts which may not have been recorded and also any other interests which are not required to be recorded.</p> <p>At PFPB meetings, there will also, at the start of the meeting, be an agenda item for Members to declare any interests under the Members' Code in relation to any items on that agenda. These will be recorded in the record of the meeting and also in the Fund's Register of Interests and Declaration Log.</p> <p>Any individual who considers that they or another individual has a potential or actual conflict of interest, as defined by this Policy, which relates to an item of business at a meeting, is asked to advise the Chairman and the Director of Corporate Operations as soon as they become aware of it and preferably prior to the meeting.</p> <p>The Chairman, in consultation with the Director of Corporate Operations and legal adviser to the Pension Fund, should then decide whether the conflicted or potentially conflicted individual is</p>

What is required**How this will be done**

advised to leave the meeting during the discussion on the relevant matter or to withdraw from voting on the matter.

With respect to the Code of Conduct for Members and the Localism Act 2011, the Monitoring Officer will provide advice. Whilst ultimately, it is for the Member to decide whether or not to be present. If they do not follow the advice, they are at risk of a formal complaint being made.

If such a conflict is identified outside of a meeting, the notification must be made to the Director of Corporate Operations and, where it relates to the business of any meeting, also to the Chairman of that meeting. The Director of Corporate Operations, in consultation with the Chairman where relevant, will consider any necessary action to manage the potential or actual conflict.

The Director of Corporate Operations is responsible for monitoring the PFPB Register of Interests and Declarations Log on an ongoing basis to determine if any actual or potential conflict could impact the ongoing business of the Hampshire Pension Fund. Where information relating to any potential or actual conflict has been provided, the Director of Corporate Operations may seek such professional advice as he or she thinks fit (such as legal advice from the Monitoring Officer of Hampshire County Council) on how to address any identified conflicts. Any such potential or actual conflicts of interest and the action taken must be recorded on the Fund's Register of Interests, the Declarations Log and in the record of the meeting if raised during a meeting.

What is required	How this will be done
Step 3 - Periodic review of potential and actual conflicts.	<p>At least once every 12 months, the Director of Corporate Operations will provide to all individuals to whom this Policy applies a copy of the Fund's Register of Interests. All individuals will be asked to complete a new Declaration of Interest confirming that their information contained in the Register is correct or highlighting any changes that need to be made to the declaration.</p> <p>If a member fails to do so, the matter will be escalated to the Chairman of the PFPB in conjunction with the Director of Corporate Operations. The updated Register will then be circulated by the Director of Corporate Operations to all individuals to whom it relates.</p>

Operational procedure for advisers

31. All the key advisers to the Hampshire Pension Fund are expected to have their own policies on how conflicts of interest will be managed in their relationships with their clients, and these should have been shared with the Administering Authority as part of the contract award or contract management process.
32. All advisers must:
 - be provided with a copy of this Policy on appointment and whenever it is updated;
 - adhere to the principles of this Policy;
 - provide, on request, information to the Director of Corporate Operations in relation to how they will manage and monitor actual or potential conflicts of interests relating to the provision of advice or services to Hampshire County Council as Administering Authority;
 - notify the Director for Corporate Operations immediately should a potential or actual conflict of interest arise;
 - highlight at all meetings they attend any potential or actual conflict of interest in any item of business, preferably at or before the start of the meeting.
33. All potential or actual conflicts notified by advisers will be recorded in the Fund's Register of Interests and Declaration Log.

Monitoring and Reporting

34. The Fund's Register of Interests will be subject to the requirements of the Freedom of Information Act 2000, and any requests for information will be considered via the County Council's corporate process on a case-by-case basis. Exemptions from disclosure under the Freedom of Information Act may be applied as relevant.
35. In order to identify whether the objectives of this Policy are being met, the Administering Authority will review the Register of conflicts of interest on an annual basis and consider whether there have been any potential or actual conflicts of interest that were not declared at the earliest opportunity.

Key Risks and Mitigation

36. The key risks to the delivery of this Policy are outlined below. All of these could result in an actual conflict of interest arising and not being properly managed. The Director of Corporate Operations will monitor these and other key risks and consider how to respond to them.

Risk	Mitigating action
Insufficient training or poor understanding in relation to individuals' roles on pension fund matters.	Briefing is provided by officers at the introduction of the new Policy and annually when the Policy is reviewed. Officers are available to answer Members' questions at any time.
Absence of the individual nominated to manage the operational aspects of this Policy and no one deputising, or failure of that individual to carry out the operational aspects in accordance with this Policy.	Responsibilities for supporting will be shared within the Investments and Borrowing team to ensure no single point of failure.
Failure by a chairman to take appropriate action when a conflict is highlighted at a meeting.	Support available at each meeting from Pension Fund and Legal Services officers to advise the Chairman as appropriate.
A decision by an individual to disregard advice and be subject to formal action under the Localism Act 2011.	Failure to abide by the Policy will result in a referral under the Members Code of Conduct or Officers Code as appropriate.

Costs

37. All costs related to the operation and implementation of this Policy will be met directly by the Hampshire Pension Fund. However, no payments will be made to any individuals in relation to any time spent or expenses incurred in the disclosure or management of any potential or actual conflicts of interest under this Policy.

Approval and Review

38. This Conflict-of-Interest Policy was approved on 16 December 2022 by the PFPB. It will be formally reviewed and updated at least every three years or sooner if the conflict management arrangements or other matters included within it merit reconsideration, including if there are any changes to the LGPS rules or other relevant Regulations or Guidance which need to be considered.



Appendix 1

Examples of situations where a conflict of interest may arise

The table below sets out examples of potential conflicts that might arise and the action that may be taken in response. It is intended to be illustrative only and is not intended to be an exhaustive list of all conflicts that might arise or the action that will be taken in practice in any individual case. Each conflict that arises in practice would need to be treated on its merits and action that is appropriate in all the circumstances taken.

Scenario	Action
An Employer Representative on the PFPB may be required to consider a policy or covenant change which could result in an increase in employer costs by the employer he or she represents.	If the representative has a conflict on a particular issue with their host employer/group, they should declare this and absent themselves from any decision if they are unable to act in the best interest of the Pension Fund and all employers and scheme members.

Scenario	Action
A Member of the PFPB is on the board of an Investment Manager that the Committee is considering appointing.	The Member should declare an interest and not take part in the discussion and decision on the appointment.
A PFPB Member is a beneficiary of the Hampshire Pension fund, and a discussion item as a result of legislative change could affect members' benefits.	The Member should declare the interest but may still take part in the discussion, given no decision is being made.
An officer of the Pension Fund also has responsibilities within the administering authority or relating to a shared service initiative which provides services to the Fund and which has objectives which are not fully aligned with that of the Fund.	If appropriate to the advice being provided by the officer to the PFPB, the conflict should be reported, along with clarity on why the advice in question is in the best interest of the Pension Fund.
An Employer Representative on the PFPB is employed by a company to which the County Council has commissioned services from, and the PFPB is reviewing the standards of service provided by that company.	The Member must declare their pecuniary interest (as a result of their employment) and not take part in the discussion of the review of the service.
The person appointed to consider internal disputes is asked to review a case relating to a close friend or relative.	The conflict should be reported, and an alternative person found to review the case.
The Pension Fund is considering alternative supply of services currently provided by the Administering Authority. The Director of Corporate Operations, who has responsibility for the County	The Director must act in their role as CFO to the Pension Fund, providing advice in the best interest of the Pension Fund, although, if appropriate, should reference the impact on the

Scenario	Action
<p>Council's budget, is expected to approve the report to go to the PFPB, which, if agreed, would result in a material reduction in the recharges to the County Council from the Fund.</p>	<p>County Council. If appropriate, the Deputy CFO of the Pension Fund can provide advice to the Pension Fund.</p>
<p>Officers are asked to provide a report to the PFPB on whether the administration services should be outsourced, which, if it were to happen, could result in a change of employer or job insecurity for the officers.</p>	<p>Officers must provide advice in the best interest of the Pension Fund, if necessary, with the presentation of the report being escalated to the Director of Corporate Operations, and if appropriate, should reference the impact on the County Council. Officers that could be directly affected by the changes would not be asked to input into the report directly.</p>
<p>An Employer Representative appointed to the PFPB to represent employers generally could be conflicted if he or she only serves to act in the interests of their own authority/organisation rather than those of all participating employers. Equally, a Scheme Member representative, who is also a trade union representative appointed to the Pension Board to represent the entire scheme membership, could be conflicted if he or she only acts in the interests of their union and union membership rather than all scheme members.</p>	<p>As part of their appointment process, applicants to be representatives on the PFPB will be asked to demonstrate how they can represent all scheme members or employers as appropriate. Ongoing training and guidance are provided to PFPB Members of the nature of their role and the need to represent the interests of the whole Fund. If the representative has a conflict on a particular issue with their host employer/group, they should declare this and absent themselves from any decision if they are unable to act in the best interest of the Pension Fund and all employers and scheme members.</p>
<p>A Fund adviser is party to the development of a strategy which could result in additional work for his or her</p>	<p>The Pension Fund should be sensitive in only sharing information with advisers which is relevant to the work that they</p>

Scenario	Action
<p>firm, for example, selection of new investment managers, providing assistance with monitoring the covenant of employers or where they are also advisers to the ACCESS Pool.</p>	<p>have been asked to undertake. If the Pension Fund wants to ensure that its advice is not prejudiced by the potential for winning future work, the Fund could be clear in letting a contract if they want it to preclude participation in a potential future-related piece of work. The Pension Fund would have regard to the advisers' professional standards to provide a standard of care to the client regardless of the bearing it may have on being awarded future work.</p>
<p>An Employer or Scheme Member Representative has access to information by virtue of his or her employment, which could influence or inform the considerations of the PFPB. He or she has to consider whether to share this information in light of their duty of confidentiality to their employer. Their knowledge of this information will put them in a position of conflict if it is likely to prejudice their ability to carry out their functions as a member of the PFPB.</p>	<p>No PFPB Member should be asked to breach their confidentiality responsibilities to their employer. If a member's access to information does result in a conflict, they should report this and take the appropriate action.</p>
<p>An officer of the Fund or Member of the Pension Committee accepts a dinner invitation or gift from an Investment Manager who has submitted a bid as part of a tender process.</p>	<p>PFPB Members should consider the appropriateness of any offers of hospitality and ensure that they comply with the Members Code of Conduct on Gifts and Hospitality Policy.</p>

Appendix 2

Sample of Declaration of Interest Form

Form to Register Interests relating to the management of Hampshire Pension Fund administered by Hampshire County Council

I, [insert full name], am [delete as applicable]:

- an officer involved in the management
- Pension Fund Panel and Board Member

of the Hampshire Pension Fund, and I set out below under the appropriate headings my interests, which I am required to declare under the Hampshire Pension Fund Conflict of Interest Policy. I have put "none" where I have no such interests under any heading.

Responsibilities or other interests that could result in a conflict of interest

(please list and continue overleaf if necessary):

A) Relating to me

B) Relating to family members or friends

Undertaking:

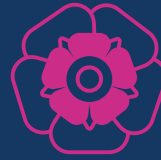
I declare that I understand my responsibilities under the Hampshire Pension Fund Conflict of Interest Policy. I undertake to notify the Director of Corporate Operations of any changes in the information set out above.

Signed _____ Date _____

Name (CAPITAL LETTERS) _____

Hampshire Pension Fund
The Castle,
Winchester,
Hampshire
SO23 8UB.





HAMPSHIRE
PENSION FUND



Administration Strategy Statement

December 2022

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1 Introduction

- 1.1 Hampshire County Council is the administering authority for the Local Government Pension Scheme (LGPS) on behalf of the employers participating in the LGPS through the Hampshire Pension Fund (HPF). The LGPS is governed by statutory regulations.
- 1.2 HPF provides a high-quality pension service to members and employers to ensure members receive their correct pension benefits. This is best achieved where HPF and the employers are clear about their roles and responsibilities and work in partnership.

1.3 **This strategy statement:**

- sets out the roles and responsibilities of HPF and the employers;
- specifies the level of services HPF and the employers will provide to each other;
- explains the performance measures used to evaluate them;
- is an agreement between HPF and the employers.



2 Pension Administration Strategy



2.1 This strategy is an agreement between the Hampshire Pension Fund and all participating bodies. All parties commit to the following principles.

- Provide high-quality and low-cost pension services to members.
- Continually develop efficient working arrangements.
- Meet HPF's service standards.
- An annual report of performance.
- Take responsibility for providing accurate and timely information.
- Keep the pension administration strategy under review and revise it where appropriate.

2.2 This strategy statement is produced by HPF in consultation with the employers and reviewed annually. It is hereby agreed that each of the parties, as defined in this agreement and the scheme regulations, shall abide by the requirements of this agreement.

- HPF shall monitor the requirements of this agreement and report its findings to the Hampshire Pension Fund Panel and Board.
- Changes are subject to consultation with employers. Variations must be agreed with HPF and confirmed in writing.

2.3 Please keep a copy of this strategy for your records. The original will be held at the offices of the Hampshire Pension Fund and are available to any scheme member, past or present, wishing to have sight of the document.

3 Roles and responsibilities

- 3.1 The quality of service to members depends on the supply of accurate and timely information.
- 3.2 Employer duties, responsibilities and discretions are listed in Appendix A to this agreement.
- 3.3 HPF's duties and responsibilities are listed in Appendix B of this agreement.



4 The Regulations – effect on strategy

- 4.1 This strategy sets out specific duties and responsibilities.
 - It does not override any provision or requirement in the Regulations or any overriding legislation.
 - The intentions of the Regulations in their application to current members, potential members, deferred members and retired members must be complied with.
- 4.2 This agreement is based on:
 - current regulations:
 - the Local Government Pension Scheme Regulations 2013 and any amendments;
 - the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014, and any amendments.
 - Any earlier LGPS regulations as they continue to apply.
 - Overriding legislation including, but not limited to:
 - the Public Service Pension Act 2013;
 - the Local Government (Early Termination of Employment) (Discretionary Compensation) (England & Wales) Regulations 2006;
 - Occupation and Personal Pension Scheme (Disclosure of Information) Regulations 2013.

5 Definitions

5.1 For this Administration Agreement:

- **“Administering Authority”**, ‘Hampshire Pension Fund (HPF), and the Fund means Hampshire County Council;
- **“Employing authority”** or **“employer”** means an employer within the Hampshire Pension Fund; and
- **“Scheme”** means the Local Government Pension Scheme, and
- **“The Panel”** means the Hampshire Pension Fund Panel and Board.

6 Communication

6.1 The HPF Communications Policy Statement outlines how the Fund communicates with all stakeholders, including employers.

6.2 HPF routinely provides information and resources for employers using;

- its website, www.hants.gov.uk/pensions, with an employers’ section;
- an electronic newsletter called Pension Matters;
- an employer manual and other guides available on the HPF website.

6.3 HPF will make an up-to-date list of LGPS publications available to the employer, which will be available from the HPF website or as otherwise indicated.

6.4 HPF will communicate to the employer on an ad hoc basis and as required concerning matters relating to the LGPS.

6.5 HPF will ensure that sufficient information is issued as newsletters, booklets and other materials to satisfy the requirements of The Occupational, Personal and Stakeholder Pension Schemes (Disclosure

of Information) (Amendment) Regulations 2013.

6.6 HPF will notify the employer of changes to administrative procedures that may arise due to changes in pension scheme regulations and update standard documentation on the HPF website.

6.7 HPF will issue electronic forms, newsletters, booklets and other materials necessary for the administration of the LGPS for members and employers.

6.8 Employers should provide contact details on the Employer Contacts and Authorisation form at least annually and whenever a named contact changes.

6.9 Employers may provide information about members to HPF in various ways, including electronic and paper forms or directly updating electronic pension records. The forms used must be the most up to date versions, available from the HPF website. Employers who update electronic pension records directly are fully supported via initial and refresher training and day-to-day support.

7 Performance measurement and reporting

- 7.1 Pensions Services will monitor, measure and report compliance with the agreed service standards. This is reported to the Panel, and improvement plans put in place if necessary.
- 7.2 Where this information reveals problems in employers meeting the standards, HPF will consult and work with the relevant employers to improve compliance and performance levels by providing appropriate support, guidance, and training.
- 7.3 Where, as part of the annual return process or any other monitoring activity, there are concerns about the accuracy of an employer's data, the employer will be required to undertake a data cleansing exercise and make a declaration that they have fulfilled all of their requirements to notify the fund of changes. Details of the data cleanse requirements are provided as part of the annual returns process.
- 7.4 Where poor performance affects Pension Services' ability to meet statutory deadlines, consideration will be given to the requirement to report this to the Pension Regulator.



8 Costs

- 8.1 The Fund Actuary determines employer contribution rates for the three years following each triennial valuation. The rates and adjustments certificate provides details of all the payments which are due from employers in the Fund.
- 8.2 The costs of the standard administration service, including actuarial fees for the triennial valuation, are charged directly to HPF. These administration costs are taken into account by the Fund Actuary when assessing the employers' contribution rates.
- 8.3 A separate additional administration charge is made when Pension Services incur additional administration costs due to the pension implications of an Employer restructuring (e.g. outsourcing, creation of a company, change of legal status, etc.). The charge will be based on estimated staff time and is notified to the employer before any work is carried out.
- 8.4 Where additional actuarial or legal services are required by or result from the decisions and actions of the employer, the employer will be required to reimburse HPF for the costs involved. HPF will provide an estimate of these costs and the employer's agreement obtained before proceeding to instruct the service provider.
- 8.5 If HPF incurs interest charges due to late notification of retirement from the employer, it may recharge the employer the interest incurred on the late payment of the lump sum.
- 8.6 Employers may also be required to pay for additional work, including estimates which are in addition to the agreed allocation, or for requesting work to be completed faster than the usual service standards. The employer's agreement to the charge will be obtained before the work is started.
- 8.7 If in exceptional circumstances, HPF agrees to an employer deferring payment of their employer contributions, interest will be charged on the deferred contributions at a rate equal to the underlying discount rate used to calculate the employer contribution.

Hampshire Pension Fund contacts

Member and general employer queries

Pensions customer support team
01962 845588
pensions@hants.gov.uk
www.hants.gov.uk/hampshire-services/pensions

Technical employer queries

Employer services team
pensions.employer@hants.gov.uk

End of year and associated matters

Employer services team
pensions.eoy@hants.gov.uk

9 Penalties

- 9.1 Commitment to the principles of this statement (see 2.1) should mean that any non-compliance is addressed promptly, with no need to resort to a penalty. However, the following actions are possible:
- Where payment of contributions is late more than once in any 12 months, HPF will issue the employer with a written notice of unsatisfactory performance and may charge interest on the late payment at a daily rate equal to the Bank of England's base rate plus 1%.
 - Persistent failure to comply with contributions payment requirements will result in HPF informing The Pensions Regulator as required of Scheme Administrators by the Pensions Act 2004.
 - Where the employer fails to comply with their scheme duties, including failure to pay contributions due, HPF reserves the right to notify the member(s) involved and to inform all members employed by the employer in the event of serious or persistent failure.
 - If HPF deploys additional and disproportionate resources because of an employer's poor performance, the cost of the additional resources may be recharged to the employer according to powers available under scheme regulations. Written notice will be given of the reasons for the recharge, how the cost was calculated, and the part of this statement that contravened HPF's opinion.
 - Where orders or instructions issued by The Pensions Regulator, the Pensions Ombudsman or other regulatory body require financial compensation or a fine to be paid by HPF or by any officer responsible for it, and it is due to the default, omission or otherwise negligent act of the employer, the sum concerned will be recharged to the employer.
 - Where, as a result of the employer's failure to notify HPF of the final retirement details promptly, payment of any retirement lump sum is not made within 30 days from the date of the member's retirement, HPF may issue the employer with a written notice of unsatisfactory performance and may charge the employer for the interest payment made.
 - Where it is proven that the employer is not responsible for any fine or penalty imposed by The Pensions Regulator or any other statutory body due to non-compliance of this Service Level Agreement, any such charge will automatically default to HPF.
 - From time to time, HPF offers training and support to employers through 'Employer Days' and workshops. There is no charge made to an employer for attending this event. However, HPF reserves the right to charge a late cancellation fee of £100 + VAT where non-attendance did not come with at least one week's notice.

Employer Responsibilities

The main duties of the employers as set out in the Regulations are set out in the table below, together with timescales for completion where appropriate.

Employer responsibility	Timescale
<p>Decide who is eligible to become a member of the LGPS and the date from which membership of the LGPS starts).</p> <p>Notify HPF of the new member details and provide the employee with details of the pension scheme.</p>	<p>Within 10 working days following the end of the month in which the employee joined the LGPS.</p>
<p>Determine the rate of employee contributions to be deducted from the employee's pensionable pay and, where the employee holds more than one post, the rate applied to each post. This should be reviewed at least annually or more often where employer policy states.</p>	<p>For the first pay period in which the employee joins the LGPS.</p>
<p>Move employees into the 50:50 section.</p> <p>Provide an amendment form to advise of change to/from 50:50 section.</p>	<p>From the next pay period after receiving the employee's request.</p> <p>Within 10 working days following the change.</p>
<p>Collect and pay the HPF the deduction of the correct rate of pension contributions payable by the employee and the employer, including any additional employee contributions of any kind.</p>	<p>Payment over to HPF by 22 of the month following deduction.</p>
<p>Complete monthly remittance form containing detail of the contributions payment.</p>	<p>Send to Pension Services with payment of contributions every month.</p>
<p>Collect and pay over AVC contributions to the specified AVC provider in accordance with statutory timescales. Notify HPF of a member's election to pay, vary or cease AVCs.</p>	<p>Payment over to HPF by 22 of the month following deduction.</p>
<p>Refund contributions through the payroll to any employee who opts out of the scheme with less than three months membership.</p>	<p>From the next pay period after receiving the employee's request to opt-out.</p>
<p>Notify HPF of opt-out and refund through payroll by providing a copy of the opt-out form.</p>	<p>Within 10 working days following the end of the month in which the employee left the scheme.</p>
<p>Calculate assumed pensionable pay for employees who met this requirement under the regulations.</p>	<p>As required.</p>

Employer responsibility	Timescale
<p>Leavers (excluding retirements/casuals)</p> <p>When an employee's LGPS membership ends, determine the reason for leaving and entitlement to benefit and notify the HPF, supplying timely and accurate information so that benefits payable from the LGPS are calculated correctly.</p>	<p>Within 10 working days following the end of the month in which the employee was last paid.</p>
<p>Leavers (casuals)</p> <p>When an employee's LGPS membership ends, determine the reason for leaving and entitlement to benefit and notify the HPF, supplying timely and accurate information so that benefits payable from the LGPS are calculated correctly.</p>	<p>Within 10 working days following the end of the month, the employer is aware they have left or were last paid.</p>
<p>Retirements</p> <p>When an employee's LGPS membership ends in retirement, determine the reason for retirement and entitlement to benefit and notify the HPF, supplying timely and accurate information so that benefits payable from the LGPS are calculated correctly.</p>	<p>Within 20 working days before an employee's retirement date.</p>
<p>Use an independent registered medical practitioner qualified in occupational health medicine in determining requests for ill health retirement.</p>	<p>As required.</p>
<p>Write, publish and maintain a policy on areas of the regulations in which employers can exercise their discretion.</p>	<p>In accordance with regulations and then regular review.</p> <p>Notify HPF and members of any changes to those policies within one month of setting a policy and the changes taking effect.</p>
<p>Appoint a person to consider applications from members regarding decisions, acts or omissions and to decide on those applications.</p>	<p>On entry to the HPF and review as required.</p>
<p>Provide annual information to HPF with full details of the contributions paid by members in the year.</p> <p>Respond to queries on the annual return raised by HPF.</p>	<p>By 30 April each year.</p> <p>Respond to queries within 10 working days of receipt.</p>
<p>The employer will maintain employment records for each member for the purposes of determining membership and entitlement to benefits.</p> <p>The employer must keep a full pay history for the 13 years, ending 31 March, before the member leaves the scheme.</p>	<p>As required.</p>

Employer Responsibilities continued

Employer responsibility	Timescale
Notify HPF of a member's death and next of kin's details.	Within five working days of the member's death.
Supply details are required for the completion of an estimate.	Within 10 working days of the member's request.
Distribute information relating to the publication of annual benefit statements and any other notifications to active members as requested by HPF.	Within 20 working days of receipt.
<p>Notify HPF of any TUPE transfer.</p> <p>Complete TUPE forms for each member transferring.</p>	<p>Notify HPF of the transfer as soon as possible before the transfer date.</p> <p>Part A of the TUPE form completed within 10 working days following the end of the month in which the transfer took place.</p>
<p>Notify HPF of any outsourcing arrangements which impact employees eligible for the LGPS</p> <p>Where an admission agreement is required, the Scheme employer should complete an 'Outsourcing data capture form, transferring 'staff data capture' form and 'Undertaking of costs' form.</p> <p>Ensure admission agreement is finalised.</p> <p>Provide individual TUPE forms for transferring staff to HPF.</p>	<p>As soon as possible but no later than 20 working days before change.</p> <p>As soon as possible but no later than 20 working days before change.</p> <p>No later than date of transfer.</p> <p>Part A of the TUPE form completed within 10 working days following the end of the month in which the transfer took place.</p>
<p>Notify HPF of a change of payroll provider by completing an 'Employer Change of payroll provider' form.</p> <p>Submit individual 'Change of payroll provider' forms to HPF for all transferring employees.</p> <p>Provide notification of new payroll numbers (if applicable) to HPF.</p> <p>Complete a mid-year return if date of change is not 1 April.</p>	<p>As soon as possible but no later than 20 working days before change.</p> <p>Within 20 working days post transfer.</p> <p>Within 20 working days post transfer.</p> <p>Within 40 working days post transfer.</p>

HPF Responsibilities

The overriding responsibility of HPF is to maintain the Hampshire Pension Fund in accordance with the regulations. HPF will provide the following within the timescales shown. A reduced timescale may be agreed in exceptional cases at an employer's request.

HPF responsibility	Timescale
Invest pension contributions and account for and manage the Pension Fund's assets.	Daily.
Allocate all contributions submitted by the employer to their respective income codes and reconcile the total contributions paid on a yearly basis.	Annually.
Appoint Additional Voluntary Contributions provider(s).	As required.
Appoint an actuary for the purposes of the triennial valuation of the Fund and to provide periodical actuarial advice when required.	As required, in line with procurement provisions.
Provide accurate, timely data to the Fund actuary.	As required.
Correspond with and commission any information required of the Fund Actuary on behalf of the employer.	As required.
Arrange for the triennial valuation of the Pension Fund and provide the employer with a copy of the valuation report, the annual report, and the statement of accounts.	Every three years.
Arrange for the annual accounting report to be provided to all employers requiring such a report.	Annually.
Publish and review the Pension Fund's Policies and Funding Strategy Statement, and prepare the annual report and accounts.	Annual review and publication.
<p>Notify the employers of any significant changes to:</p> <ul style="list-style-type: none"> • Regulations that might affect members in their employ; • policies made by the administering authority under the Regulations; or • procedures adopted by it in accordance with this strategy. <p>Advice will be given to the employers concerning interpreting and implementing the Regulations.</p>	As required.

HPF Responsibilities continued

HPF responsibility	Timescale
Maintain a complaints procedure, including appointing a specified person to act as a local referee at Stage 2 of the dispute process.	As required.
Write, publish and maintain a policy on areas of the regulations in which employers can exercise their discretion.	In accordance with regulations and then regular review. Notify employers and members of any policy changes within 30 working days of the changes taking effect.
Answer enquiries made by members.	Within five working days or sooner, where possible. Where an enquiry takes more than five days to resolve, HPF will notify and update the member.
Set up a record for each new member and issue a statutory notification.	Within 20 working days from when notified of their membership.
Make payment of a refund of contributions to an eligible member who leaves with less than two year's service.	Within 15 working days of receipt of the election form from the member.
Issue annual benefit statements on member self-service to active members or send paper copies where written notification is received to opt-out of member self-service.	By 31 August, after relevant annual return information from the employer is received and uploaded.
Provide an estimate of pension benefits on request from the employer and details of any capital costs to be paid by them.	Within 15 working days of receipt of all relevant information.
Amend a member's record.	Within 15 working days from when the change was notified.
Calculate benefits due when a member leaves employment and send details to the member.	Within 15 working days for retirements or within 30 working days for deferred benefits, on receipt of all information needed to make the final calculation.

HPF responsibility	Timescale
Send a benefit statement to all deferred members showing the accrued benefits to the date of leaving and the other options available to them in accordance with the Regulations.	Annually by 31 August.
Pay retirement lump sums.	Within 10 days of the retirement date or receipt of all information from the employer and member if later.
Provide details of the final capital costs paid by the employer into the Pension Fund.	Within 10 working days of completing the calculation.
Calculate and process transfers of members' pension rights inwards.	Within 15 working days of receipt of all information.
Calculate and process transfers of members' pension rights outwards to public sector/TPR approved schemes.	Within 15 working days of receipt of all information.
Calculate and process transfers of members' pension rights outwards to any other pension scheme. ¹	Within 15 working days of transfer approval.
Acknowledge in writing the death of a member.	Within five working days of being notified of the death.
Supply survivor beneficiaries with notification of their entitlements, including the method of calculation.	Within 15 working days of all the information being received.
Pay any death grant due and set up dependant on pensioner payroll.	Within 10 working days of completing the calculation of entitlement.
Apply pensions increases annually to the relevant pensions in payment and deferred pensions retained in the Fund in accordance with the Pensions Increase (Review) Order issued by the Government.	Annually.

¹ The Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021 require schemes to carry out additional due diligence for requests to transfer to schemes which do not meet the First Condition as set out under regulations. Consequently, these transfers must go through an additional approval process that must be completed before the transfer can be processed.

Administering Authority discretions and delegated authority for approval

The table below sets out how the Hampshire Pension Fund (HPF) chooses to exercise its discretions under the LGPS regulations and the delegated authority for approval where a further decision exists.

	Discretion	Regulation	Policy	Delegated authority for approval
1	Whether to agree to an admission agreement with a Care Trust, NHS Scheme employing authority, Care Quality Commission or any other body applying to be an admission body.	R4(2)(b), R5(5) & RSch 2, Part 3, para 1	HPF will enter into an admission agreement where the requirements set down and issued to prospective bodies are met.	Team Manager –Employer Services.
2	Whether to terminate a transferee admission agreement in the event of: <ul style="list-style-type: none"> - insolvency, winding up or liquidation of the body; - breach by that body of its obligations under the admission agreement; - failure by that body to pay over sums due to the Fund within a reasonable period of being requested to do so. 	RSch 2, Part 3, para 9(d)	HPF will decide any case on its merits.	Director of Corporate Operations.
3	Define what is meant by 'employed in connection with'.	RSch 2, Part 3, para 12(a)	HPF admission agreements specify this as the employee spending at least 50% of his time employed by the admission body carrying out duties relevant to the provision of services.	N/A
4	Whether to turn down a request to pay an APC/SCAPC over a period of time where it would be impractical to allow such a request (e.g. where the sum being paid is small and could be paid as a single payment).	R16(1)	HPF has not set a minimum payment threshold.	N/A
5	Whether to require a satisfactory medical before agreeing to an application to pay an APC / SCAPC.	R16(10)	HPF does not require those applying to take out an APC to pass a medical.	N/A

	Discretion	Regulation	Policy	Delegated authority for approval
6	Whether to turn down an application to pay an APC / SCAPC if not satisfied that the member is in reasonably good health.	R16(10)	HPF will turn down an application if there are sound reasons to believe the applicant is not in good health.	Head of Pensions.
7	Whether to charge members for the provision of an estimate of additional pension that the scheme would provide in return for a transfer of in-house AVC /SCAVC funds (where AVC / SCAVC arrangement was entered into before 1 / 4/ 14).	TP15(1)d & A28(2)	HPF charges for estimates in accordance with its estimates policy.	N/A
8	Decide to whom any AVC/SCAVC monies (including life assurance monies) are to be paid on the death of the member.	R17(12)	HPF will decide each case on its merits after assessing all potential beneficiaries but will take into account the member's valid expression of wish form.	Team Manager – Member Services.
9	Pension account may be kept in such form as considered appropriate.	R22(3)(c)	HPF will decide the form in which pension accounts are kept based on any published guidance, best practice and in an efficient manner.	N/A
10	Decide, in the absence of an election from the member within 12 months of ceasing concurrent employment, which ongoing employment benefits from the concurrent employment which has ceased should be aggregated (where there is more than one ongoing employment).	TP10(9)	HPF will aggregate with the earliest remaining employment.	N/A

Administering Authority discretions and delegated authority for approval continued

	Discretion	Regulation	Policy	Delegated authority for approval
11	If an Employer has become defunct, the administering authority is required to make decisions on ill health and early payment of benefits, including whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement or on benefits which a member voluntarily draws before normal pension age.	R30(8) TP12(6) R38(3) R38(6) B30(2) B30(5) B30A(3) B30A(5) B31(4) B31(7) TPSch 2, para 1(2) & 1(1)(c) TP3(1), TPSch 2 para 2(1)	HPF will exercise this discretion in accordance with, and to the extent of (if any) the policy and practice of the former employer. If no policy exists, HPF will not waive any reduction or otherwise agree to a retirement which would incur an employer strain charge. HPF will assess ill health retirement decisions, including the use of 2008 certificates, on a case by case basis.	Head of Pensions.
12	Whether to require any strain on Fund costs to be paid 'up front' by employing authority following payment of benefits under: Flexible retirement; redundancy/business efficiency; the waiver (in whole or part) of any actuarial reduction that would have otherwise been applied to benefits that a member voluntarily draws before normal pension age; release of benefits before age 60.	R68(2) TPSch 2, para 2(3) L80(5) B30 or B30A	HPF requires employers to make an upfront payment of strain charges following any decision to allow early payment of benefits (other than ill health).	N/A
13	Whether to extend the time limits within which a member must give notice of the wish to draw benefits before normal pension age or upon flexible retirement.	R32(7)	No extension will be granted unless appropriate to the individual circumstances of a case.	Head of Pensions.

	Discretion	Regulation	Policy	Delegated authority for approval
14	Decide whether to commute a small pension.	R34(1) R39 (1) (b) & (c) B39 T14(3) L49 & L156	HPF will allow commutation of eligible small pension pots.	N/A
15	Approve medical advisers used by employers (for ill health benefits).	R36(3) L97(10)	HPF requires employers to provide details of medical advisers used for assessing entitlement to ill health benefits and will liaise with any employer using a medical adviser of which HPF does not approve.	Head of Pensions.
16	Decide to whom the death grant is paid.	TP17(5) to (8) R40(2) R43(2) R46(2) B23(2) & B32(2) B35(2) TSch1 L155(4) L38(1) L155(4) E8	HPF will decide each case on its merits after assessing all potential beneficiaries, but will take into account the member's valid expression of wish form.	Head of Pensions.

Administering Authority discretions and delegated authority for approval continued

	Discretion	Regulation	Policy	Delegated authority for approval
17	Decide, in the absence of an election from the member, which benefit is to be paid where the member would be entitled to a benefit under two or more regulations in respect of the same period of Scheme membership.	R49(1)(c)	HPF will choose the benefit entitlement that yields the highest level of benefits for the member.	Team Manager - Member Services.
18	Whether to set up a separate admission agreement fund.	R54(1)	HPF has decided not to set up a separate admission agreement fund.	Director of Corporate Operations.
19	Maintain a governance policy which contains the information set out in the regulations.	R55	HPF has a written governance policy which contains the required information and is regularly reviewed.	Pension Fund Panel and Board.
20	Decide on Funding Strategy for inclusion in the funding strategy statement.	R58	HPF has a funding strategy which is included in the funding strategy statement.	Pension Fund Panel and Board.
21	Whether to have a written pensions administration strategy and if so, the matters it should include.	R59(1) & (2)	HPF has a written pensions administration strategy.	Pension Fund Panel and Board.
22	Maintain a communication policy which contains the information set out in the regulations.	R61	HPF has a written communication policy which contains the required information and is regularly reviewed.	Pension Fund Panel and Board.

	Discretion	Regulation	Policy	Delegated authority for approval
23	Whether to obtain revision of employer's contribution rate if there are circumstances which make it likely a Scheme employer will become an exiting employer.	R64(4)	HPF will decide each case on its merits, with advice from the Fund Actuary.	Director of Corporate Operations.
24	Decide whether to obtain a new rates and adjustments certificate if the Secretary of State amends the Benefits Regulations as part of the 'cost sharing' under R63.	R65	HPF will make this decision as it arises, with advice from the Fund Actuary.	Director of Corporate Operations.
25	Decide the frequency of payments to be made over to the Fund by employers and whether to make an admin charge.	R69(1) L81(1) L12(5)	HPF has determined the interval for payment of employer contributions to be monthly (other than for employers who make advance payment of their contributions on 1 April). Payments are due monthly by the 22 of the month following deduction. However, if in exceptional circumstances an employer requests to defer payment of employer contributions, consideration to this will be given on a case by case basis. Factors which will be considered include, but are not limited to; the overall financial security of the	Head of Pensions.

Administering Authority discretions and delegated authority for approval continued

	Discretion	Regulation	Policy	Delegated authority for approval
			<p>organisation making the request, the likelihood that deferring may lead to contributions not being paid within the year, and the support of any guarantor or related local authority to the deferment. If a request is agreed, then deferred payments will be subject to interest at the underlying discount rate for the employer.</p> <p>HPF reserves the right to ask the Fund Actuary to take into account the timing of deferred payments when determining the allocation of assets. This is so that any material increase in markets is not unfairly attributed to employers during a period of non-payment.</p> <p>Administration costs are taken into account by the actuary when setting employer contribution rates.</p>	

	Discretion	Regulation	Policy	Delegated authority for approval
26	Decide the form and frequency of information to accompany payments to the Fund	R69(4) L81(5)	Employers must complete a monthly remittance form with their payment showing a breakdown of contributions.	Team Manager - Finance.
27	Whether to issue employer with notice to recover additional costs incurred as a result of the employer's level of performance.	R70 & TP22(2)	HPF will work with employers to improve performance, but if HPF deploys additional and disproportionate resources because of an employer's poor performance, the cost of the additional resources may be recharged.	Head of Pensions.
28	Whether to charge interest on payments by employers which are overdue.	R71(1) L82(1)	HPF will charge interest on payments which are more than one month overdue.	Head of Pensions.
29	Decide whether to extend six month period to lodge a stage one IDRPs to be heard by the administering authority.	R74(4)	HPF will not extend the six-month period, unless the circumstances of the individual case warrant an extension.	Head of Pensions.
30	Decide procedure to be followed when exercising its IDRPs functions and decide the manner in which those functions are to be exercised.	R74(6) R76(4) L99	HPF has a documented and compliant IDRPs process.	N/A

Administering Authority discretions and delegated authority for approval continued

	Discretion	Regulation	Policy	Delegated authority for approval
31	Whether admin authority should appeal against employer decision (or lack of a decision).	R79(2) L105(1)	HPF would take the decision to appeal based on the merits of the individual case.	Head of Pensions.
32	Specify information to be supplied by employers to enable admin. authority to discharge its functions.	R80(1)(b) & TP22(1)	HPF provides employers with full guidance as to the information they must supply.	N/A
33	Whether to pay death grant due to personal representatives or anyone appearing to be beneficially entitled to the estate without need for grant of probate / letters of administration where payment is less than the amount specified in the Administration of Estates (Small Payments) Act 1965.	R82(2) A52(2) L95	HPF will pay death grants that are under the amount specified in the Administration of Estates (Small Payments) Act 1965 without the need for a grant of probate/letters of administration.	N/A
34	Whether where a person (other than an eligible child) is incapable of managing their affairs, to pay the whole or part of that person's pension benefits to another person for their benefit.	R83 A52A	HPF will decide who should receive payment of benefits, based on the circumstances of the individual case.	Head of Pensions.
35	Date to which benefits shown on annual benefit statement are calculated.	R89(5) L106A(5)	HPF uses 31 March, but will revise this if regulatory requirements, administrative efficiency or best practice demand it.	N/A
36	Extend the normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS.	R100(6)	HPF will not extend the 12-month limit, except if warranted by the individual circumstances of the case.	Head of Pensions.

	Discretion	Regulation	Policy	Delegated authority for approval
37	Allow transfer of pension rights into the Fund.	R100(7)	HPF will allow transfers into the Fund.	N/A
38	Where member to whom B10 applies (use of average of 3 years pay for final pay purposes) dies before making an election, whether to make that election on behalf of the deceased member. Make election on behalf of deceased member with a certificate of protection of pension benefits i.e. determine best pay figure to use in the benefit calculations (pay cuts / restrictions occurring pre 1.4.08.).	TP3(6) TP4(6)(c) TP8(4) TP10(2)(a) TP17(2)(b) TSch 1 L23(9) B10(2)	HPF will choose the pay figure that would yield the highest overall level of benefits for beneficiaries.	Team Manager – Member Services
39	Decide to treat a child as being in continuous education or vocational training despite a break.	RSch 1 & TP17(9) B39 T14(3)	HPF will treat a child as being in continuous education or vocational training despite a break.	N/A
40	Decide evidence required to determine financial dependence of cohabiting partner on scheme member or financial interdependence of cohabiting partner and scheme member.	RSch 1 & TP17(9)(b) B25	HPF will decide the evidence required to determine financial dependence based on guidance and best practice. In most cases, utility bills, bank statements or mortgage documentation in joint names will be accepted.	Team Manager - Member Services.

Administering Authority discretions and delegated authority for approval continued

	Discretion	Regulation	Policy	Delegated authority for approval
41	Decide policy on abatement of pensions following re-employment, including the pre 14 April element for post 14 leavers.	TP3(13) & A70(1)* & A71(4)(c) T12 L109 L110(4)b	HPF will not abate pension for any re-employment starting after 1 April 2014. Pensions already abated at this date will continue to be abated until the re-employment ends.	N/A
42	Extend time period for capitalisation of added years contract.	TP15(1)(c) & TSch1 & L83(5)	HPF will not extend the time limit for applications to pay off added years contracts.	N/A
43	Outstanding employee contributions can be recovered as a simple debt or by deduction from benefits.	A45(3) L89(3)	HPF will usually recover as a deduction from benefits.	Team Manager - Member Services.
44	Whether to pay the whole or part of a child's pension to another person for the benefit of that child.	B27(5) L47(2) G11(2)	All pensions due to children under 16 will be paid to another person for the benefit of the child. After age 16, HPF will normally pay to the child, unless the circumstances of the individual case mean that the payments should continue to be made to another person.	N/A

	Discretion	Regulation	Policy	Delegated authority for approval
45	Extend normal 12-month period following the end of relevant reserve forces leave for "Cancelling notice" to be submitted by a councillor member requesting that the service should not be treated as relevant reserve forces service.	L17(4),(7),(8), & L89(4) & Sch 1	HPF will not extend the 12-month period.	N/A
46	Select the appropriate final pay period for the deceased non-councillor member (leavers post 31.3.98./pre 1.4.08.).	L22(7)	HPF will choose the appropriate pay period that would yield the highest overall level of benefits for beneficiaries.	Team Manager - Member Services
47	Apportionment of children's pension amongst eligible children (children of councillor members and children of post 31.3.98 / pre 1.4.08. leavers).	L47(1) G11(1)	HPF will apportion a children's pension equally amongst eligible children.	N/A
48	Commute benefits due to exceptional ill-health (councillor members, pre 1.4.08. leavers and pre 1.4.08. Pension Credit members).	L50 & L157	HPF will commute benefits due to exceptional ill health, provided regulatory conditions are met.	N/A
49	Whether acceptance of AVC election is subject to a minimum payment (councillors only).	L60(5)	HPF does not set a minimum payment threshold for AVCs.	N/A
50	Timing of pension increase payments by employers to fund (pre 1.4.08. leavers).	L91(6)	Employer payments are paid monthly on account, with an annual balancing charge after the year-end.	N/A
51	Retention of CEP where member transfers out (councillors and pre 1.4.08. leavers).	L118	CEP will be paid with transfers out rather than being retained in the Fund.	N/A

Administering Authority discretions and delegated authority for approval continued

	Discretion	Regulation	Policy	Delegated authority for approval
52	Discharge Pension Credit liability (in respect of Pension Sharing Orders for councillors and pre 1.4.08. Pension Sharing Orders for non-councillor members).	L147	HPF will discharge its liability by conferring pension credit rights on the person entitled to the pension credit.	N/A
53	Whether to pay spouse's pensions for life for pre 1.4.98 retirees/pre 1.4.98 deferreds who die on or after 1.4.98. (rather than ceasing during any period of remarriage or cohabitation).	F7	HPF will pay the spouse's LGPS pensions for life.	N/A
54	Agree to pay annual compensation on behalf of the employer and recharge payments to the employer.	DC31(2)	HPF will pay compensation on behalf of an employer, subject to acceptable recharge arrangements.	Head of Pensions.
55	Whether to agree to that an admission agreement may take effect on a date before the date on which it is executed.	RSch2, Part 3, para 14	As set out in the Employer Policy, HPF requires employers to notify the Fund of any outsourcing as soon as possible and complete an admission agreement with sufficient time before the contract start date. However, each case will be decided on its merits, with advice from the Fund Actuary.	Head of Pensions.

	Discretion	Regulation	Policy	Delegated authority for approval
56	Whether to extend the period beyond 6 months from the date an Employer ceases to be a Scheme Employer, by which to pay an exit credit.	R64 (2ZA)	As stated in the Employer Policy, HPF will agree on a later date with an employer if circumstances mean that an exit credit cannot be paid within 3 6 months of the employer exiting the Fund.	Head of Employer Services.
57	To determine the amount of an exit credit, which may be zero.	R64 (2ZAB)	HPF will determine the amount of any exit credit to be paid with regard to the factors set out in the regulations, in accordance with the policy in the Funding Strategy Statement and Employer Policy.	Head of Pensions.
58	Whether to suspend (by way of issuing a suspension notice) for up to 3 years an employer's obligation to pay an exit payment where the employer is again likely to have active members within the specified period of suspension.	R64(2A)	As set out in the Employer Policy, HPF will exercise this discretion in relation to Town or Parish Councils. Any other circumstance will be considered on its merits with advice from the Fund Actuary.	Head of Employer Services.

Administering Authority discretions and delegated authority for approval continued

	Discretion	Regulation	Policy	Delegated authority for approval
59	To decide whether it is legally able to offer voluntary scheme pays and, if so, to decide the circumstances (if any) upon which it would do so.	RPS 2	HPF will allow a request for Voluntary Scheme Pays (VSP) where the tax charge is over £1,000 and under £2,000 in relation to an excess over the standard annual allowance. Any request for VSP below this minimum will be considered on a case by case basis with regard to the administration cost of administering a small pension debit. In addition, HPF will allow a request for VSP in relation to a tax charge of £1,000 or more which has arisen in relation to an excess over a tapered annual allowance (including any amount up to £2,000 over the standard annual allowance if the total tax charge is more than £1,000).	Head of Pensions.
60	Appoint an Actuary.	Reg 64.		

	Discretion	Regulation	Policy	Delegated authority for approval
61	To decide to open a bank account to receive amounts due under the regulations.	IN 4,6	<p>As set out in the County Council's Financial Procedures, all arrangements with bankers must be made only by the Chief Financial Officer, who is authorised to operate any bank accounts considered necessary.</p> <p>Management of the Pension Fund's cash balances will be undertaken following the Fund's Cash Strategy agreed by the Pension Fund Panel and Board.</p>	<p>Chief Finance Officer (Director of Corporate Operations).</p> <p>Director of Corporate Operations as delegated to the Investments and Borrowing Team via the Treasury Management Procedures and Decision Sheets.</p>
62	To decide to open a custodian bank account to receive income and capital deriving from investments.	IN 4	The Panel and Board will be asked to approve the procurement and contracting with a custodian bank for the service of safekeeping of the Fund's investments.	Director of Corporate Operations when agreed by the Panel and Board
63	To decide to pay costs, charges and expenses incurred in administering the pension fund.	IN 4	Costs, charges and expenses will be paid that have due incurred by the Pension Funds investments.	As per the County Council's hierarchy of budget holder responsibility.

Administering Authority discretions and delegated authority for approval continued

	Discretion	Regulation	Policy	Delegated authority for approval
64	To decide to borrow to meet obligations to pay pensions or to meet investment commitments when changing between different types of investment.	IN 5	The Pension Fund's cash strategy as agreed by the Panel and Board, is to avoid borrowing other than in exceptional circumstances as set out in Regulations.	Director of Corporate Operations to agree decision sheet with Treasury Management Team.
65	To decide to commission investment advice.	IN 7	The Panel and Board will decide when they wish to procure specialist investment advice and independent advice. Director of Corporate Operations will commission advice when necessary for the day-to-day operation of the Pension Fund.	Deputy Head of Pensions and Deputy Investments & Borrowing Manager.
66	To decide where to invest money.	IN 7	The Panel and Board must agree an Investment Strategy Statement which specifies the types of investments that the Pension Fund will make.	Panel and Board
67	Take any action to protect the value of the Pension Fund	IN 7	The Director may take any action having taken appropriate advice and consulted with the Chairman of the Pension Fund Panel and Board.	Director of Corporate Operations.

	Discretion	Regulation	Policy	Delegated authority for approval
68	To decide to appoint or change the appointment of investment managers.	IN 9	<p>Investment manager appointments will be made in line with the Pension Fund's Investment Strategy Statement, where appropriate taking options available from the ACCESS pool.</p> <p>Administration of the Pension Funds investment will be undertaken by the Fund's officers to make payments to meet investment commitments and commission the relevant services when necessary, e.g. legal advice, tax advice, transition management and class action services.</p>	<p>Panel and Board.</p> <p>Director of Corporate Operations to approve the Pension Fund's authorised signatory list in line with the Corporate Schedule of Payments list.</p>
69	Responsibility for the day-to-day operation of the Pension Fund.		Operations are split between two teams; Administration and Investments & Borrowing.	Deputy Head of Pensions and Deputy Investments & Borrowing Manager.

Administering Authority discretions and delegated authority for approval continued

	Discretion	Regulation	Policy	Delegated authority for approval
70	To enter into or amend a contract committing the Pension Fund to incur expenditure.	N 9	The Pension Fund's contractual arrangements will be put in place for the Fund's investment and business requirements in line with the Council's Standing Orders	As per the County Council's Standing Orders
71	To enter into or amend a contract/agreement that does not commit the Pension Fund to incur expenditure.	IN 9	Operations are split between two teams; Administration and Investments & Borrowing	The Pension Fund's authorised signatories as agreed by the Director of Corporate Operations
72	Responsibility for the day-to-day operation of the Pension Fund			Deputy Head of Pensions and Deputy Investments & Borrowing Manager

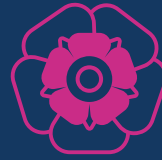
Key to regulations:

Prefix	Regulation
R	Local Government Pension Scheme Regulations 2013
TP	Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014
A	Local Government Pension Scheme (Administration) Regulations 2008
B	Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007
T	Local Government Pension Scheme (Transitional Provisions) Regulations 2008
L	Local Government Pension Scheme Regulations 1997 (as amended)
None	Local Government Pension Scheme Regulations 1995
IN	Local Government Pension Scheme Regulations 2016 (Management and Investment of Funds)
DC	Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000
RPS	The Registered Pension Schemes (Modification of Scheme Rules) Regulations 2011

Hampshire Pension Fund

The Castle,
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Hampshire
SO23 8UB.





HAMPSHIRE
PENSION FUND

Business Plan

2022-2025



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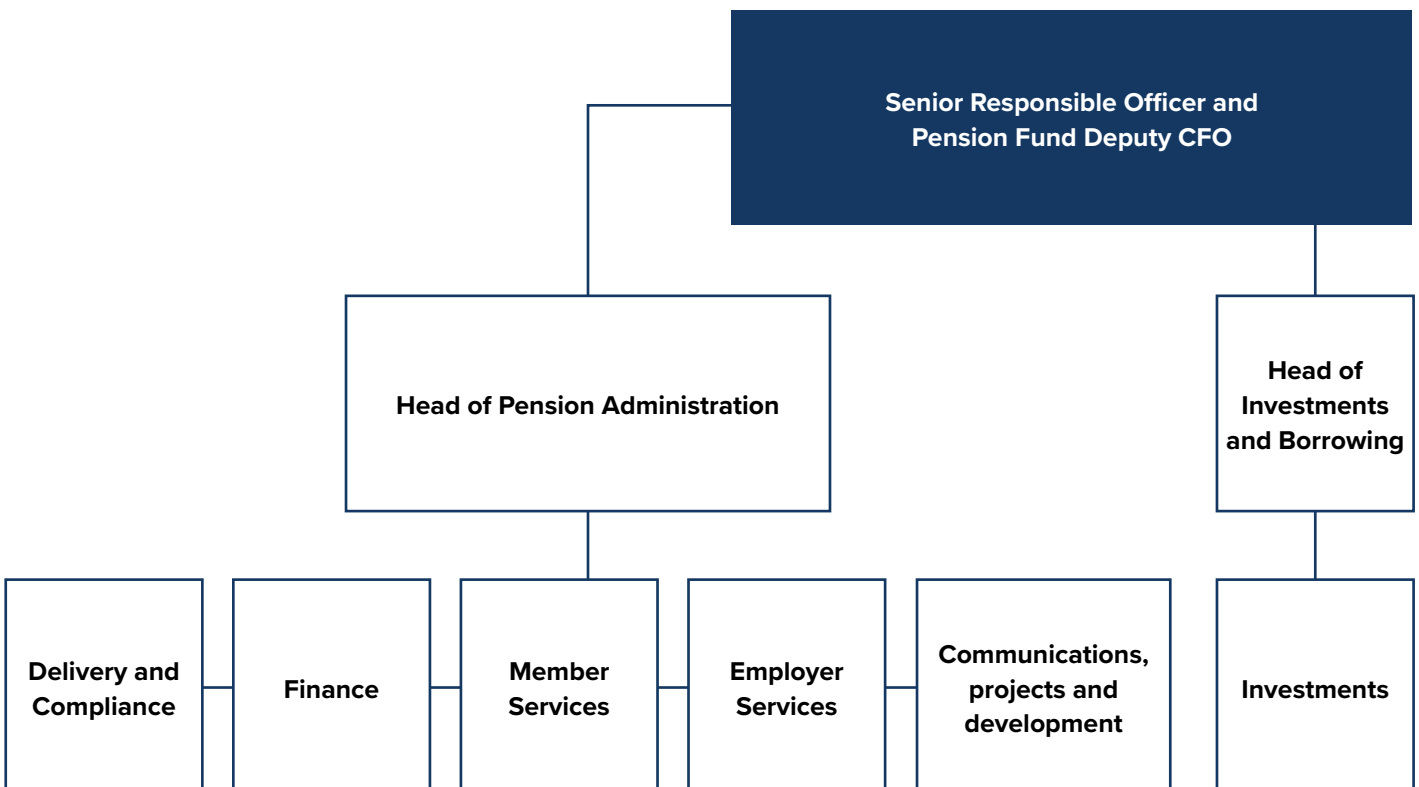
Background

This is the Business Plan for the Hampshire Pension Fund, which is part of the Local Government Pension Scheme (LGPS) and has over 191,000 members, including over 48,000 members in receipt of a pension. It makes investments so that it can pay pensions to these members when they reach retirement age. At its last financial year end – 31 March 2022, these investments were valued at £9.63bn.

Hampshire County Council is responsible for administering the Hampshire Pension Fund. It has delegated responsibility for this to the Pension Fund Panel and Board who are charged with the governance and management of the Pension Fund. The Panel and Board meets regularly and has 15 voting members, made

up of 9 County Councillors, 3 scheme member representatives and 3 employer representatives. These membership arrangements have been designed to allow all key stakeholders to have the opportunity to be represented on the committee.

The Treasurer of the Pension Fund (Section 151 Officer of the County Council) is the most senior officer responsible for the management and administration. Hampshire Pension Services carry out the day-to-day administration of the Fund. There are 59.5 full time equivalent (FTE) staff involved in the administration and governance of the Pension Fund, with the majority of these in the Member and Employer Services team.



Background continued



The management and administration of the Pension Fund are both carried out in conjunction with several key suppliers, in particular, the Fund's Actuary – Aon; its bank - NatWest; custodian of the Fund's investment - JP Morgan and the administration software supplier – Civica. More details of the Pension Fund's suppliers, including its arrangements for investment management, are contained in its Annual Report Hampshire-Pension-Fund-Annual-Report-Full-Draft-2021-2022.pdf ([hants.gov.uk](https://www.hants.gov.uk)).

Hampshire is a member of the ACCESS pool (A Collaboration of Central, Eastern and Southern Shires) with 10 other Local Government Pension Scheme funds to meet the requirements of the Government's LGPS: Investment Reform Criteria and Guidance (2015), which set objectives for asset pooling in the LGPS. As of 31 March 2022, Hampshire had pooled 63% of its investments with ACCESS. The ACCESS pool has agreed

to its business plan for the development of the pool, including a pipeline allowing the authorities to pool more investments and further strengthening the governance and management of the pool.

A key concern of the Pension Fund Panel and Board is that the Pension Fund acts as a good steward of its investments and with the principles of a responsible investor. The Pension Fund is a signatory of the Stewardship Code 2020, Principles of Responsible Investment (PRI) and has adopted the principles of the Taskforce for Climate-Related Financial Disclosure (TCFD).



Introduction

The Fund's overarching aims are set as follows:

Governance: To put stakeholders at the centre of everything we do, act with integrity and be accountable for decisions made. This will be achieved through a robust and well-based governance framework which considers risk management, compliance, and appropriate resourcing.

Investments and Funding: To make the best use of our resources and minimise the long-term cash contributions which employers need to pay to the Fund. This will be achieved by recognising the link between assets and liabilities and adopting an investment strategy which balances risk and return.

Administration and Communication: To continue delivering high-quality administration service to all stakeholders. This will be done through working closely with our partners and the continual review of processes and procedures to ensure that the Fund receives all income due and payments are made to the right people at the right time and that there is clear communication with all stakeholders and robust accounting and reports.

The Business Plan is an important document which sets out the aims and objectives of the Fund over the coming few years and the outcomes the Panel and Board want to achieve for its stakeholders. The Business Plan is one of several documents that govern how the Pension Fund is managed. These are:

- Funding Strategy Statement
- Investment Strategy Statement (including Responsible Investment Policy)
- Administration Strategy
- Communication Policy
- Employer Policy
- Conflicts Policy
- Business Plan (including Risk Register, Budget and Training Plan)
- Training Policy
- Governance Policy Statement and Governance Compliance Statement
- Representation Policy
- Cyber Compliance Statement

These policies are published on the Pension Fund's website **Policies | Hampshire County Council (hants.gov.uk)** and reviewed at least once a year, in December, by the Pension Fund Panel and Board.

The key actions and areas of focus in the business plan are grouped into the areas of governance, funding and investments, and administration; the objectives for these are summarised as follows:

Governance

- Act in the best interests of the Fund's members and employers.
- Have robust governance arrangements in place to facilitate informed decision-making supported by appropriate advice, policies and strategies.
- Ensure the Pension Fund is managed and its services delivered by people who have the appropriate knowledge and expertise.
- Act with integrity and be accountable to our stakeholders for our decisions, ensuring they are robust and well based.
- Understand and monitor risk.
- To make sure that the Fund follows best practice as recommended by the Government, the Scheme Advisory Board (SAB), the Pensions Regulator (TPR), the Local Government Pensions Committee (LGPC), the Chartered Institute of Public Finance and Accountancy (CIPFA) and other organisations involved in the oversight in pensions.
- Comment fully on consultation papers dealing with pension matters in the interests of the Fund's participating employers and members within the deadlines set.
- Clearly articulate our objectives and how we intend to achieve those objectives through business planning and continually measure and monitor success.
- Ensure the confidentiality, integrity and accessibility of the Fund's data, systems and services are protected and preserved.

Investments and Funding

- To achieve a 100% funding level over the long term, which means that all current and future Fund liabilities can be met.

- Determine employer contribution requirements whilst recognising the constraints on affordability and strength of employer covenant, with the aim being to maintain stable employers' contribution rates in the long term.
- Strike the appropriate balance between long-term consistent investment performance and the funding objectives.
- Ensure net cash outgoings can be met as/when required
- Ensure that the Fund's appointed investment managers are implementing the Fund's Responsible Investment policy.

Administration

- Provide high quality, professional, proactive, timely, and customer focussed administration service to the Fund's stakeholders.
- Administer the Fund cost-effectively and efficiently, utilising technology appropriately to obtain value for money.
- Ensure the Fund's employers are aware of and understand their roles and responsibilities under the LGPS regulations and in the delivery of the administrative functions of the Fund.
- Communicate in a clear, concise manner using the most appropriate means of communication, considering the different needs of different stakeholders, but with a default of using electronic communications where efficient and effective to do so.
- Regularly evaluate the effectiveness of communications and shape future communications appropriately.

Business as usual

The business plan highlights the key priorities for the next three years. This focusses on areas of change and project-like tasks which are in addition to day-to-day “business as usual” duties. Daily, our focus is on the following key elements of Fund management.

Managing the Fund on a day to day basis involves a wide range of processes and procedures, some of which are outlined below and all of which have been designed around achieving our Fund’s objectives as outlined in our strategies and policies. The management of the Fund is significant, complex and highly regulated. As such, these processes and procedures require expert knowledge and experience from both officers and external advisors in several diverse areas as illustrated below.

Governance

- Setting the agenda, reporting and presenting to the Pension Fund Panel and Board and Responsible Investment sub-committee.
 - Implementing and monitoring the achievement of other governance areas such as training policy, conflict of interest policy, risk register, and compliance against The Pension Regulator’s Code of Practice.
 - Ensuring we adhere to Council and legal requirements for procurement, health & safety and data protection.
 - Assisting internal and external audits in their role.
 - Replying to Freedom of Information requests.
- Participation in the Joint Governance Committee and Officer Working Group of the ACCESS pool.
 - Preparing and publishing the Fund’s Annual Report and Statement of Accounts.
 - Preparing and monitoring the Pension Fund’s Budget.
 - Preparation of statutory and non-statutory returns as required.
 - Maintaining the Pension Fund’s cashflow forecast.
 - Quarterly invoicing of employers for pensions strain and added years.
 - Running an Annual Meeting for employers.

Investments and Funding

- Arranging through the Actuary data required by the Government Actuary’s Department (“GAD”).
- Implementing and checking the appropriateness of the Investment Strategy every three years.
- Appointing, monitoring, and dismissing fund managers, including within a pooling environment.
- Quarterly monitoring and reporting on investment performance and the funding position.
- Working with other LGPS funds in the ACCESS pool through the Joint Governance Committee and Officer Working Group.
- Ensuring investment costs are fully disclosed in line with the Cost Transparency Initiative.
- Monitoring and reporting on the Fund’s Responsible Investment Policy.



Administration

- Maintaining accurate and up-to-date scheme member records.
- Calculating and notifying entitlement to pension and death benefits.
- Providing estimates of retirement benefits, including any additional costs to employers.
- Calculating and paying monthly pensions to all pensioners and beneficiaries.
- Producing Annual Benefit Statements for all active and deferred scheme members and payslips and P60s for pensioner members and making these documents available on the secure Portal.
- Providing ongoing information to scheme members and their beneficiaries as they join, leave, or change their status in the Fund.
- Answering ad-hoc enquiries received by phone, email, letter, or secure Portal message.
- Maintaining the Fund's website and the Member Portal, and Employer Hub.
- Provide new employers with information about their Fund responsibilities.
- Providing ongoing training and technical updates to employers.
- Processing bulk updates to data such as annual pensions increases and year-end employer returns.
- Administering the Fund's Internal Dispute Resolution Procedure.
- Providing information to the Fund's Actuary as required.
- Monitoring the employers' funding positions and covenants, including their ability to pay contributions and managing any employers who wish to join or leave the Fund.
- Completing statutory reporting requirements and other provisions of information to stakeholders, including reporting against KPIs.
- Maintaining and updating the pensions software system.

Business plan

2021/22 to 2024/25

Item	Context	Action	Progress
Governance			
Good Governance	The SAB has approved Phase 3 of its Good Governance Review, which may now go forward to become Statutory Guidance and new regulations.	Implement the outcomes of the SAB Good Governance Review.	DLUHC has not yet published a consultation on Statutory Guidance, but the Fund continues to compare itself to the recommendations of the Good Governance review.
TPR's new Code of Practice	The Regulator has consulted on a new single code of practice which is expected to come into force in the summer of 2022.	Assess the Fund's compliance with the new code.	Compliance against draft code assessed. Expecting code to come into force by the end of December 2022.
Pooling Guidance	Central Governance published its original pooling guidance in 2015. The Ministry for Communities, Housing and Local Government (MHCLG) consulted on amendments in January 2019, but no further amendments have since been made.	Respond to further consultation on LGPS pooling guidance which is now expected.	DLUHC has not yet published any further pooling consultation. Hampshire continues to play a full part in the ACCESS pool and has further portfolios scheduled to transfer to the pool.
Panel and Board Roles	The terms of the Panel and Board representatives will expire as follow: <ul style="list-style-type: none"> • deputy scheme member representative – May 2022 • pensioner representative – May 2023 • active and deferred scheme member representative – February 2024 	Advertise for volunteers and manage a process to select a deputy scheme member representative and pensioner representative for the Panel and Board.	The Pension Fund has appointed a deputy scheme member and is in the process of selecting an applicant for the other employer role which became unexpectedly vacant in 2022.
New Knowledge and Skills Framework	CIPFA have published a new Knowledge and Skills Framework for members of Pension Fund committees.	The new Knowledge and Skills Framework will be the basis of the Panel and Board's Learning Needs Analysis and Training Plan in 2022.	The Pension Fund's 2022/23 Training Plan has been based on the new Knowledge and Skills framework.
New Actuary Contract	The Pension Fund's contract expires on 31 March 2023.	A new contract will be tendered from the National Framework.	The Pension Fund's officers are working with colleagues in the County Council's Procurement Team to publish a tender calling off the LGPS National Framework.
Consultations responses	The Pension Fund will respond to all relevant consultations produced by Government and other regulatory bodies.	Consultations are expected for changes to the local valuation cycle, management of employer risk, Fair Deal, Academies and adoption of TCFD principles, although exact timings aren't yet known.	The Pension Fund has responded to the DLUHC's Climate Risk Reporting (TCFD) consultation.

Item	Context	Action	Progress
Funding and investment			
Actuarial Valuation	The Fund's next Actuarial Valuation is due on 31 March 2022.	Consider the results of the valuation.	The results of the 2022 Valuation have been reported to employers and will be finalised by the Actuary by 31 March 2023.
Pre-payments	Subject to the terms of their participation in the Fund, employers are permitted to pre-pay contributions in return for a discount.	Agree the terms for prepayments following the 2022 Valuation.	The terms for employers to pay contributions in advance following the 2022 Valuation have been shared, and responses are due by 31 January 2023.
Investment Strategy review	The Fund's current Investment Strategy was agreed by the Panel and Board in February 2020.	Review the Investment Strategy following the latest Actuarial Valuation and implement any necessary changes.	Investment consultancy advice has been commissioned to review the Investment Strategy with the target to report to the Panel and Board on 24 March 2023.
Climate Change risk	The Pension Fund has agreed to its RI Policy which sets out how it expects its investment managers to consider the impact of Climate Change amongst environmental, social and governance (ESG) factors in their investment decisions.	Conduct initial scenario analysis on the risk of the impact of Climate Change on the Fund's investments to be developed in future years.	The Pension Fund has commissioned a scenario analysis in line with the principles of TCFD as part of the 2022 Actuarial Valuation.
Responsible Investment (RI)	Following the approval of a RI policy in July 2019, the Pension Fund commissioned a specialist RI consultant to review its investment managers and the ESG exposure in their portfolios.	Repeat the RI review with the Pension Fund's current investment managers and portfolios.	RI consultants have been commissioned to review the Pension Fund's investments and provide training to the Pension Fund Panel and Board.
Asset-backed securities (ABS)	The Pension Fund first made a small investment in ABS pooled funds in October 2019. Due to amendments in the Fund's medium-term and strategic asset allocations, the values of these investments have since grown.	Consider whether the Pension Fund's investment in ABS should be held in segregated accounts prior to potentially transferring to the ACCESS pool.	Link Fund Solutions (the Operator of the ACCESS pool vehicle) will recommend one of Hampshire's two ABS investment managers for managing an ABS portfolio that transfers to the pool.
Pooling Alternative Investments	The ACCESS pool will develop options for the partner authorities to invest in alternative investments.	To consider the options available for transferring Hampshire's uncommitted allocations to alternative investments to the ACCESS pool.	ACCESS plans to have finalised options for pooled Private Equity and Private Debt by the end of 2023/24, which Hampshire will be able to consider.

Business plan continued

2021/22 to 2024/25

Item	Context	Action	Progress
Administration			
Guaranteed Minimum Pension (GMP) reconciliation	Ensure scheme records agree with those of the National Insurance Contribution Office (NICO, part of HMRC).	Complete the rectification stage of the GMP reconciliation project.	The Project is on track with data due to be uploaded into the administration system in February 2023 and any required changes to payments from April 2023.
McCloud	Removal of the age discrimination, which was introduced when the scheme was reformed in 2014.	Receive and upload the required information from employers in anticipation of new regulations in 2023.	The majority of employer returns have been received and the work has started to upload the data into the administration system.
Communications Strategy	Continue to offer members a variety of methods of communication but use electronic by default.	Implement planned enhancements to the Member Portal and Employer Hub and continue working to promote these to members and employers.	Enhancements have been delivered and further communications issued to promote the online offering to members.
UPM development roadmap	Implementation of agreed improvements to the pension administration system.	Deliver the planned improvements and roll these out to members, employers and staff.	Agreed improvements have been delivered and the roadmap for 2023/24 agreed.
Cyber security	The Fund has to ensure it has a comprehensive cyber security plan in place, which is regularly reviewed and tested.	Complete annual assessment of external facing portals (Member and Employer) and resolve any identified issues. Review and issue a cyber statement and annual performance report.	Assessment completed and supplier engaged to deliver identified improvements. Cyber statement and report due to Panel and Board in December.
Exit cap	It is expected that DLHUC will come forward with new proposals for a cap on exit payments in 2021/2022.	Ensure any calculation routines and communications with employers and members are updated to reflect the new requirements. Review the associated strain cost factors as appropriate.	Scope of regulations issued only covers academy employers and communications have been issued to those employers affected by the changes.
Goodwin	Removal of gender discrimination in relation to partners'partners' pensions – DHLUC is expected to come forward with amending regulations to implement this.	Ensure any calculations and communications are updated to comply with any new requirements and consider any historic cases (if the changes are backdated).	Regulations have not yet been issued.

Business plan

2021/22 to 2024/25

Item	Context	Action	2023/24	2024/25	2025/26
Governance					
Good Governance	The SAB has approved Phase 3 of its Good Governance Review, which may now go forward to become Statutory Guidance and new Regulations.	Implement the outcomes of the SAB Good Governance Review.	•		
TPR's new Code of Practice	The Regulator has consulted on a new single code of practice which is expected to come into force in the summer of 2022.	Assess the Fund's compliance with the new code.	•		
Pooling Guidance	Central Governance published its original pooling guidance in 2015. The Ministry for Communities, Housing and Local Government (MHCLG) consulted on amendments in January 2019, but no further amendments have since been made.	Respond to further consultation on LGPS pooling guidance which is now expected.	•		
Panel and Board Roles	The terms of the Panel and Board representatives will expire as follows: <ul style="list-style-type: none"> • deputy scheme member representative – May 2022. • pensioner representative – May 2023. • active and deferred scheme member representative, other employer representative – February 2024. 	Advertise for volunteers and manage a process to select a deputy scheme member representative and pensioner representative for the Panel and Board.	•		
New Actuary Contract	The Pension Fund's contract expires on 31 March 2023.	The new contract will be implemented.	•		
Consultations responses	The Pension Fund will respond to all relevant consultations produced by Government and other regulatory bodies.	Consultations are expected for changes to the local valuation cycle, management of employer risk, Fair Deal, Academies and adoption of TCFD principles, although exact timings aren't yet known.	•	•	•

Business plan continued

2021/22 to 2024/25

Item	Context	Action	2023/24	2024/25	2025/26
Funding and investment					
Investment Strategy review	The Fund's current Investment Strategy was agreed by the Panel and Board in February 2020.	Review the Investment Strategy following the latest Actuarial Valuation and implement any necessary changes.	•		
Custodian contract	The Fund's current custodian contract expires in August 2022, and a new contract has been arranged from the LGPS National Framework.	Transition to the new contract by August 2023.	•		
Climate Change risk	The Pension Fund has agreed to its RI Policy which sets out how it expects its investment managers to consider the impact of Climate Change amongst environmental, social and governance (ESG) factors in their investment decisions.	Conduct initial scenario analysis on the risk of the impact of Climate Change on the Fund's investments to be developed in future years.	•	•	•
Responsible Investment (RI)	Following the approval of a RI policy in July 2019, the Pension Fund commissioned a specialist RI consultant to review its investment managers and the ESG exposure in their portfolios.	Repeat the RI review with the Pension Fund's current investment managers and portfolios.		•	
Pooling Alternative Investments	The ACCESS pool will develop options for the partner authorities to invest in alternative investments.	To consider the options available for transferring Hampshire's uncommitted allocations to alternative investments to the ACCESS pool.	•	•	•

Item	Context	Action	2023/24	2024/25	2025/26
Administration					
Guaranteed Minimum Pension (GMP) reconciliation	Ensure scheme records agree with those of the National Insurance Contribution Office (NICO, part of HMRC).	Complete the rectification stage of the GMP reconciliation project.	●		
McCloud	Removal of age discrimination which was introduced when the scheme was reformed in 2014.	Receive and upload the required information from employers in anticipation of new regulations in 2023.	●	●	
Actuarial Valuation	Ensure that accurate scheme data is provided to allow the Fund Actuary to conduct the triennial valuation.	Communicate with employers to ensure the prompt return of accurate data and upload this into the administration system before producing the valuation extracts.	●		
Communications Strategy	Continue to offer members a variety of methods of communication but use electronic by default.	Implement planned enhancements to the Member Portal and Employer Hub and continue working to promote these to members and employers.	●	●	
UPM development roadmap	Implementation of agreed improvements in the pension administration system.	Deliver the planned improvements and roll these out.	●	●	
Cyber security	The Fund has to ensure it has a comprehensive cyber security plan, which is regularly reviewed and tested.	Complete annual assessment of external facing portals (Member and Employer) and resolve any identified issues. Review and issue a cyber statement and annual performance report.	●	●	
Exit cap	It is expected that DLHUC will come forward with new proposals for a cap on exit payments in 2021/2022.	Ensure any calculation routines and communications with employers and members are updated to reflect the new requirements. Review the associated strain cost factors as appropriate.		●	
Goodwin	Removal of gender discrimination in relation to partners' pensions – DHLUC is expected to come forward with amending regulations to implement this.	Ensure any calculations and communications are updated to comply with any new requirements and consider any historic cases (if the changes are backdated).		●	
Pension Dashboard Programme	National initiative involving all UK pension schemes to create a single site for members to access information about all their pension benefits.	Engage with an ISP to provide connectivity with the dashboard. Start assessment of data to ensure compliance can be achieved by staging date of September 2024.	●	●	●

2022/23 Budget

The Pension Fund categorises its expenditure for the management of the Pension Fund according to CIPFA's definitions; investment management, administration, and governance, which include the following:

- **Investment management** – the cost of managing the Fund's assets, which includes fees paid to the Fund's investment managers and its custodian. This includes the fees not paid directly for pooled and other investments, such as sub-funds managed by link as part of the ACCESS pool and alternative investments like Infrastructure and Private Equity.
- **Administration** – all activities the Administering Authority must perform to administer entitlements and provide members with scheme and benefit entitlement information.
- **Governance** – the costs of accounting for and monitoring the Pension Fund, plus the additional professional advice and support that the Fund requires.

The 2023/24 budget that has been prepared reflects the costs of delivering the Pension Fund's statutory responsibilities for the administration of the scheme and management of investments. The resources within the budget are sufficient to meet the Fund's regulatory requirements and deliver at the standards for administration that are reported to the Panel and Board. The new developments and initiatives in the Fund's Business Plan are also included in the budget.

Investment management

Investment management costs are derived from the percentage fees charged by the Fund's investment managers, applied to the market value of the portfolios they manage. Future years' market values have been calculated based on the expected annual increases that the Fund's Actuary has used in the 2019 Valuation applied to the investment management contracts that the Fund has in place. Actual investment management costs may be more or less than the budget, depending on the market values each year.

The budget for investment management costs has been revised down to £66.7m in 2022/23 to reflect the decrease in the market value of the Fund, which will reduce the amount of investment management fees due.

Administration

The two key expenses for pension administration are staff, and IT costs. Pension Services use the Civica UPM system, which continues to drive efficiency savings allowing the service to be delivered cost-effectively despite increasing pressures and growth in workloads.

The budget for administration remains well within the 0.3% of pensionable payroll for the Fund assumed by the Fund's Actuary and results in a cost per member of around £15, which is one of the lowest across LGPS funds. The budget has an allowance in both the staff and IT costs for the implementation of the McCloud remedy. No allowance has been made in the budget for the costs of GMP rectification work or the implementation of the Pension Dashboard programme which will be separately costed once the full scope of this work is known.

Governance

Governance costs fall into three main areas:

- The internal costs of providing the administration and accounting function for the Pension Fund, managing its investment management contracts, and providing the governance support to the Pension Fund Panel and Board.
- The ongoing costs of setting up and running the ACCESS pool.

- The external services required by the Pension Fund: internal and external audit, investment consultancy, actuarial services, independent advice to the Panel and Board, and internal and external legal support

Governance costs are expected to be relatively static for the next two years. Additional costs are projected in 2022/23 for the next Actuarial Valuation as of 31 March 2022.

2022/23 Budget

	Budget 2022/23 £000	Budget 2023/24 £000	Budget 2024/25 £000	Budget 2025/26 £000
Investment management fees	63,340	66,043	68,863	71,807
Staff	2,037	2,223	2,328	2,383
Premises	64	65	66	68
IT	352	324	327	338
Supplies & Services	282	288	297	299
Administrative Costs	2,735	2,900	3,018	3,088
Staff	442	507	524	530
Premises	5	5	5	5
IT	5	5	5	5
Supplies & Services	375	385	395	395
Oversight & Governance Costs	827	902	929	935
Management Expenses	66,902	69,845	72,810	75,830

Risk Management

Risks are identified and considered by officers with the assistance of the Fund Actuary. The impact of each risk is considered and scored in three areas; finance, business, and reputation, and the highest of the three scores are multiplied by the likelihood to give an overall score for each risk.

	1	2	3	4	5
	Negligible	Minor	Moderate	Major	Catastrophic
Finance	<£1m	£1m-£10m	£10m-£50m	£50m-£100m	>£100m
Business/ Service	Barely noticeable reduction in scope or quality. Very little or no impact on service delivery. All business objectives achieved. No impact on pension fund members.	Minor reduction in service delivery, minimal disruption. Business objectives are minimally affected. Low-level impact on pension fund members.	Moderate disruption to service delivery. Obvious reduction in the scope of quality. Business objectives were adversely affected. Moderate level impact on pension fund members.	Major disruption to service delivery. Failure to meet secondary business objectives. Elements of non-compliance with statutory requirements. Major impact on pension fund members.	Major service disruption. Inability to achieve primary business objectives and/or comply with statutory requirements. Adverse long-term or lasting impact on pension fund members with significant serious consequences.
Reputation	Very low level of public concern (e.g. few complaints, negative media activity). Overall, trust/ confidence remains high.	Some elements of service expectations not being still need to be met. Local negative media coverage and complaints. Short-term reduction in trust/ confidence but expected to return to normal.	Increasing numbers of service expectations not being met. Local negative media coverage. Increasing complaints. Reduction in trust/ confidence pension fund members. Partner/ supplier relationships are likely to be affected but not significantly.	Service expectation are well below reasonable expectations. High level of complaints. National negative media coverage. Significant loss of trust/ confidence of pension fund members. Ability to maintain partner/ supplier relationships is of grave concern and may have a long-term impact.	Service expectation is significantly below expectation. National negative media coverage and a significant number of complaints. Total loss of trust/confidence. Complete inability to maintain key partnerships and deliver services.



Pension Fund Risk Heatmap

	Impact				
Likelihood	Negligible	Minor	Moderate	Major	Catastrophic
Almost Certain		1			
Likely					
Possible			3		4
Uncertain		2	11	2	
Rare		3	3	1	

Key

Likelihood score	1	2	3	4	5
Occurrence	Rare 0-5%	Unlikely 6-20%	Possible 21-50%	Likely 51-80%	Almost certain 81-100%

Pension Fund Risk Register

Ref No.	Name of risk	Description	Score
1	Quality of governance and control	<p>Turnover in Pension Fund Panel and Board Members and/or senior officers; or lack of training and development could lead to decision-making and control of the Pension Fund lacking or being inappropriate or undertaken by persons without suitable knowledge or experience.</p> <p>This could result in a failure of governance arrangements to meet statutory requirements and recommended best practice leading to ineffective working relationships, financial loss and reputational damage.</p>	3
2	Reporting	Failure of accounting and reporting processes and systems causes a failure to disclose material facts, or the disclosure of incorrect or incomplete information in the Annual Report and Accounts or during the audit, leading to reputational damage and financial loss.	4
3	Staffing	The failure of officers to maintain sufficient levels of competence and/or resource to discharge their duties could lead to the retention of inefficient staff, therefore, relying on key officers impacting the well-being of staff and a reduced work rate for the Pension Fund.	2
4	Conflicts of interest	Failure to recognise, disclose, monitor and prevent conflicts would lead to conflicts of interest resulting in ineffective governance processes, reputational damage and financial loss.	3
5	Contract management	Due to insufficient knowledge, there could be a failure of effectively letting or managing contracts for the supply of services to the Pension Fund, leading to reputational damage, potential legal challenge, disruption of services and financial loss.	2
6	Risk Management	Failure to implement a policy to identify risks and arrange for these to be managed or mitigated and have sufficient internal controls results in issues impacting the function of the Pension Fund.	2
7	Regulatory change	Non-compliance with regulations caused by lack of knowledge by staff, changes in government policy/Local Government Pension Scheme (LGPS) reforms and systems not kept up-to-date, leading to reputational damage and financial loss.	6

Ref No.	Name of risk	Description	Score
8	External incident	The impact of external events cause a failure to undertake business as usual service resulting in loss of service provision.	6
9	Cybercrime	Due to cybercrime activities impacting integrity, there is a risk of inability to carry out day-to-day business functions, which would result in reputational damage and financial loss.	15
10	IT failure	A failure of Hampshire or partners' IT systems that result in the Pension Fund being unable to carry out day-to-day work, including processing and payment of pensions and other financial transactions.	6
11	Investment underperformance	Investment management underperformance – from the Fund's investment managers failing to outperform their benchmark returns for prolonged periods of time, resulting in a decrease in the Pension Fund's funding level.	15
12	Investment service providers	Ineffective monitoring of 3rd party service providers could lead to their failure to maintain their obligations in respect of investments which could result in potential loss of return or liquidity or ability to access or control investment.	6
13	Investment market performance	<p>Assets do not grow sufficiently to meet pensions liabilities as a result of the following:</p> <ul style="list-style-type: none"> • fluctuations in market prices (which is particularly relevant for investments in equities) • Interest rates (which can affect the prices of investments that pay a fixed interest rate) • fluctuations in prices of financial instruments that are denominated in any currency other than the functional currency of the Fund (GB pounds) • as a result, the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. This includes the risk of loss in the Stock Lending programme. 	15
14	Investment pooling	Due to the failure of external providers appointed by the ACCESS pool or delays in the implementation of decisions and the availability of suitable solutions within the ACCESS Pool, there is a risk of reduction in the effectiveness of the decision, which would result in loss of potential return or access to investments.	9

Pension Fund Risk Register continued

Ref No.	Name of risk	Description	Score
15	Environmental, Social and Governance (ESG) risk	Due to insufficient knowledge and/or resources could lead to a lack of consideration of all financial and non-financial risks relating to Environmental, Social and Governance (ESG) issues, including the risk of Climate Change, resulting in poor investment returns, increased employer contribution rates and reputational damage.	15
16	ESG Data	There is insufficient or unreliable ESG data in order for the Pension Fund to base decisions on or meet reporting requirements, resulting in a reduced quality of the Fund's stewardship and investment decisions and the potential that the Fund's reporting is incomplete.	10
17	Funding Strategy	Due to a failure to set and collect contributions, there is a risk of there not being sufficient to achieve a fully funded ongoing position in the timescales determined by the Funding Strategy Statement, which could cause financial loss or reputational damage.	6
18	Demographics	Failure to monitor the demographic experience of Fund's the Fund's population is not in line with actuarial assumptions as in the Funding Strategy Statement and could result in increases required in Employer contributions which could cause complaints and damage to reputation.	6
19	Employer covenant	Failure to apply or lack of accurate information, and demonstrate fairness in the differentiated treatment of different fund employers by reference to their own circumstances and covenant could lead to underpayments or employers unable to meet their obligations and, therefore, financial loss and under-investment.	9
20	Inflation	Due to the nature of actuarial assumptions, there is a risk that pay, and price inflation are significantly different, which would result in increases due from to employers' contributions.	9
21	Investment Strategy	There is a risk that failure to monitor and align the Funding strategy with the Investment strategy could lead to over or underfunding, resulting in reputational damage or financial loss.	8
22	Cashflow	Due to ineffective monitoring of the Fund's cash flow, resulting in the failure to set aside sufficient funds each month to pay pensioners or meet other obligations, which could lead to extreme hardship for pensioners and reputational damage to the Fund.	4
23	GAD assessment	As a result of failing to adopt or implement a funding strategy, there is a risk that this results in the Fund failing any of the Government Actuary's Department (GAD) s13 tests or be named in the GAD s13 report would cause reputational damage.	6

Ref No.	Name of risk	Description	Score
24	Administration service	<p>Due to failure to administer the scheme correctly in line with all relevant Regulations and policies owing to circumstances such as, but not limited to:</p> <ul style="list-style-type: none"> • lack of regulatory clarity; • system issues; • insufficient resources <p>would result in reputational damage and the possible risk that pensions are not paid at the right time to the right people and/or contributions are not collected.</p>	8
25	Complaints	<p>Due to lack of training and/or experience, there is a risk of failing to deal with concerns, complaints and Internal Dispute Resolution Procedures (IDRPs) appropriately, resulting in poor customer satisfaction, further time spent resolving issues, potential compensation payments and reputational impact, particularly if escalated to the Pensions Ombudsman.</p>	3
26	Communications	<p>Failure to administer the scheme correctly due to circumstances such as, but not limited to:</p> <ul style="list-style-type: none"> • Poor employer data; • Unable to clearly articulate what is required from employers; and • Unable to clearly articulate what is required from the Fund itself in order to deliver the Fund's administrative functions could cause the fund reputational damage and financial loss <p>Poor data could result in pensions being incorrectly calculated or the data available to the Fund's Actuary being inaccurate.</p>	6
27	Employer	<p>Due to the ever-changing mix of employers, from short-term and ceasing employers, and the potential for a shortfall in payments and/or orphaned liabilities.</p> <p>These events could cause the risk of unexpected structural changes in the Fund's membership and the related risk of an employer failing to notify the administering authority promptly.</p>	6
28	Pensions Dashboards	<p>Failure to meet the statutory deadlines for connectivity to the Pensions Dashboard and unable to provide required information to members.</p>	6
29	McCloud remedy	<p>Engagement with DLUC/ LGA through attendance at technical meetings and keeping up to date with published information.</p> <p>Engagement with system provider to ensure the system is developed in line with legislation and delivered on time/budget.</p>	6
30	GMP rectification	<p>Inability to complete the GMP reconciliation and rectification project leading to reputational damage and potential ongoing under and over -payment of pension amounts.</p>	4

Training Policy and Plan

2022/23

Background

Hampshire County Council, as the administering authority for the Hampshire Pension Fund, has delegated responsibility for the management of the Pension Fund to the Pension Fund Panel and Board.

The Pension Fund Panel and Board fully support the principle that Panel and Board members and officers have a duty to undertake all training on pension fund matters that is necessary to be able to fulfil their duties to the appropriate standard. Opportunities are made available to members and officers to attend training courses and seminars when necessary and appropriate.

This training policy and plan have been prepared for the Pension Fund Panel and Board for 2022/23. As the Panel and Board's responsibilities include both investment management of the Pension Fund and pensions administration, the training policy and plan also cover both areas.

This training policy and plan have been updated to reflect training requirements identified by the completion of the detailed Training Needs Analyses carried out by members of the Panel and Board in 2022.

Training Policy

As an administering authority of the Local Government Pension Scheme (LGPS), Hampshire County Council recognises the importance of ensuring that all officers and members charged with financial management and decision-making for the pension scheme are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.

It therefore seeks to appoint individuals who are both capable and experienced and will provide and arrange training for relevant officers and members. The training is designed to enable officers and members to acquire and maintain an appropriate level of expertise, knowledge, and skills.

A formal training plan is prepared each year to identify and meet the training needs of the Panel and Board, both as a group and as individuals, and is based upon the recommendations of the CIPFA Pensions Finance Knowledge and Skills Framework.

The Director of Corporate Operations of the County Council is responsible for ensuring that policies and strategies are implemented. Pension Fund Panel and Board members' training is evaluated, recorded, and reported as part of the Fund's Annual Report each year.

Each individual officer's training needs are assessed annually, and training plans are prepared for each section and department within the County Council. The actual training provided is evaluated each year to assess its effectiveness against the aims and objectives identified prior to the training event. In addition, professional finance staff in the Corporate Resources Directorate are required by the accountancy bodies to maintain their levels of Continuing Professional Development.

Training Policy and Plan continued

2022/23



It is a legal requirement, as set out under section 248A of the Pensions Act 2004 that every individual who is a member of a Local Pension Board must:

be conversant with:

- the rules of the scheme, in other words, the Regulations and other regulations governing the LGPS (including the Transitional Regulations, earlier regulations and the Investment Regulations); and
- any document recording policy about the administration of the scheme which is for the time being adopted in relation to the scheme; and

have knowledge and understanding of:

- the law relating to pensions; and
- such other matters as may be prescribed.

The Myners principles codify the best practice in investment decision-making for pension fund management. The principles require pension fund trustees to consider how the principles apply to their own Fund and report on a 'comply or explain' basis. Training is a key factor within Principle 1 which covers effective decision-making:

- trustees should ensure that decisions are taken by persons or organisations with the skills, knowledge, advice and resources

necessary to take them effectively and monitor their implementation

- trustees should have sufficient expertise to be able to evaluate and challenge the advice they receive and manage conflicts of interest.

The Government also requires LGPS funds to publish a Governance Policy Statement which includes a section on training. A Governance Compliance Statement is also required which sets out the Pension Fund's compliance with the following principle on Training, Facility, Time, and Expenses:

- That in relation to the way in which the administering authority takes statutory and related decisions, there is a clear policy on training, facility time and reimbursement of expenses for members involved in the decision-making process
- that where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum
- that the administering authority considers adopting annual training plans for committee members and maintains a log of all such training undertaken.

The Chartered Institute of Public Finance and Accountancy (CIPFA) published a guide to the requirements for the Governance Compliance Statements in the context of the CIPFA/SOLACE publication 'Delivering Good Governance in Local Government: Framework (2007)'. The CIPFA guide links the Myners principle of best practice in investment decision making for pension fund management to the Framework's principles of:

- performing effectively in clearly defined functions and roles, and
- developing the capacity and capability of the governing body to be effective.



The CIPFA guide includes the further comment that the Myners principle is aimed at making sure that all those serving on committees, sub-committees and panels receive levels of training that are appropriate to their needs and that suitable arrangements are made to ensure that this is properly resourced in terms of both time and finance.

The Panel and Board fully endorse the importance placed on training in these principles. With this training plan and the training logs maintained by all Panel and Board members, the Hampshire Pension Fund fully complies with this principle.

CIPFA has also published a Code of Practice on Public Sector Pensions Finance Knowledge and Skills, which Hampshire Pension Fund has

adopted. This requires policies and procedures to be in place for the effective acquisition and retention of the relevant knowledge and skills of those in the organisation responsible for financial administration and decision-making.

The policies and procedures will be guided by reference to the CIPFA Pensions Finance Knowledge and Skills Framework, which gives technical guidance to elected representatives and officers on the knowledge required.

The Code of Practice also requires an annual statement on how these policies and procedures have been put into practice from 2012/13 onwards. A disclosure was included in the Annual Report and Accounts 2012/13 and will continue going forward.

Training Policy and Plan continued

2022/23

Pension Fund Panel and Board

There are 19 members of the Pension Fund Panel and Board, as listed in Table 1. The table shows the experience of Panel and Board

members in terms of their length of service on the Pension Fund Panel and Board.

Table 1

Member	Membership of the Pension Fund Panel and Board
County Councillors:	
Mark Kemp-Gee (Chairman)	17 years
Tom Thacker (Vice Chairman)	13 years
Dominic Hiscock	One year
Jonathan Glen	Five years
Rob Mocatta	One year
Andrew Joy	Nine years
Derek Mellor	Five years
Alex Crawford	One year
County Council deputies:	
David Drew	One year
Tim Davies	One year
Kim Taylor	New Member
Jacky Tustain	New Member
City Council representative:	
Steve Leggett	New Member
Judith Smyth	New Member
District councils' representative:	
Paul Taylor	Two years
Other employers' representative:	
Liz Bartle	Two years
Pensioners' representative	
Cliff Allen	Eight years
Deferred members' representative:	
Lindsay Gowland	Two years
Employees' representative:	
Neil Wood	Six years

The Panel and Board have a mixture of experienced members who have served at least one full four-year term as members of the Panel and Board and more recently appointed members. Panel and Board members also

have a range of relevant experience from their working lives, which includes, in some cases, the financial services industry and the City of London.

Access to training

Training opportunities are made available equally to all members of the Pension Fund Panel and Board, including the co-opted representatives of the city councils, district councils, pensioners and contributors, as well as the county councillors. The full cost of attending training is met by the Pension Fund, including course fees, reasonable travel and accommodation costs.

The Panel and Board have considered making attendance at training courses compulsory for Pension Fund Panel and Board members. This suggestion reflected the increasing complexity and profile of pension matters and the need for Panel and Board members to keep up to date with current developments at a time of heightened scrutiny. However, whilst it is important that Panel and Board members prepare themselves properly to fulfil their responsibilities, it would not be practical to make attendance at training events a condition of Panel and Board membership. The suitability and fitness of members for their role is best left to the Panel and Board itself to monitor.

Each year, in order to ensure compliance with the CIPFA Code of Practice, Panel and Board members complete a detailed individual Training Needs Analysis. The purpose of this exercise is to allow Panel and Board members to consider their current level of knowledge and identify the topics on which they would like to have additional training. The Training Needs Analysis was designed around the CIPFA Pensions Finance Knowledge and Skills Framework for Elected Representatives and Non-Executives in the Public Sector, and the CIPFA Technical Knowledge and Skills Framework for Local

Pension Boards, in order to ensure the Panel and Board meet the requirements set out in the guidance referenced in the regulations. The outcome of the Training Needs Analysis for 2022/23 will be discussed by the Panel and Board at this meeting. As a result, eight training sessions have been planned for 2022/23 and 2023/24, which directly relate to the training needs identified.

The Director of Corporate Operations' staff have developed a collection of training resources, which Panel and Board members will be able to refer to in order to obtain more information about areas where they have a specific training need, in addition to the Panel and Board-wide training proposals outlined above. The collection of training resources contains slides and supplementary materials, where appropriate (and more recently recordings) for all the internal training sessions carried out since 2009, which cover a wide range of topics. There are also other useful documents available which can help fill any knowledge gaps, as well as template forms and links to the Pension Fund's annual report, statutory statements, and latest actuarial valuation. The collection of training resources will be updated whenever new material is available. The officers are exploring what the best possible IT solution is to transfer the training materials to an online library to allow members to log in and access as required; details will be provided to Panel and Board members once the project is complete.

Training Policy and Plan continued

2022/23

Online learning opportunities

Several online training facilities on pension fund matters have been developed by various organisations in recent years. Since 2021/22, Panel and Board members and officers have had access to Hymans Robertson's LGPS Online Learning Academy and will be expected to complete all six modules within 12 months. The online platform is designed to support the training needs of Pension Committees, Pension Boards and Fund Officers and consists of a series of short video presentations with supplemental learning materials and quizzes. Further information on the LGPS Online Learning Academy is available at the following website:

LGPS Online Learning Academy - Hymans Robertson

In addition, the Trustee Toolkit is available for free from the Pension Regulator at the following website: <http://www.trusteetoolkit.thepensionsregulator.gov.uk>. This toolkit provides an introduction to pension scheme investing, running a pension scheme, the role of the trustee, pension law etc. It was designed to meet the requirements of trustee knowledge and understanding required under the Pensions Act 2004. In early 2015, the Pensions Regulator released an online training resource to assist those involved in Public Sector Schemes. This is accessed via the Trustee Toolkit and comprises an additional seven modules covering the key themes in the Code of Practice on governance and administration of public service schemes.

Proposed training in 2022/23 and 2023/24

This training plan for 2022/23 has been designed to cater for the needs of the recently elected Panel and Board members as well as providing an opportunity to update and refresh the knowledge of the more experienced members of the Panel and Board.

The Panel and Board have agreed that the equivalent of two in-house training half-days should be arranged for Panel and Board members each year as stand-alone sessions. Table 2 sets out the programme for 2022/23 and 2023/24, which has been formulated based upon key learning points from the Training Needs Analysis and recommendations from Panel and Board members.

Table 2 – Proposals for the Panel and Board's training sessions in 2022/23 and 2023/24

Year	Topics
2022/23	Triennial Valuation (Fund Actuary)
	Carbon Strategy (MJ Hudson)
	Taskforce on Climate-related Financial Disclosures (Andrew Bouflower)
	Investment Strategy (Investment Consultants)
	Pensions Administration (Andy Lowe and Lois Downer)
2023/24	Financial services procurement
	Investment strategy (Investment Consultants)
	Advisor Performance (TBC)

These training sessions will also be useful for the Audit Committee in carrying out their role to receive and consider audit reports relating to the Pension Fund Panel and Board, as stated in the Hampshire County Council Constitution.

These bespoke training sessions will be complemented by a range of other training opportunities, which will be made available to Panel and Board members during the year.

These include many webinars, seminars and courses on pension fund matters provided each year by various organisations. Some are specifically tailored for LGPS funds, such as the Local Government Chronicle’s annual Investment and Pensions Summit held in September each year. The Pension Fund’s investment managers hold annual client conferences, and the Fund’s Actuary Aon also provides training events. The Director of Corporate Operations’ staff will continue to circulate details of these training opportunities to members.

When new members are appointed to the Panel and Board, the training proposed is as follows:

- Attending the “Fundamentals” course held by the Local Government Association, which specifically covers the basics of the LGPS.
- Attending the training sessions to be held during 2022/23.
- Completing the Training Needs Analysis for Panel and Board members to help identify any additional training requirements.
- Informing new members of any external conferences and training opportunities in the future, along with the rest of the Panel and Board.

Reports to the Panel and Board by the officers on new developments in pension fund matters will continue to include background briefing information, and this will provide another means by which Panel and Board members can keep up-to-date and develop their knowledge.

Panel and Board members will also be able to undertake background reading on pension fund matters, and this too can contribute to meeting their training needs.

Training budget

Table 3 shows the training budget for 2021/22, with the actuals for comparison, together with the proposed budget for 2022/23.

The budget for 2022/23 includes three places at the LGC Investment & Pensions Summit. The budget also includes the provision for four members of the Panel and Board to attend the LGA Fundamentals course.

Training costs are met from the administration costs of the Pension Fund. “Virement” between courses within the budget is possible, should the Panel and Board feel it would meet training needs better to prioritise different events.

Training Policy and Plan continued

2022/23

Table 3 – Training budget

	2021/22 Budget (£)	2021/22 Actuals (£)	2022/23 Budget (£)
Attendance at Conferences / Seminars etc.			
LGC Investment & Pensions Summit (Leeds, September)	3,000	2,997	2,000
LGC Investment Seminar	0	0	0
LG Employers Fundamentals Course	4,000	3,010	4,000
Hymans Learning Academy	5,000	0	5,000
Hymans Knowledge Assessment	0	0	4,000
Other conferences	0	1,040	0
	12,000	7,047	15,000
In-house training sessions			
Fees paid to trainers	3,000	0	3,000
Other costs	200	0	200
	3,200	0	3,200
Total training budget	15,200	7,047	18,200

Training logs

Training logs are maintained by each member of the Panel and Board to provide evidence of the Panel and Board's commitment to training. They record the actual training undertaken during the year, including details of all relevant training courses, seminars and events attended by each member. The training logs include an assessment of whether each training event has fulfilled the need it was intended to meet.

Evaluation

The actual training undertaken by Panel and Board members in 2022/23 will be evaluated using the training logs to assess whether it has fulfilled the training need identified at the outset. In addition, Panel and Board members complete a short evaluation form after each training event in order to share feedback about events, and report on whether an event was useful and well delivered. This information will be used to design the training plan for the following year.

Hampshire Pension Fund

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HAMPSHIRE
PENSION FUND

Hampshire Pension Fund (HPF) Representation Policy



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The Pension Fund Panel and Board

The County Council has appointed a combined Pension Fund Panel and Board for Hampshire and delegated to it responsibility for its statutory functions as the administering authority for the Hampshire Pension Fund and its duties in operating a Pension Fund Board for Hampshire.

Composition

The Pension Fund Panel and Board include within its membership:

- Nine elected members from the Administering Authority.
- Three employer representatives are appointed in accordance with the Hampshire Pension Panel and Board Representation Policy approved by the Pension Fund Panel and Board from time to time.
- Three scheme Member representatives are appointed in accordance with the Hampshire Pension Panel and Board Representation Policy approved by the Pension Fund Panel and Board from time to time.

Hampshire County Council will appoint the Administering Authority members. The nomination process for the employer and scheme member representatives is contained in the Representation Policy, and the County Council will appoint them in accordance with that Policy.

Employer representatives and scheme member representatives should remain as members of the Pension Fund Panel and Board during their appointed term of office unless, in the opinion of the County Council, they are not adequately performing their role, they become incapable of acting, they cease to represent their constituency, they resign by giving written notice to the Proper Officer of the County Council, a replacement member is nominated by their relevant nominating body, or they are removed from the Panel and Board according to Paragraph 6.8 .

Each employer and scheme member representative should endeavour to attend all Panel and Board meetings during the year and are required to attend at least two meetings each year.



Appointment of Substitute Members

Allocation

As well as allocating seats on the Pension Fund Panel and Board, the County Council will, at the Annual General Meeting of the County Council each year, appoint a designated Substitute Member for each Scheme and Employer member of the Pension Fund Panel and Board.

Powers and duties

Substitute Members will have all the powers and duties of the designated Scheme and employer Members of the Board.

Substitution

Substitute members may attend meetings in that capacity only:

- to take the place of the designated Scheme and Employer Member for whom they are the designated substitute;
- where the member for whom they are the designated substitute will be absent from the meeting;
- after notifying Democratic and Member Services (on behalf of the Chief Executive) before the scheduled start of the meeting of the substitution.

Voting rights

All members of the Panel and Board, including all the Employer and Scheme Member representatives, shall have full voting rights.

Any independent advisers appointed by the Panel and Board are invited to attend all Pension Fund Panel and Board meetings, but independent advisers will not be a member of the Pension Fund Panel and Board and have no voting rights.

Scheme Member and Employer Representatives

The objective of the Scheme Member and Employer Representation Policy is that the Hampshire Pension Fund has Scheme Member and Employer Representatives who are most able to contribute to the governance of the Pension Fund and represent the broadest range of the Pension Fund's scheme members and employers.

Role of the Employer and Scheme Member Representatives

As members of the Hampshire Pension Fund Panel and Board, Employer and Scheme Member Representatives will be part of the committee responsible for the administration of the Local Government Pension Scheme (LGPS) in Hampshire and securing compliance with the Local Government Pension Scheme Regulations. The Employer and Scheme Member Representatives will ensure that the views of the employers/scheme members they represent are considered in the decisions made in discharging the Panel and Board's responsibilities.



Application and Nomination Routes

To achieve a broad representation of the Pension Fund's scheme members and employers, the representative roles will be categorised as follows, with different appointment processes (A to C) for each, which are set out below.

Employer Representatives	Scheme Member Representatives
A – Unitary Authority Representative	C – Active Member Representative
B – District Council Representative	C – Deferred Member Representative
C – Other Employer Representative	C – Pensioner Representative

Substitutes	
A – Unitary Authority Representative	C – Scheme Member Representative

A – Unitary Authority Representative

Each Unitary Authority of Southampton City Council and Portsmouth City Council will nominate an elected member to serve as their representative on the Panel and Board. The representative seat will rotate between the two cities each municipal year, with the city with the non-serving representative fulfilling the role of substitute Employer Representative.

Unitary Authority Representatives shall serve on the Panel and Board for as long as they continue to be an elected member of the city they represent and receive the Unitary Authority's nomination.

B – District Council Representative

The Hampshire and Isle of Wight Local Government Association (HIOWLGA) will nominate an elected member from one of the 11 District Councils in Hampshire to serve as their panel and board representative.

The District Council Representative can serve for a maximum of 8 years as long as they remain an elected member of a District Council in Hampshire and continue to receive the nomination of HIOWLGA.

C – Other Employer Representative and Scheme Member Representatives

Applications will be sought by the Hampshire Pension Fund for the other representative roles on the Panel and Board. Prospective applicants will be asked to

complete a written application which officers of the Pension Fund will assess, and shortlisted applicants will be invited to interview in the final stage of the application process.

To meet the aim of ensuring broad representation from employers and scheme members, priorities will be assigned in appointing to the following roles:

- An Employer Representative from one of the large constituent groups amongst the Fund’s employers, such as the education sector or community admission group.
- A Scheme Member Representative from each of the three groups of members:

Representing	Representative will be
Active members	Working for an employer in the Pension Fund and contributing to the Fund
Deferred members	Not yet retired and in receipt of a pension but who has previously contributed to the Fund
Pensioners	In receipt of a pension from the Fund

A representative selected through an application process can serve for a 4-year term as long as they can continue to represent the employer/scheme member group from which they originally came. At the end of their 4-year term, an Employer or Scheme Member Representative can apply again and, if successful, serve a maximum of one further four-year term.



Criteria for the selection of Employer or Scheme Member Representatives

Within the priorities for representation from Employer and Scheme Member Representatives, the following criteria will be used in the application process to select representatives:

- Able to represent either all employers or all scheme members.
- Has the capacity to be a member of the Pension Fund Panel and Board.
- Excellent communication and listening skills and the ability to work as part of a group.
- Good analytical skills, an aptitude for taking on new information and a commitment to continuous personal development.
- Highly numerate, ideally with a background in the Financial Sector.
- An awareness of pension fund and investment issues.
- Has no conflict of interest in holding or having held a senior management post at the Administering Authority or a role in administering the Pension Fund, either currently or in the last five years.

Approval of appointments

As a committee of Hampshire County Council, all appointments to the Pension Fund Panel and Board via all three of the routes above (A, B and C) will be approved by the County Council according to its constitution.

Hampshire Pension Fund
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HAMPSHIRE
PENSION FUND

Hampshire Pension Fund (HPF)

Governance Policy
and Compliance
Statement



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Hampshire Pension Fund - Governance Policy Statement

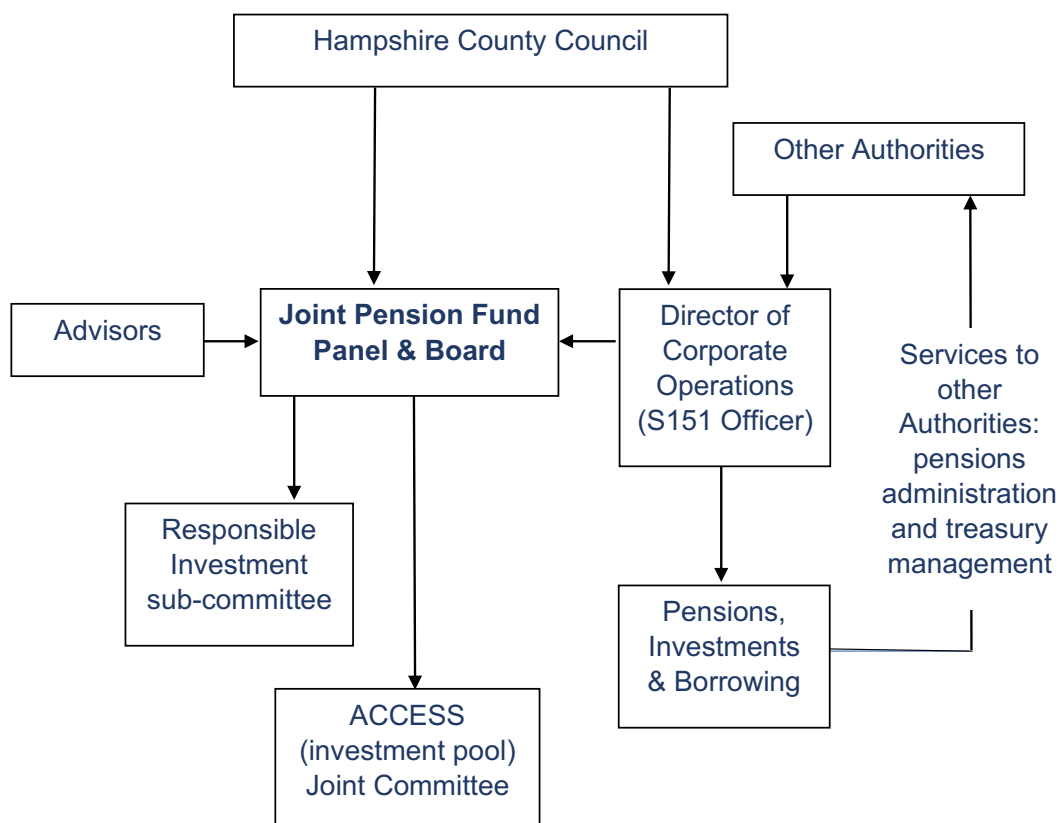
Introduction

This statement outlines the governance arrangements for the Hampshire Pension Fund (the Fund), maintained by Hampshire County Council. Section 55 of the Local Government Pension Scheme Regulations 2013 requires the Fund to maintain this Governance Policy Statement. The Fund is also required to publish a compliance statement under Regulation 73A of the Local Government Pension Scheme Regulations 1997 (as amended) and review that statement on an ongoing basis under Regulation 31 of the 2008 Regulations. Under Regulation 31 (3) (c), there is a requirement to measure the Fund's governance arrangements against several standards set out within guidelines issued by the Ministry for Housing, Communities and Local Government (MHCLG), which appear in Appendix 1.

In accordance with this requirement, the Fund's assessment of its compliance with the standards is outlined as follows.

Governance of the Fund

The following diagram shows the governance structure of the Fund with Hampshire County Council as the Administering Authority.





Pension Committee

The County Council, as Administering Authority for the Hampshire Pension Fund, has delegated responsibility for managing the administration of benefits and investment strategy to the Joint Pension Fund Panel and Board.

The Joint Pension Fund Panel and Board oversee the proper administration and management of the Pension Fund. It is responsible for the following:

- Making suitable custody arrangements for the Fund's investments.
- Considering and approving actuarial valuations every three years and determining the level of employers' contributions.
- Considering changes in pension fund regulations and determining actions required.
- Considering and approving strategic advice on investment policy.
- The selection of an investment pool and holding that pool to account.
- Selecting the pool sub-funds to invest in.
- Appointing external fund managers (for investments held outside of the pool) and advisers.
- Monitoring the investment performance of each manager against their target and benchmark, based on statistics prepared by the custodian and Pension Fund officers, and
- The periodic review of the Investment Strategy Statement, the Fund's Business Plan, its Funding Strategy Statement, this Governance Policy Statement, its Governance Compliance Statement and the Fund's Communication Policy Statement.

In its role as the Pension Board for the Hampshire Pension Fund, the Pension Fund Panel and Board are responsible for assisting Hampshire County Council as the Administering Authority of the Hampshire Pension Fund to secure compliance with the regulations and any other legislation relating to the governance and administration of the LGPS, for securing compliance with requirements imposed in relation to the LGPS by the Pensions Regulator and for ensuring the effective and efficient governance and administration of the Fund.

The membership of the committee is as follows (all members have full voting rights):

- Nine county councillors.
- Three employer representatives (representing unitary councils, district councils and other employers), and
- Three scheme member representatives (representing active, deferred and pensioner members).

Officers and Advisers

Pension investment, funding and administration are complex areas, and the Fund recognises the need for Joint Pension Fund Panel and Board members to receive appropriate and timely advice and training. The main areas of support from officers are as follows:

- High-level advice on the management of the Pension Fund from the Director of Corporate Operations (also S151 Officer).
- Legal administrative advice from the Monitoring Officer and Hampshire Legal Services.
- Financial and technical advice from the Senior Responsible Officer who is the lead senior support officer and has direct responsibility for implementing funding, investment and administration strategy; budget and service delivery; risk management and compliance through a team of professionally qualified staff.
- Independent assurance on the Fund's risk management, governance and internal control processes from the Southern Internal Audit Partnership.

Clarity of roles and responsibilities is documented in role profiles for officers working for the Pension Fund, and a scheme of delegation is in operation for decision-making.

A range of external specialist advisors is appointed, covering areas such as:

- investment strategy and asset allocation;
- funding strategy and employer covenant review and other actuarial matters;
- specialist legal advice concerning investments and pension administration, and
- corporate governance and responsible investment issues.

Investment Pooling

In response to the 2015 revised LGPS Investment Regulations, Hampshire is a member of the ACCESS (A Collaboration of Central Eastern and Southern Shires) pool. ACCESS is managed by a Joint Committee whose members are the chairmen of the 11 Administering Authorities in the ACCESS pool. The ACCESS Joint Committee is responsible for appointing (via a recommendation to the member authorities) and managing the Pool Operator and for recommending to the Administering Authorities the strategic plan for the transition of assets that are to become Pool Assets.

Conflicts of interest

The Joint Panel and Board's Terms of Reference set out the process for managing conflicts of interest for the committee members. Before becoming a member of the Panel and Board, all Panel and Board must declare any potential conflict of interest to the Monitoring Officer of the County Council and have an ongoing obligation to report any new potential conflicts. All Panel and Board members should disclose any Conflict of Interest in any business of the Panel and Board and may not participate in any discussion of, vote on or discharge any function concerning the matter.

The County Council recognises that its dual role as both an employer participating in the Fund and the body legally tasked with its management can produce the potential for Conflicts of Interest. It is important that these potential conflicts are managed in order to ensure that no actual or perceived Conflict of Interest arises and that all of the Fund's employers are treated fairly and equitably.



The Fund achieves this in the following ways:

- The Funding Strategy Statement sets out the Fund's approach to all funding-related matters, including setting contribution rates. This policy is set with regard to the advice of the Fund actuary. It is open to consultation with all Fund employers before being formally adopted by the Joint Pension Panel and Board.
- The Fund also has an Admissions Policy which details its approach to admitting new employers to the Fund. This includes its approach to using guarantors, bonds and setting a fixed contribution rate for some employers. This policy, in conjunction with the Funding Strategy Statement, ensures a consistent approach when new employers are admitted into the Fund.
- The Fund's Administration Strategy sets out how the Fund works with its employers and the mutual service standards that are expected. The policy details how the Fund will assist employers in ensuring they are best placed to meet their statutory LGPS obligations. On occasions where an employer's failure to comply with required processes and standards has led to the Fund incurring additional costs, the policy also provides for that cost to be recovered from the employer in question. This policy has been opened to consultation with all the Fund's employers and is operated consistently across the employer base.

The administration of the scheme and investment management arrangements are delivered by Hampshire Pension Services, which also delivers pension administration services to other pension schemes. The appropriate service standards and budget/charges are agreed with each scheme to ensure that sufficient resources are available to meet all customers' requirements and that they receive transparent reports on the service levels they have received.

Sufficiency of resource

The Joint Pension Fund Panel and Board agree to an annual business plan which sets out the actions required to deliver all aspects of the management of the Fund. Delivery of the business plan drives the Fund's budget-setting process, with decisions around recruitment, procurement and specialist support being made with reference to the requirements of the business plan. The Joint Panel and Board review the Fund's operational performance and approve the annual budget. Where necessary additional spend can be authorised by the Joint Panel and Board. Actual spend is monitored by officers, reported to the committee, and published in annual reports and accounts.

The Fund recognises the importance of monitoring and reporting how it delivers its administration objectives. The County Council follows best practice as set out in the Local Government Pensions Committee circular 'Principles of Good Practice for the Management of Local Government Pension Schemes'. Performance against KPIs is reported to the Joint Panel and Board twice a year and in the Fund's Annual Report. This reporting includes the extent of any backlogs that may develop over time and remedial action that is being taken to address them.

Engagement

In addition to the representation of scheme members and employers (described above) on the Joint Pension Fund Panel and Board, the Fund carries out a range of activities that are designed to engage employers and scheme members that are set out within the Fund's Communication Strategy and include:

Employers:

- An Annual Employer Meeting which provides an opportunity for employers to receive updates from the Hampshire Pension Fund and the LGPS and related issues.
- A regular electronic newsletter to keep employing authorities up to date with the latest regulation changes and proposals, as well as any changes in administration. Ad hoc email communication is also sent to advise employers of any changes or information they should be aware of or would find useful.
- The Fund's audited accounts and accompanying Annual Report are published annually on the website.
- Regular employer training days, and offer targeted training on request from employers and dealing with queries via phone or email.
- The Employer Services team, within Pension Services is available to provide pension support on issues such as outsourcing services or workforce restriction.

Scheme members

- The website is the prime source of information on the pension scheme and ensures timely, up-to-date and easy-to-access information for all our stakeholders.
- Scheme members can register to access the Member Portal, a secure website area where they can view their annual benefit statements and update their personal information.
- A general query call centre is available during office hours, and a general email address for all queries.
- Annual benefit statements are produced each year, showing scheme benefits on 31 March, and made available to all current and deferred members via the Member Portal.
- A newsletter is sent to pensioners each year in March and April.

Training

The Joint Pension Fund Panel and Board use the CIPFA Pensions Finance Knowledge and Skills Framework for Elected Representatives and Non-Executives in the Public Sector, and the CIPFA Technical Knowledge and Skills Framework for Local Pension Boards to ensure they meet the requirements set out in the guidance referenced in the regulations. Members individually complete a Training Needs Analysis each year based on this framework. The results are analysed and any gaps identified are addressed as part of the Panel and Board's ongoing training plan. Details of the training sessions delivered to the Joint Pension Fund Panel and Board are reported in the Fund's Annual Report.

Pension Fund officers will attain the knowledge and understanding they need to be effective and to challenge and act effectively within their decision-making responsibility. Officers involved in the management and administration of the Fund are set annual objectives, which will include an element of personal development. These objectives are monitored as part of each individual's annual appraisal.



Hampshire Pension Fund - Governance Compliance Statement

This statement shows how Hampshire County Council, as the administering authority of the Hampshire Pension Fund, complies with guidance on the governance of the Local Government Pension Scheme (LGPS) issued by the Secretary of State for Communities and Local Government in accordance with the Local Government Pension Scheme (Administration) Regulations 2008.

Ref.	Principles	Compliance	Comments
A	Structure		
a.	That the management of the administration of benefits and strategic management of fund assets rests with the main committee established by the appointing council.	Full compliance.	Hampshire County Council's constitution sets out the functions of the Joint Pension Fund Panel and Board.
b.	That representatives of participating LGPS employers, admission bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	Full compliance.	The Joint Pension Fund Panel and Board include representatives of the other local authorities in the Fund and pensioner and contributor members.
c.	That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	Full compliance.	A Responsible Investment (RI) Sub-committee has been established that reports to the Joint Pension Fund Panel and Board.
d.	That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	Full compliance.	The RI sub-committee is made up of members of the Joint Pension Fund Panel and Board

Ref.	Principles	Compliance	Comments
B	Representation		
a.	<p>That all key stakeholders have the opportunity to be represented within the main or secondary committee structure. These include:</p> <ul style="list-style-type: none"> • employing authorities (including non-scheme employers, e.g., admission bodies) • scheme members (including deferred and pensioner scheme members) • where appropriate, independent professional observers, and • expert advisers (on an ad-hoc basis). 	Full compliance.	<p>The Joint Pension Fund Panel and Board include representatives of the other local authorities in the Fund and pensioner and contributor members.</p> <p>The Fund's independent adviser attends Joint Pension Fund Panel and Board meetings. Independent professional observers are not regarded as appropriate.</p>
b.	<p>That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers, meetings, and training. They are given full opportunity to contribute to the decision-making process, with or without voting rights.</p>	Full compliance.	<p>Equal access is provided to all members of the Joint Pension Fund Panel and Board.</p>
C	Selection and role of lay members		
a.	<p>That committee or panel members are fully aware of the status, role and function they must perform on either a main or secondary committee.</p>	Full compliance.	
D	Voting		
a.	<p>That the individual administering authorities on voting rights are clear and transparent, including the justification for not extending voting rights to each body or group</p>	Full compliance.	<p>All representatives on the Joint Pension Fund Panel and Board have full voting rights, but the Panel and Board work</p>

Ref.	Principles	Compliance	Comments
	represented on main LGPS committees.		by consensus without votes often being required.
E	Training/facility time/expenses		
a.	That in relation to how the administering authority takes statutory and related decisions, there is a clear policy on training, facility time and reimbursement of expenses for members involved in the decision-making process.	Full compliance.	Full training and facilities are available to all Joint Pension Fund Panel members and Board.
b.	That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.	Full compliance.	
c.	That the administering authority considers adopting annual training plans for committee members and maintains a log of all such training undertaken.	Full compliance.	A training plan has been prepared for the Joint Pension Fund Panel and Board, and training logs are maintained for individual Panel and Board members.
F	Meetings (frequency/quorum)		
a.	That an administering authority's main committee or committees meet at least quarterly.	Full compliance.	
b.	That an administering authority's secondary committee or panel meets at least twice a year and is synchronised with the dates when the main committee sits.	Full compliance.	The RI sub-committee meets twice a year.

Ref.	Principles	Compliance	Comments
c.	That an administering authority that does not include lay members in its formal governance arrangements must provide a forum outside of those arrangements to represent the interests of key stakeholders.	Full compliance.	The Joint Pension Fund Panel and Board include lay members. An Annual Employers Meeting of the Pension Fund is held, and road shows are arranged for employers.
G	Access		
a.	That, subject to any rules in the County Council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that are due to be considered at meetings of the main committee.	Full compliance.	Equal access is provided to all members of the Joint Pension Fund Panel and Board.
H	Scope		
a.	That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	Full compliance.	The Joint Pension Fund Panel and Board deal with Fund administration issues and investment.
I	Publicity		
a.	That administering authorities have published details of their governance arrangements so that stakeholders interested in how the scheme is governed can say they want to be part of those arrangements.	Full compliance.	The County Council's Governance Policy Statement is published in the Pension Fund's Annual Report and on its website.

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