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Hampshire County Council

NOTICE OF MEETING

Meeting	Hampshire Pension Fund Panel and Board
Date and Time	Friday, 16th June, 2017 at 11.00 am
Place	Mitchell Room, EII Podium, Winchester
Enquiries to	members.services@hants.gov.uk

John Coughlan CBE
Chief Executive
The Castle, Winchester SO23 8UJ

FILMING AND BROADCAST NOTIFICATION
This meeting may be recorded and broadcast live on the County Council's website. The meeting may also be recorded and broadcast by the press and members of the public – please see the Filming Protocol available on the County Council's website.

AGENDA

1. APOLOGIES FOR ABSENCE

To receive any apologies for absence.

2. DECLARATIONS OF INTEREST

All Members who believe they have a Disclosable Pecuniary Interest in any matter to be considered at the meeting must declare that interest and, having regard to Part 3 Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter is discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore all Members with a Personal Interest in a matter being considered at the meeting should consider, having regard to Part 5, Paragraph 4 of the Code, whether such interest should be declared, and having regard to Part 5, Paragraph 5 of the Code, consider whether it is appropriate to leave the meeting while the matter is discussed, save for exercising any right to speak in accordance with the Code.

3. CONFIRMATION OF MINUTES (NON-EXEMPT) (Pages 5 - 8)

To confirm the Minutes (non-exempt items) of the meeting held on 3 March 2017.

4. CHAIRMAN'S ANNOUNCEMENTS

To receive any announcements the Chairman may wish to make.

5. **GOVERNANCE - PENSIONS ADMINISTRATION UPDATE** (Pages 9 - 32)

To consider a report from the Director of Corporate Resources-Corporate Services providing the Pension Fund Panel and Board with an update on administration performance in the last six months of 2016/17, together with an analysis of employer performance for the same period.

6. **GOVERNANCE - PENSION FUND RISK MANAGEMENT** (Pages 33 - 46)

To consider a report from the Director of Corporate Resources-Corporate Services providing the Pension Fund Panel and Board with a summary of the Pension Fund's approach to risk management and the Risk Register for review.

7. **INVESTMENTS - PENSION FUND CASH - ANNUAL REPORT 2016-17** (Pages 47 - 54)

To consider a report from the Director of Corporate Resources-Corporate Services providing the Pension Fund Panel and Board with an annual review of the policy for managing the Hampshire Pension Fund's cash balance.

8. **EXCLUSION OF THE PRESS AND PUBLIC**

That in relation to the following items the press and public be excluded from the meeting, as it is likely, in view of the nature of the business to be transacted or the nature of proceedings, that if a member of the public were present during the items there would be disclosure to them of exempt information within Paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, and further that in all circumstances of the case, the public interest in maintaining the exempt information outweighs the public interest in disclosing the information, for the reasons set out in the report.

9. **CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING** (Pages 55 - 56)

To confirm the exempt minutes of the meeting held on 3 March 2017.

10. **INVESTMENTS - PENSION FUND CASH - ANNUAL REPORT 2016/17 EXEMPT APPENDIX** (Pages 57 - 58)

To consider an exempt appendix for Agenda item 7.

11. **INVESTMENTS - POOLING UPDATE** (Pages 59 - 78)

To consider the exempt report of the Director of Corporate Resources - Corporate Services updating the Pension Fund Panel and Board on the progress of the LGPS investment pooling, including a summary of the main events that have led to the model of pooling being adopted.

12. **INVESTMENT - INVESTMENT UPDATE** (Pages 79 - 100)

To consider the exempt report of the Director of Corporate Resources - Corporate Services updating the Panel and Board on the Pension Fund's investments since the last meeting of the Pension Fund Panel and Board on 3 March 2017.

ABOUT THIS AGENDA:

On request, this agenda can be provided in alternative versions (such as large print, Braille or audio) and in alternative languages.

ABOUT THIS MEETING:

The press and public are welcome to attend the public sessions of the meeting. If you have any particular requirements, for example if you require wheelchair access, please contact members.services@hants.gov.uk for assistance.

County Councillors attending as appointed members of this Committee or by virtue of Standing Order 18.5; or with the concurrence of the Chairman in connection with their duties as members of the Council or as a local County Councillor qualify for travelling expenses.

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AT A MEETING of the PENSION FUND PANEL AND BOARD of the County Council held at The Castle, Winchester on Friday 3 March 2017.

Chairman:
p Councillor M. Kemp-Gee

Elected members of the Administering Authority (Councillors):

a C. Carter	p P. Latham
a C. Connor	p T. Rolt
p A. Gibson	a B. Tennent
a A. Joy	p T. Thacker

Employer Representatives (Co-opted members):
p Councillor P. Giddings (Test Valley Borough Council)
p Councillor H. Mason (Portsmouth City Council)
p Mr D. Robbins (Churchers College)

Scheme Member Representatives (Co-opted members):
p Dr C. Allen (pensioners' representative)
p Mr N. Wood (scheme members representative)
p Mrs V. Arrowsmith (deferred members' representative)

Independent Adviser:
p C. Dobson

142. **BROADCASTING ANNOUNCEMENT**

The Chairman announced that the press and members of the public were permitted to film and broadcast the meeting. Those remaining at the meeting were consenting to being filmed and recorded, and to the possible use of those images and recording for broadcasting purposes.

143. **APOLOGIES FOR ABSENCE**

Cllrs Carter, Connor, Joy and Tennent sent their apologies.

144. **DECLARATIONS OF INTEREST**

Members were mindful that where they believed they had a Disclosable Pecuniary Interest in any matter considered at the meeting they must declare that interest at the time of the relevant debate and, having regard to the circumstances described in Part 3, Paragraph 1.5 of the County Council's Members' Code of Conduct, leave the meeting while the matter was discussed, save for exercising any right to speak in accordance with Paragraph 1.6 of the Code. Furthermore Members were mindful that where they believed they had a Non-Pecuniary interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 2 of the Code, considered whether it was appropriate to leave the meeting whilst the matter was discussed, save for exercising any right to speak in accordance with the Code.

145. **CONFIRMATION OF MINUTES**

The minutes of the Pension Fund Panel and Board held on 31 January 2017 were confirmed.

146. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman reported that at the County Council meeting on 16 February, it was agreed to delegate authority to the Director of Corporate Resources, in consultation with the Chairman of the Pension Fund Panel and Board to agree the approach to pooling that Hampshire County Council will take, either via a CIV operator or Collaborative Joint Procurement, and that authority was delegated to the Director of Corporate Resources in consultation with the Chairman of the Pension Fund Panel and Board to finalise and agree the terms of the Inter Authority Agreement (IAA) in order to implement the model of Pooling, and the Council resolved to delegate the functions to the joint committee with effect from the date of execution of the IAA.

147. **GOVERNANCE: INTERNAL AUDIT PROGRESS REPORT – FEBRUARY 2017**

The Panel and Board received and noted a report of the Director of Corporate Resources (item 5 in the Minute Book) setting out an overview of internal audit work completed in accordance with the approved audit plan.

Internal Audit's work to date had concluded in all areas of review that substantial assurance can be placed on the effectiveness of the framework of risk management, control and governance supporting the objectives of the governance of the Pension Fund.

148. **GOVERNANCE: INTERNAL AUDIT PLAN 2017/18**

The Panel and Board received and noted a report of the Director of Corporate Resources (item 6 in the Minute Book) setting out an overview of internal audit work planned for 2017/18. The plan includes reviews of pensions payroll and benefit calculations, pension refunds, fund management and investments, accounting for assets/custodian services and Pension Fund management.

149. **GOVERNANCE: INVESTMENT STRATEGY STATEMENT AND INVESTMENT STRATEGY NEXT STEPS**

The Panel and Board received a report from the Director of Corporate Resources regarding the draft Investment Strategy Statement and an update on the finalisation of the 2016 triennial Actuarial Valuation. The revised LGPS Management and Investment of Funds Regulations published in November 2016 require the publication of an Investment Strategy Statement by 1 April 2017, and that the Administering Authority must consult such persons as it considers appropriate as to the proposed contents of its investment strategy. It was noted that there was now a risk that changes to regulations or intervention from central Government could inhibit the Panel and Board’s ability to carry out its fiduciary duty in law to invest Fund monies to achieve the best possible financial return for the Fund, and it would be appropriate to add this to the risk register in the draft Investment Strategy Statement.

It was reported that the Pension Fund’s Actuary, Aon Hewitt, is in the process of finalising the Fund’s 2016 triennial valuation. One of the Pension Fund’s employers had raised the question of pre-paying their pension contributions. This matter had been discussed with Aon Hewitt who concluded that it would be a disadvantageous arrangement to the employer as well as the Pension Fund.

RESOLVED:

(a) That the progress in finalising the Fund’s 2016 Actuarial Valuation and the rationale for not offering employers the option to prepay pension contributions was noted.

(b) That subject to minor amendment to incorporate regulatory risk, the draft Investment Strategy Statement was agreed, and that it would be published for consultation with the Fund’s scheme members and employers.

(c) That the plan for review of the Fund’s Investment Strategy, finalising the Investment Strategy Statement and the remainder of the report be noted.

150. **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED:

That the public be excluded from the meeting during the following items of business, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraphs 3 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the reports.

151. **MINUTES OF PREVIOUS MEETING HELD ON 31 JANUARY 2017 (EXEMPT APPENDIX)**

The exempt minutes of the Pension Fund Panel and Board held on 31 January 2017 were confirmed.

152. **INVESTMENTS: PENSION FUND'S CUSTODIAN PERFORMANCE REPORT**

The Panel and Board considered the exempt report from the Director of Corporate Resources (Item 10 in the Minute Book) detailing the performance of the Pension Fund's custodian. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

153. **INVESTMENTS: INVESTMENT UPDATE**

The Panel and Board considered the exempt report from the Director of Corporate Resources (Item 11 in the Minute Book) updating the Panel and Board about the progress of the Pension Fund's investments. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

154. **INVESTMENTS: ALTERNATIVE INVESTMENTS PORTFOLIO UPDATE**

The Panel and Board received an exempt report from the Director of Corporate Resources (Item 12 in the Minute Book) updating the Panel and Board about the progress of the Pension Fund's alternative investments. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Pension Fund Panel and Board
Date:	16 June 2017
Title:	Governance: Pension Administration update
Report From:	Director of Corporate Resources

Contact name: Lois Downer

Tel: 01962 847600 **Email:** lois.downer@hants.gov.uk

1. Executive Summary

1.1. The purpose of this paper is to provide the Panel and Board with an update on administration performance in the last six months of 2016/17, together with an analysis of employer performance for the same period.

1.2. Pensions Services have performed well against the four key indicators of good pensions administration. Over the next six months, Pensions need to complete the end of year processing to produce annual benefit statements and pension savings statements, against the background of complexity and increasing reporting requirements.

1.3. The Employer Policy has been amended to clarify the responsibility of employers who require an admission agreement with the Fund and reflect the changes which now allow sixth form colleges to apply for academy status.

2. Administration performance

2.1. Pensions Services have performed well against the four key measures of good administration:

- Cost per member
- Internal and external audit
- Customer Service Excellence
- Performance against service standards

Cost per member

2.2. One of the key external measures of administration performance is cost per member. Comparative costs for all LGPS Funds are reported annually in the Sf3 return, and Hampshire is always reasonable for the size of the Fund. As reported to the Panel in December 2016, Hampshire was the 7th largest

Fund by membership and 4th lowest out of 89 for its combined administration and governance cost per member in 2015/16.

2.3. Staffing makes up around 2/3rds of the total cost of administration. Whilst efficiency savings can be made through the use of technology, for example reducing printing and postage costs through the promotion of the member web portal, the LGPS is increasingly complex to administer and requires the expertise of experienced staff. Pensions Services' structure is therefore regularly reviewed to ensure that it provides the right level of resource, and can attract and retain the right people.

2.4. The 2014/15 Annual Report and Accounts was the first year that DCLG required a budget to be published for the Fund. The staffing budget is based on the membership of the Fund for the previous financial year, and is built up from a staff cost per member of £9.05. The 2015/16 budgeted staff cost was £1,310m (based on the 2014/15 closing membership of 144,830).

2.5. The actual staff cost was higher, due to CARE and HMRC tax changes coming into effect during the year. The overspend was £39,000 (26.4p per member). Consequently, a slightly higher staff cost of £9.08 per member was used to set the 2016/17 staff budget of £1,400m, based on the higher membership of 154,191 at the end of 2015/16. The actual spend for 2016/17 was lower due to a number of vacancies and maternity leave in the year.

2.6. The budget for 2017/18 has again been set at a staff cost per member of £9.05. The membership at the end of 2016/17 was 160,057 giving a total staff budget of £1,448m.

Audit reports

2.7. The annual internal audit opinion for Pensions will be presented to the Panel and Board at the July meeting. Pensions have received good reports during the year with substantial assurance given for the 5 reviews covering the LGPS (which were the annual pensions payroll and benefit calculations review, pension transfers, member deaths and accounting for pension receipts). There were no formal action plans required for the administration of LGPS pensions.

Customer Service Excellence

2.8. In April, Pensions had a year 3 review for Customer Service Excellence. This was conducted as a day's site visit by the assessor who also contacted employers for feedback on the service. Pensions retained their accreditation and picked up two further compliance plus marks for telling customers about performance, and incorporating customer feedback into processes, along with the existing one for the corporate commitment to putting the customer at the heart of service delivery.

Performance against Service Standards (KPIs)

2.9. The KPIs for Pensions evidence the strong performance in 2016/17. The tables below show that service standards were met for 100% of casework in the key areas over the last six months.

Quarter 3

	Time to Complete							
Type of case	**0-5 days**	**6-10 days**	**11-15 days**	**16-20 days**	**20-40 days**	**40 days plus**	**Total**	**On target?**
Retirement	245	38	23	1	0	0	307	100.00
Deferred Retirement	113	134	54	1	0	0	302	100.00
Estimate	363	130	87	15	0	0	595	100.00
Deferred	178	226	546	540	259	0	1,749	100.00
Transfer out	53	58	16	2	0	0	129	100.00
Transfer In	42	20	8	2	0	0	72	100.00
Divorce	13	38	12	1	0	0	64	100.00
Refund	657	447	113	3	0	0	1,220	100.00
Rejoiners	88	29	21	11	0	0	149	100.00
Interfunds	74	31	27	0	0	0	132	100.00
Death	114	19	10	5	0	0	148	100.00
Grand Total							**4,867**	

Quarter 4

	Time to Complete							
Type of case	**0-5 days**	**6-10 days**	**11-15 days**	**16-20 days**	**20-40 days**	**40 days plus**	**Total**	**On target?**
Retirement	153	17	6	5	0	0	181	100.00
Deferred Retirement	174	69	6	0	0	0	249	100.00
Estimate	243	119	122	54	0	0	538	100.00
Deferred	125	65	248	400	920	0	1,758	100.00
Transfer out	81	47	18	1	0	0	147	100.00
Transfer In	84	24	9	3	0	0	120	100.00
Divorce	25	30	20	1	0	0	76	100.00
Refund	215	454	358	62	0	0	1,089	100.00
Rejoiners	52	24	5	26	0	0	107	100.00
Interfunds	97	44	23	1	0	0	165	100.00
Death	165	32	11	1	0	0	209	100.00
Grand Total							**4,639**	

3. Employer performance

3.1. Pensions Services continues to monitor the timeliness of notifications from employers, for key activities. Appendix 1 shows the timeliness of all death notifications received in the period and lists the employers who did not meet the timescales for notifying retirements in the period, as well as their performance for notification of deferments.

3.2. The monitoring and reporting has led to an improvement from some employers which has helped improve the service offered to members. The feedback from employers about this process will feed into changes to the Administration Strategy which are planned for later in the year. A summary of the performance of employers with more than 100 scheme members is shown in Appendix 2.

3.3. The timeliness of receipt of pension contributions is also measured monthly and employers who fail to pay over by the statutory date are written to and an explanation secured. A total of £2.636m was paid late in 2016/17 (£6.592m in 2015/16) which was 1.06% of the total contributions received. The average delay on all late payments received during 2016/17 was 8 days (10 days in 2015/16).

4. Employer policy

4.1. The purpose of the Employer Policy is to set out the Fund's policies and procedures in the treatment of employers including the admission and exit of employers, and is designed to be read in conjunction with the Funding Strategy Statement. The Panel are asked to note two amendments to the Policy, both of which clarify existing practice. The full policy is attached as Appendix 3 to this report and the amended paragraphs are paragraphs 4.3 and 6.14 – 6.17.

4.2. It has often been the case that the pension implications of an outsourcing were given low priority by employers, resulting in poor administration and detriment to members. It was intended that the Employer Policy would be changed to state that the Fund would reserve the right to not backdate admission agreements which were not finalised within three months of the contract date. However legal advice suggested that, although compliant with the current regulations, this approach could be in conflict with the new Fair Deal and planned amendments to the LGPS regulations under which the Fund will have to accept backdated agreements.

4.3. Instead a minor amendment has been made to the Employer Policy in paragraph 4.3 which clarifies the existing responsibility of employers to ensure that the Fund is notified as soon as possible of any outsourcings and that the employer is responsible for ensuring that any admission agreement is finalised prior to the contract start date.

4.4. Employer factsheets have also been updated to detail the implications to the employer of a delay to signing the admission agreement. These include the employer possibly breaching Pension Regulator requirements on the payment of contributions, possible breaches of employer duties under employment regulations and additional pension strain charges for any death in service or ill health retirements which take place during the period after the contract start date and before the admission agreement is finalised. It is intended that the employer responsibilities in the Administration Strategy will also be updated when the strategy is reviewed and consulted on in the autumn.

4.5. The other amendment to the Employer Policy relates to the treatment of academies and is necessary because of the change which now allows sixth form colleges to apply for academy status. Colleges were removed from the scheduled body group with effect from the 2016 valuation, following the Actuary's review of the group and assessment of the unacceptable cross subsidies. One of the reasons for removing the colleges was because of their different risk profile to other education establishments.

4.6. The Department for Education (DfE) acts as guarantor for academies in the event that they fail and are unable to meet their pension liability. The DfE has confirmed that the guarantee will extend to former colleges which convert to academy status.

4.7. It was considered therefore whether converted colleges should rejoin the scheduled body group, with the other academies. However the primary reason that former LEA school academies were left in the group was to ensure there was no disparity between the contributions paid by the new academy and the local authority, as required by the DfE, rather than the existence of the guarantee, which although has to be taken at face value, remains untested.

4.8. In addition, by remaining standalone, there is greater transparency over the liability associated with the former college which would put the Fund in a stronger position in the event of a failure because it will be clear what the DfE would need to pay.

4.9. The Actuary has therefore recommended that former college academies remain standalone but with their contribution rate based on the same risk profile as the scheduled body group, recognising the DfE guarantee. This will mean that colleges are not disadvantaged but that the Fund is still protected. The Employer Policy has been amended in paragraphs 6.14 to 6.17 to reflect this recommendation and to clarify the treatment of all academies, multi academy trusts and free schools.

5. Recommendations

5.1. That the Panel and Board approve the amendments to the Employer Policy in paragraphs 4.3 and 6.14 to 6.17.

5.2. That the strong performance of Pensions Services in 2016/17 is noted.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	no
Maximising well-being:	no
Enhancing our quality of place:	no
OR	
This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision as an action is required by the Pension Fund Panel and Board as the Administering Authority for the Hampshire Pension Fund.	

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document	Location
None	

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 (‘the Act’) to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

a. The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

b. Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

c. Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionally low.

1.2. **Equalities Impact Assessment:**

1.3. Equality objectives are not considered to be adversely affected by the proposals in this report.

2. Impact on Crime and Disorder:

2.1. The proposals in this report are not considered to have any direct impact on the prevention of crime.

3. Climate Change:

3.1. How does what is being proposed impact on our carbon footprint / energy consumption?

No specific impact.

3.2. How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No specific impact.

Death notifications received January – March 2017

Employer	0-5 days	6-10 days	11-15 days	16-20 days	21-30 days	31-40 days	41-50 days	51-60 days	+60 days
Hampshire County Council	2	2	0	0	0	0	0	0	0
Southampton City Council	0	1	0	0	0	1	0	0	0
Portsmouth City Council	0	0	0	0	1	0	0	0	0
Portsmouth University	2	0	0	0	0	0	0	0	0
Oasis Community Learning	0	1	0	0	0	0	0	0	0
Total	4	4	0	0	1	1	0	0	0

Employers not meeting timescales for notifying retirements

Days - / + retirement date	<-40	-40 to -21	-20 to -11	-10 to -6	-5 to -1	0 to 5	6 to 10	11 to 20	21 to 40	41 to 60	61 to 90	+90
All Hallows Catholic School and Sixth Form College	0	0	0	0	0	0	0	0	1	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%
		0%			0%			0%				100%
Aramark	0	0	0	0	0	0	0	0	1	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%
		0%			0%			0%				100%
Capita Hart (ex Hart DC)	0	0	0	0	0	0	0	0	1	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%
		0%			0%			0%				100%
Capita Southampton	0	1	0	0	0	0	1	0	1	0	0	0
	0%	33%	0%	0%	0%	0%	33%	0%	33%	0%	0%	0%
		33%			0%			33%				33%
Councillors - Havant Borough Council	0	0	0	0	0	0	0	0	0	0	0	1
	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
		0%			0%			0%				100%
Edwin Jones Trust (EJT)	0	0	0	0	0	0	0	0	0	0	0	1
	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
		0%			0%			0%				100%

Employers not meeting timescales for notifying retirements (cont)

Days - / + retirement date	<-40	-40 to -21	-20 to -11	-10 to -6	-5 to -1	0 to 5	6 to 10	11 to 20	21 to 40	41 to 60	61 to 90	+90
Hampshire County Council	**0**	**1**	**1**	**1**	**19**	**8**	**8**	**15**	**2**	**4**	**2**	**1**
	0%	**2%**	**2%**	**2%**	**31%**	**13%**	**13%**	**24%**	**3%**	**6%**	**3%**	**2%**
		2%			**34%**			**50%**				**15%**
New Forest District Council	0	1	3	0	1	2	0	0	0	0	0	1
	0%	13%	38%	0%	13%	25%	0%	0%	0%	0%	0%	13%
		13%			50%			25%				13%
Portsmouth City Council	0	28	5	1	0	1	0	1	1	2	1	1
	0%	68%	12%	2%	0%	2%	0%	2%	2%	5%	2%	2%
		68%			15%			5%				12%
Southampton City Council	0	4	4	2	0	2	1	3	1	0	0	0
	0%	24%	24%	12%	0%	12%	6%	18%	6%	0%	0%	0%
		24%			35%			35%				6%
St Anne's Catholic School & Sixth	0	0	0	0	0	0	0	0	0	1	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%
		0%			0%			0%				100%
St Peter's Catholic Primary School	0	0	0	0	0	0	0	0	0	0	0	1
	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%
		0%			0%			0%				100%

Notification of deferments by employers who do not meet targets for retirements

Edwin Jones Trust (EJT)	0	0	0	0	0	1	0	0	0	0	0	3	1	8
	0%	0%	0%	0%	0%	8%	0%	0%	0%	0%	0%	23%	8%	62%
		0%			0%			8%						92%
Hampshire County Council	0	0	0	0	3	3	3	14	91	253	212	85	17	75
	0%	0%	0%	0%	0%	0%	0%	2%	12%	33%	28%	11%	2%	10%
		0%			0%			3%						97%
New Forest District Council	0	0	1	0	0	3	5	20	30	8	7	3	2	9
	0%	0%	1%	0%	0%	3%	6%	23%	34%	9%	8%	3%	2%	10%
		0%			1%			32%						67%
Portsmouth City Council	0	1	1	0	0	0	1	0	4	3	3	142	8	26
	0%	1%	1%	0%	0%	0%	1%	0%	2%	2%	2%	75%	4%	14%
		1%			1%			1%						98%
Southampton City Council	0	1	0	1	0	0	0	2	0	1	4	6	35	18
	0%	1%	0%	1%	0%	0%	0%	3%	0%	1%	6%	9%	51%	26%
		1%			1%			3%						94%
St Anne's Catholic School & Sixth Form College (Academy)	0	0	0	0	0	0	0	0	0	0	1	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%
		0%			0%			0%						100%
St Peter's Catholic Primary School	0	0	0	0	0	0	0	0	0	0	2	0	0	0
	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%	100%	0%	0%	0%
		0%			0%			0%						100%

Retirements completed January 2016 – March 2017 for employers with more than 100 scheme members

Employer code	Name	Actives UPM 8/5/17	Number of retirements completed in period Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17	Percentage failed in period (leaver form provided more than 20 days after retirement) Q4 2015/16	Q1 2016/17	Q2 2016/17	Q3 2016/17	Q4 2016/17
With retirements in period - no evidence of improvement being made or failed on recent report for first time												
00323	Portsmouth City Council	4801	38	74	37	29	42	5%	4%	5%	10%	12%
00313	New Forest District Council	1587	8	12	16	7	8	0%	0%	0%	0%	13%
00026	The University Of Winchester	368	0	1	1	1	0	n/a	100%	100%	100%	n/a
00649	South Downs College	302	1	7	7	2	0	0%	0%	0%	50%	n/a
00943	Edwin Jones Trust	128	0	1	1	0	1	n/a	0%	0%	n/a	100%
00303	Hart District Council	112	0	7	3	0	0	n/a	13%	33%	n/a	n/a
With retirements in period - some evidence of improvement being made												
00001	Hampshire County Council	26812	130	164	117	108	63	62%	42%	51%	45%	15%
00700	Hampshire Police Authority (LGPS)	2493	18	17	17	8	5	11%	3%	3%	13%	0%
00315	Southampton City Council	2457	29	55	54	35	17	3%	24%	22%	14%	6%
00348	Southampton Solent University	2017	2	4	4	7	3	0%	0%	50%	57%	0%
00347	University Of Portsmouth	1611	6	7	9	5	4	0%	14%	0%	20%	0%
00301	Basingstoke and Deane Borough Council	508	3	6	9	3	3	0%	17%	11%	0%	0%
00317	Eastleigh Borough Council	493	4	1	7	4	5	0%	0%	0%	50%	0%
00307	Test Valley Borough Council	489	3	5	5	1	2	0%	60%	20%	100%	0%
00637	Sparsholt College	389	0	0	1	1	4	n/a	n/a	0%	100%	0%
00777	Hampshire Fire and Rescue	312	3	10	4	0	1	33%	0%	0%	n/a	0%
00647	Highbury College	279	2	0	1	4	1	0%	n/a	100%	25%	0%
00634	Peter Symonds College	241	2	0	2	0	0	50%	n/a	0%	n/a	n/a
00841	Jefferys Education Trust	159	0	1	1	1	0	n/a	100%	0%	0%	n/a
With retirements in period - timescales met												
00944	Capita (SCC Schools)	823	1	0	6	0	0	0%	n/a	0%	n/a	n/a
00309	Winchester City Council	470	5	6	7	2	0	0%	0%	0%	0%	n/a
00319	Fareham Borough Council	378	0	2	5	1	0	n/a	0%	0%	0%	n/a
00311	East Hampshire District Council	302	3	0	2	2	0	0%	n/a	0%	0%	n/a
00305	Rushmoor Borough Council	283	4	2	2	2	0	0%	0%	0%	0%	n/a
00325	Havant Borough Council	267	1	2	3	1	2	0%	0%	0%	0%	0%
00653	Brockenhurst College	239	1	0	0	0	1	0%	n/a	n/a	n/a	0%
00321	Gosport Borough Council	224	6	5	9	9	0	0%	0%	0%	0%	n/a
00636	Eastleigh College	206	1	0	0	0	1	0%	n/a	n/a	n/a	0%
00641	Basingstoke College of Technology	204	0	4	4	0	1	n/a	0%	0%	n/a	0%
00642	Farnborough College of Technology	168	5	0	3	1	1	0%	n/a	0%	0%	0%
00785	Oasis Community Learning	146	1	0	0	0	0	0%	n/a	n/a	n/a	n/a
00879	Bay House School and Sixth Form	140	0	0	2	2	0	n/a	n/a	0%	0%	n/a
00646	Fareham College	132	1	0	0	0	0	0%	n/a	n/a	n/a	n/a
00638	The Sixth Form College Farnborough	130	2	0	1	0	1	0%	n/a	0%	n/a	0%
00654	Southampton City College	129	0	1	2	1	0	n/a	0%	0%	0%	n/a
00639	Queen Mary's College	122	0	0	1	1	0	n/a	n/a	0%	0%	n/a
1007	City Catering (SCC)	108	1	0	0	0	0	0%	n/a	n/a	n/a	n/a
00928	Springwell School	107	1	0	0	0	0	0%	n/a	n/a	n/a	n/a
00640	Alton College	101	0	0	0	0	1	n/a	n/a	n/a	n/a	0%
Employers with no retirements in period												
00645	St Vincent College	194	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a
00966	Solent Academies Trust (Mary Rose Academy and Cliffdale Schools)	153	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a
00902	Wyvern Academy	118	0	0	0	0	0	n/a	n/a	n/a	n/a	n/a

Hampshire Pension Fund – Employer Policy

Contents

1. Background

1.1. This policy explains the Fund's policies and procedures in the treatment of employers including the admission and exit of employers in the Hampshire Pension Fund. Hampshire Pension Fund is administered by Hampshire County Council.

1.2. The purpose of this policy is to ensure that, as the Administering Authority of the Hampshire Pension Fund, we will minimise the risk that any employer places on the Fund before agreeing to admit any new employers to the Fund. It is also intended to provide clarity on the decisions made by the Fund and provide consistency in the way types of employers are dealt with.

1.3. This policy should be read in conjunction with the Hampshire Pensions Funding Strategy Statement.

1.4. The policy will be reviewed from time to time and at least every three years in line with the Hampshire Pensions Funding Strategy. It will also be reviewed following changes in the regulations relating to employers in the Fund.

1.5. It should be noted that this statement is not exhaustive and individual circumstances may be taken into consideration where appropriate.

1.6. Where the information relates to a particular type of employer, this will be explained. If no type of employer is indicated the information relates to all employers in the Fund.

2. Aims

2.1. Our aim is to minimise risk to the Fund by ensuring that the employers participating in the Fund are managed in a way that ensures they are able to adequately fund the liabilities attributable to them and, in particular to pay any deficit due when leaving the Fund. In managing this risk we will have regard to the aims of Hampshire Pensions Funding Strategy:
- to manage the employer's liabilities effectively and ensure that sufficient resources are available to meet all liabilities as they fall due,
- to enable primary contribution rates to be kept as nearly constant as possible (subject to the administering authority not taking undue risk) at reasonable cost to the taxpayers, scheduled, resolution and admitted bodies

2.2. The Administering Authority has an obligation to pursue all liabilities owed so this deficit does not fall on other employers.

3. Principles

3.1. For funding purposes, the Administering Authority will treat employers in different ways depending on how they participate in the Fund and its views on their financial strength.

3.2. As set out in the Funding Strategy Statement Scheduled body employers under Part 1 of Schedule 2 of the Regulations which are deemed to be secure public sector bodies and Town and Parish Councils under paragraph 2 or Part 2 of Schedule 2 will be part of the Scheduled body group. Decisions made by employers in the group must be in accordance with the group behaviours as set out in paragraph 4.1 below. Employers in the group will pay the same future service rate and share the funding risks of the group as set out in the Funding Strategy Statement.

3.3. Some existing Admitted bodies may be part of the Scheduled body group on the understanding that, where considered appropriate, a formal agreement will be put in place to protect the other grouped employers from the actions of the admission body and the effect of the admission agreement being closed to new entrants. The Administering Authority may remove those employers from the Group if satisfactory agreement cannot be reached or the terms of any agreement are not adhered to by the employers concerned.

3.4. Some existing Admitted body employers may be part of the Admitted body group.

3.5. Some employers will be in neither group and will be set an individual employer contribution.

3.6. Employers who are part of a group need to act in accordance with the group behaviours. The Fund will monitor the funding / membership experiences of the employers from time to time. If the Fund considers an employer is not acting in accordance with the group behaviours it will consider taking appropriate action which may include requiring the employer to pay additional contributions so the impacts of the decisions made by the employer do not adversely affect other employers in the group.

3.7. Regardless of whether they are grouped or ungrouped individual employers will pay for any legal and actuarial costs incurred on their behalf.

4. Responsibilities of employers in the Fund

4.1. We will expect all employers in the Fund to take into consideration the effect of their behaviours on the group, for example when considering;
- Discretions policies
- Outsourcing decisions
- Salary increases

Employers should have regard to the Hampshire Pension Fund administration strategy at all times.

Changes/mergers

4.2. All employers, whether Admission or Scheduled bodies, need to inform the Hampshire Pension Fund of any changes to the organisation that will impact on their participation in the Fund. This includes change of name or constitution or mergers with other organisations or other decision which will or may materially affect the employer's Fund membership.

Admission agreements

4.3. All employers must inform the Fund of any outsourcings and allow sufficient time for an admission agreement to be completed prior to the contract start date.

5. Managing risk

5.1. Our aim is to minimise employer related risk to the Fund across all the employers in the Fund.

5.2. There must be no significant additional risk to the Fund from any outsourcing by a scheme employer or admission of any other new body for which a scheme employer is guarantor. We would want to ensure that the decisions made by an employer when outsourcing services or providing a guarantee have no adverse impact on the Fund or on other employers in the Fund. We would look to protect both the Fund and other employers in these circumstances.

5.3. Scheme employers must be prepared to manage any pension risk of an outsourcing.

6. New employers in the Hampshire Pension Fund

Admission bodies

6.1. Each Admitted body will be a stand alone body in the Fund with its own contribution rate.

6.2. Employers considering outsourcing any services should have regard to and adhere to the requirements of the Fair Deal Policy/Best Value direction. They should also advise the Administering Authority at the earliest opportunity and before any transfer of staff so that the necessary paperwork and calculations can be completed in advance of the new body being admitted. More information on the process is available from the Fund.

6.3. The Administering Authority will have discretion to amend the contribution the scheme employer pays where they make decisions to outsource services if it is considered that there will be significant or material number of employee members moving from the scheme employer to a new employer, relative to the size of the scheme employer. The aim will be to ensure the transfer does not increase the risk to the Fund or the Scheduled body group.

6.4. The costs in terms of the contribution the new employer pays and the fees in relation to the solicitor and actuary costs will depend on the decisions made under this section. In particular, the funding target appropriate to the new employer will reflect the perceived strength of covenant of the scheme employer (including the existence or otherwise of a government guarantee) and whether or not the scheme employer has agreed to guarantee the new employer's participation and subsume its assets and liabilities in the Fund should that employer exit the Fund in future. The fees will depend on the information required from the actuary and solicitor but an estimate will be provided prior to work being commissioned.

Scheduled bodies setting up a wholly owned company

6.5. Where Part 1 scheduled bodies set up a wholly owned company which participates in the Fund as a Part 2 employer, that wholly owned company will be a stand alone body in the Fund with its own individually assessed contribution rate.

6.6. Employers considering outsourcing any services to a wholly owned company should also advise the Administering Authority at the earliest opportunity and before any transfer of staff so that the necessary paperwork and calculations can be completed in advance of the new body being admitted. More information on the process is available from the Fund.

All outsourcings

6.7. The Administering Authority will have discretion to amend the contribution the scheme employer pays where they make decisions to outsource services if it is considered that there will be significant or material number of employee members moving from the scheme employer to a new employer, relative to the size of the scheme employer. The aim will be to ensure the transfer does not increase the risk to the Fund or the Scheduled body group. Unless the circumstances dictate otherwise, the change in the scheme employer's contribution will generally be implemented as part of the next triennial valuation of the Fund when new contributions for all employers will be implemented.

Paragraphs 5 & 6, Part 2, Schedule 2 bodies

6.8. To be an employer under paragraph 5 of part 2 of Schedule 2, the new employer would be connected with scheme employer, where connected means:
a) it is an entity other than the local authority; and .
b) according to proper practices in force at that time, financial information about the entity must be included in the local authority's statement of accounts for the financial year in which that time falls.

6.9. To be an employer under paragraph 6 of part 2 of Schedule 2, the new employer would be "under the control of" the scheme employer, where under the control of has the same meaning as in section 68 or, as the case may be, 73 of the Local Government and Housing Act 1989.

6.10. The Fund actuary will determine the employer contribution payable for such a body as an ungrouped employer and if necessary revise the contributions payable by the scheme employer outsourcing to a Part 2 Schedule 2 body with the aim of ensuring the transfer does not increase the risk to the Fund or the Scheduled body group. Unless the circumstances dictate otherwise, the change in the scheme employer's contribution will generally be implemented as part of the next triennial valuation of the Fund when new contributions for all employers will be implemented.

6.11. As with Admission bodies, the costs in terms of the contribution the new employer pays and the fees in relation to the solicitor and actuary will depend on the decisions made under this section. In particular, the funding target appropriate to the new employer will reflect the perceived strength of covenant of the scheme employer and whether or not the scheme employer has agreed to guarantee the new employer's participation and subsume its assets and liabilities in the Fund should that employer exit the Fund in future. The fees will depend on the information required from the actuary and solicitor but an estimate will be provided prior to work being commissioned.

Town and Parish Councils

6.12. Town and Parish Councils joining the Fund will automatically join the Scheduled body group.

6.13. When a Town or Parish Council designates to join an employee to the Fund, they have no current active members and are not currently subject to a suspension notice (see section 12 below), a standard employer rate equal to the prevailing future service rate of the Scheduled body group (currently 14% of pay, increasing to 16.9% of pay with effect from 1 April 2017) will be payable until the contributions from the next triennial valuation come into force.

Academies MATs and Free Schools

6.14. Schools and colleges converting to academy status will retain the position in the Fund held by the former establishment. This means that an academy created from the conversion of an LEA school will be part of the Scheduled body group. An academy created from a 6th form college, or where there is no former establishment, will be a standalone employer in the Fund. A new free school will also become a standalone employer in the Fund.

6.15. Similarly new multi academy trusts (MATs) will become standalone employers in the Fund unless at the point of creation they wholly consist of former LEA schools (in which case the MAT will stay in the Scheduled body group). Academies which join a MAT will become part of that MAT. An exception may be made for a former LEA school which joins a MAT which is a standalone employer. The MAT can choose for the LEA school to remain part of the Scheduled body group. This will mean that the school continues to share the experience of the Scheduled body group and may pay a different contribution rate to the rest of the MAT.

6.16. The DfE guarantee extends to all academies and free schools, including those created from 6th form colleges. While this guarantee is in force, contribution rates for all academies will be set using the same risk basis as for the Scheduled body group, even if the academy or MAT is a standalone employer.

6.17. A MAT will be treated as a single employer in the Fund and will receive a single contribution rate and fixed contribution amount. A single report will be provided for IAS19 and will not be split between the academies which are part of the MAT.

7. Bonds and guarantors

Guarantor

7.1. A guarantor takes responsibility for the assets and liabilities of the Fund which are attributable to the admission body. In the event that liabilities of the admission body remain unpaid, the Fund will seek payment from the guarantor.

7.2. Under The Local Government Pension Scheme Regulations 2013[1] every employer who outsources services becomes an ultimate guarantor for the pension liabilities of the new employer.

7.3. In some circumstances, where the letting authority is not a tax raising authority the Fund will require a bond to be put in place to cover certain funding risks to the Fund on the advice of the Fund actuary.

7.4. The admission agreement ends if the new employer becomes an exiting employer[2]. The Fund will arrange for a valuation of the assets and liabilities of the exiting employer and, where appropriate, a revised rates and adjustment certificate.

7.5. Payment of the outstanding liabilities must be made by the exiting scheme employer. If the exiting scheme employer fails to make this payment and if there is a bond in place we will call on this in the first instance.

7.6. If there is no bond in place and the scheme employer fails to pay the outstanding liability we will pursue payment from the guarantor. If there is no guarantor the liability will fall to the letting authority who arranged for admission body status for the exiting employer.

7.7. Charitable bodies seeking admission to the Fund will need a tax raising authority to act as guarantor.

7.8. Any employer acting as guarantor will need to complete a guarantor agreement. The Fund will provide a template document for completion.

Bond

7.9. A bond is a way of insuring against the potential cost of the admission body failing by reason of insolvency, winding up or liquidation and being unable to meet its obligations to the Fund.

7.10. The Local Government Pension Scheme regulations provide that the risk assessment for bond cover must be carried out by the admission body. However, we will ask the Fund actuary to calculate the minimum risk to the Fund for any outsourcing. This information will be shared with the scheme employer but not with the admission body. However, it will not constitute advice for either the scheme employer or admission body, who should take their own actuarial advice as required.

[1] Schedule 2, Part 3, 1(d)
[2] The Local Government Pension Scheme Regulations 2013 Part 2 , 64

7.11. Where there is a guarantor, the bond will be largely for that scheme employer's protection, in which case the scheme employer must decide if the admitted body will be required to provide a higher bond than that calculated by the Fund actuary.

7.12. The Administering Authority will require a bond or indemnity to be in place for any outsourcings that are arranged by scheme employers that do not have tax-raising powers. Where there is no bond the Fund will require the letting employer to sign a guarantee agreement.

7.13. The scheme employer needs to be aware of and manage the ongoing risks.

7.14. The scheme employer should review the bond cover annually.

7.15. In the event of an admitted body failing and there being insufficient bond cover, any outstanding liability will fall to the scheme employer.

8. Open or closed admission agreements

Open agreement

8.1. An open agreement allows any person employed in connection with the contract to join the LGPS.

8.2. The Fund will consider an open agreement for an outsourcing. It is for the scheme employer/admission body to ensure only those eligible are admitted to the Fund.

Closed agreement

8.3. A closed agreement relates to a fixed group of employees. Only the employees or roles that transfer to the admission body from the scheme employer can remain or be members of the Scheme.

8.4. Unless advised otherwise, we will assume the admission agreement is closed and there will be a default joining window of 6 months.

8.5. A scheme employer arranging an outsourcing may agree to vary from this position but they must be aware of their obligations under Best Value or recommendations of Fair Deal.

9. Funding targets

9.1. The funding target relates to what happens to the liabilities for the members being outsourced at the end of the contract or termination of the admission agreement, and may also take into account the administering authority's view on the strength of the scheme employer's covenant.

9.2. The presumption will be that the scheme employer will provide a "subsumption commitment" (i.e. be responsible for the future funding of the liabilities post-exit) but this should be confirmed in each case.

Orphan funding target

9.3. Outstanding liabilities of employers from whom no further funding can be obtained are known as orphan liabilities.

9.4. The Fund will seek to minimise the risk to other employers in the Fund of having to make good any deficiency arising on the orphan liabilities.

9.5. To achieve this, as set out in the Funding Strategy Statement, when an exiting employer would leave orphaned liabilities, the administering authority will seek sufficient funding from the outgoing employer to match the liabilities with low risk investments, generally Government fixed-interest and index-linked bonds.

9.6. Where an admission body is admitted and there is no subsumption commitment from a tax raising employer or the Administering Authority determines that the scheme employer which would subsume the assets and liabilities on the admission body's exit is not of sufficiently strong covenant, the new employer will be subject to on the orphan funding target. This funding target takes account of the approach taken to value orphan liabilities on exit and will be reviewed at each triennial valuation on the advice of the actuary. Where the orphan funding target applies the value of the transferring liabilities, and hence notional asset transfer sufficient (where a fully funded transfer applies) will be higher than using a subsumption basis. Similarly, the contribution rate payable by the admission body will be higher than payable by the scheme employer, potentially materially so. Whilst this approach does not guarantee that there will be no exit payment due, it should materially reduce this risk.

Subsumption funding target

9.7. Where an employer is leaving the Fund another employer or group of employers may agree to provide future funding for any liability.

9.8. In that case, any funding deficit arising in future in relation to the exited employer's liabilities will be subsumed by the accepting employer or group.

9.9. Where the subsuming employer is a tax raising body or is deemed to be of similar covenant to a tax raising body the Administering Authority will assume that the investments held in respect of those liabilities will be the same as those held for the rest of the liabilities of the accepting employer or group. Generally this will mean assuming continued investment in more risky investments than Government bonds. In other cases a more prudent funding target will apply, for example in relation to admission bodies following an outsourcing by an academy or other educational establishment where the admission body is not subject to a guarantee from the

Department for Education or Local Education Authority, as set out in paragraph 6.22 above.

Intermediate funding target

9.10. The actuary also has the option to place an employer on an intermediate funding target if they deem it appropriate. In the case of scheduled bodies without a government guarantee which are deemed to be of weaker covenant than the local authorities, the administering authority will normally adopt a funding target which produces a higher chance of achieving solvency/funding success through adoption of a lower discount rate than adopted for the local authorities.

10. Pass-through

10.1. A scheme employer may agree a pass-through arrangement with an admitted body. In this case the employer contribution is still calculated by the Fund actuary and the admitted body will be expected to pay this to the Fund. Any arrangement to share the cost of this rate will be between the scheme employer and the admitted body.

10.2. New Admitted bodies will not be included in the scheduled body or admitted body group even if there is a pass-through arrangement in place between the letting authority and the admitted body.

11. Fully funded or share of fund

Fully funded

11.1. When a new employer starts in the Fund, they will usually start as fully funded. This means that any past deficit for the members who are transferring to the new employer remains with the scheme employer and does not transfer to the new employer.

11.2. This applies even where there is an onward outsourcing from an existing body. The new employer will start fully funded and the existing admission body will pay any deficit (unless specified otherwise in their contract with the scheme employer).

11.3. Where the funding target for the new employer is higher than that for the scheme employer, the Fund actuary will revise the contributions for the scheme employer to take this into account. Unless the circumstances dictate otherwise, the change in the scheme employer's contribution will generally be implemented as part of the next triennial valuation of the Fund when new contributions for all employers will be implemented.

Share of fund

11.4. In exceptional circumstances and only where agreed between the employers the Fund may consider starting a new employer with a share of fund. The Fund will only agree to this where it doesn't increase the risk to the Fund.

12. Exit from the Fund (terminations)

12.1. If an exit is triggered, the employer will be responsible for all costs (including any deficit).

12.2. An exit valuation will be carried out when an employer becomes an "exiting employer", i.e. it :
- ceases to be a Scheme employer (including ceasing to be an admission body participating in the Scheme), or
-no longer has an active member contributing towards the Fund

12.3. For admission bodies, this includes the following scenarios:

- an outsourcing contract ends or,
- for a closed agreement, when the last member leaves if it is before the contract end date, or
- the admission body becomes insolvent, is wound up or goes into liquidation.

12.4. For exits of a body admitted to the fund under Schedule 2 Part 3 paragraph 1(d) (or earlier regulations) or where a scheme employer is acting as guarantor, the scheme employer should notify the Administering Authority as soon as it knows the admission agreement is likely to be terminated.

12.5. The Fund will instruct the actuary to carry out an exit valuation. The costs of this will be added to the final exit valuation

12.6. The Administering Authority will pursue all liabilities owing to the Fund. We will support employers to develop a strategy to exit the Fund where required and it is in the interests of the Fund to do so

12.7. The Fund will pursue the body, any insurer providing a bond or any guarantor as appropriate but ultimately, if unsuccessful, the scheme employer will become liable for any outstanding costs. If there is no scheme employer (e.g. in relation to community admission bodies whose participation pre-dates the requirement for a guarantor), depending upon the circumstances the Scheduled Body Group may subsume the assets and liabilities, failing which they will fall to be funded by all employers in accordance with Regulation 64 (3)(b).

Town and Parish Councils

12.8. Under the Regulations an exit is triggered when the last active member leaves the Fund.

12.9. Given the unique nature of a Town or Parish Council, the Fund will not request an exit valuation immediately when the last member leaves as it may take some time to replace a member of staff and the Parish Council may wish to admit the new employers into the scheme. The Local Government Pension Scheme (Amendment) Regulations 2013 specifically introduced the power to suspend a demand for an exit payment for up to 3 years where the administering authority believes that the employer is likely to have one or more active members contributing to the fund within the period specified in the suspension notice. The Administering Authority considers that it would be appropriate to exercise that discretion in relation to Town and Parish Councils.

12.10. The Fund will issue written notice of the period of the suspension notice. The employer must continue to pay any deficit payments and the actuary will recalculate any deficit at the next valuation.

[3] Provision 22

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Pension Fund Panel
Decision:	16 June 2017
Title:	Governance: Pension Fund Risk Management
Report From:	Director of Corporate Resources – Corporate Services

Contact name: Andrew Boutflower

Tel: 01962 847407 **Email:** andrew.boutflower@hants.gov.uk

1. Executive Summary

1.1. This report provides a summary of the Pension Fund's approach to risk management and Risk Register for review by the Pension Fund Panel and Board. In accordance with guidance the Fund's Risk Register is reported annually as part of the Annual Report.

2. Risk Management Process

2.1. The first step in the risk management process is the identification of risk. Risks are identified through the analysis of the Pension Fund's aims and those issues that might interfere with achieving those aims. The aims of the Pension Fund are published in its Funding Strategy Statement, which is reported annually to the Pension Fund Panel and Board, and are as follows:

- To manage the employers' liabilities effectively.
- To enable employers' contribution rates to be kept as stable as possible and affordable for the Fund's employers.
- To maximise the income from investments within reasonable risk parameters.

2.2. The risks to the Pension Fund not achieving these aims are captured in the Fund's Funding Strategy Statement. The Director of Corporate Resources' staff with the assistance of the Fund Actuary have assessed these risks and documented the mitigation in place, which is recorded in the Fund's Risk Register shown in Appendix 1.

2.3. In accordance with guidance, the Pension Fund publishes its Risk Register as part of its Annual Report. In addition the investment risks are also published in the Investment Strategy Statement.

Risk Management Activities

2.4. The management of risk is part of the control framework that is managed by the Director of Corporate Resources' staff. The following table summarises the major activities that have been undertaken and are planned by the Director of Corporate Resources' staff and the Pension Fund Panel and Board.

Risk	**2016/17 activities completed**	**New or ongoing activities**	**Person responsible**	**Date due**
Investment risk	Monitoring of the Fund's investments and performance of the Fund's investment managers and reporting to the Pension Fund Panel and Board	Ongoing	Director of Corporate Resources and the Pension Fund Panel and Board	Ongoing
	Retendering of the contracts for Global Equities investment managers. Extension of contracts for UK Equities, Global Bonds and UK Property following due diligence review	Review of the Investment Strategy and identification of any resulting new requirements for investment managers	Director of Corporate Resources and the Pension Fund Panel and Board	July 2017
	Full engagement in the process of investment pooling	Ongoing	Director of Corporate Resources and the Pension Fund Panel and Board	Ongoing
	Responded to the FCA consultation on MiFID II (that will reclassify Local Authorities as 'retail investors')	Ongoing monitoring of the guidance of how investors can 'opt-up' back to per se professional status	Director of Corporate Resources and Investments and Borrowing Team	Ongoing
	Management of the Fund's cash balance to ensure cash is available to meet liabilities as they fall.	Ongoing	Deputy Investments and Borrowing Manager	Ongoing

Risk	**2016/17 activities completed**	**New or ongoing activities**	**Person responsible**	**Date due**
	Reporting of the 2015/16 cash surplus to the Pension Fund Panel and Board.	Monitoring of the ongoing cash surplus/deficit position and reporting to the Pension Fund Panel and Board.	Deputy Investments and Borrowing Manager	July 2017
Employer risk	Agreement of updates to the Funding Strategy Statement and amendments to Fund's employer groups to be reflect the characteristics of different employers	Monitoring of the existing employers in the Fund and new employers based on the new Employer Policy	Head of Pensions, Investments and Borrowing	Ongoing
Administration risk	Reporting key areas of employer performance	Monitor trends and propose to Panel & Board escalation mechanisms as necessary	Head of Pensions, Investments and Borrowing	Ongoing
Liability risk and Funding risk	Received updates from the Fund Actuary on the Fund's interim funding position	2019 Actuarial Review	Director of Corporate Resources and the Fund Actuary	March 2020
Regulatory and Compliance risk	Pensions Services' processes are maintained in accordance with the latest LGPS regulations	Ongoing	Head of Pensions, Investments and Borrowing	Ongoing
Governance risk	Completion of Training Needs Analysis and appropriate training by Panel and Board Members	Ongoing	Pension Fund Panel and Board	Ongoing

3.

4. Recommendation

4.1. That the Panel and Board note the contents of this report, in particular the risks identified to the Pension Fund and the activities planned and carried out to mitigate those risks.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

Hampshire safer and more secure for all:	no
Corporate Business plan link number (if appropriate):	
Maximising well-being:	no
Corporate Business plan link number (if appropriate):	
Enhancing our quality of place:	no
Corporate Business plan link number (if appropriate):	
OR	
This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision for the management of the Hampshire Pension Fund.	

Other Significant Links

Links to previous Member decisions:		
Title	Reference	Date

Direct links to specific legislation or Government Directives	
Title	Date

Section 100 D - Local Government Act 1972 - background documents

The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)

Document	Location
None	

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- Advance equality of opportunity between persons who share a relevant protected characteristic (age, disability, gender reassignment, pregnancy and maternity, race, religion or belief, gender and sexual orientation) and those who do not share it;
- Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

Due regard in this context involves having due regard in particular to:

a) The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;

b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionally low.

1.2. **Equalities Impact Assessment:**

1.3. Equality objectives are not considered to be adversely affected by the proposals in this report.

2. Impact on Crime and Disorder:

2.1. The proposals in this report are not considered to have any direct impact on the prevention of crime.

3. Climate Change:

a) How does what is being proposed impact on our carbon footprint / energy consumption?

No specific impact.

b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No specific impact.

Pension Fund Risk Register

Risk	Description	Likelihood	Impact	Mitigation
Employer risk	These risks arise from the ever-changing mix of employers, from short-term and ceasing employers, and the potential for a shortfall in payments and/or orphaned liabilities. 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.	M	H	The Administering Authority requires the other participating employers to communicate regularly with it on such matters. The Pension Fund Panel and Board have approved a Funding Strategy Statement that groups similar employers together for funding purposes. The Fund's Employer Policy outlines how the Administering Authority will deal with any situation resulting from a change in any Fund employers' circumstances or new employers entering the Fund. The Administering Authority monitors the status of the employers in the Fund and discusses any changes, including any necessary changes to the Funding Strategy Statement, with the Fund's Actuary.
	That an employer becomes insolvent and is no longer able to meet their obligations to the Fund.			The Pension Fund's Funding Strategy Statement groups similar employers together and reflects that most of the employers in the Fund have a degree of Central Government support. Where this is not the case the Funding Strategy Statement sets out how this will be taken into account to manage the risk.
Administration risk	The Pensions Regulator identifies the risks being around:	M	M	
	- Employer contribution monitoring: are employers paying the			Employer contributions are set out in the triennial valuation and the deadline for payment is set by

Risk	Description	Likelihood	Impact	Mitigation
	right amount of contributions on time?			Regulation as 22nd of the month. Contributions are monitored and any late payments are reported to the Pension Fund Panel and Board. Any issues of 'material significance' will be reported to the Regulator
	- Record-keeping: how comfortable are you that your records are complete and accurate?			The Administration Strategy is the agreement between the Hampshire Pension Fund and all participating Bodies, in which all parties commit to the certain principles, including: - provide a high quality pension service to members - take responsibility to provide accurate and timely information - the results are reported to the Panel & Board twice a year.
	- Internal controls: has the Fund put in practice a policy to identify risks and arranged for these to be managed or mitigated?			Both Internal Audit and External Audit carry out work to assess the internal controls and this is reported to the Panel & Board.
	- Member communication: are these always accurate, timely and clear?			There is a Communications Policy and Customer Charter on Pension Services website, which details the service our scheme members can expect.
	- Internal disputes: do these indicate wider problems in the Fund?			The full complaint process, going all the way though to the Pensions Ombudsman, is detailed on Pension Services website. All complaints are fully investigated and the outcome at each stage of the process reported in the Accounts.

Risk	Description	Likelihood	Impact	Mitigation
Investment Risk	Investment management underperformance – from the Fund's investment managers failing to outperform their benchmark returns for prolonged periods of time	M	H	The Fund's investment managers' performance is reviewed regularly by the Fund's officers and reported regularly to the Panel and Board. All of the Fund's contracts for investment management contain the provision that the Fund can cancel the contract with 1 months notice in the event of poor investment performance.
	Market risk – from fluctuations in market prices, which is particularly relevant for investments in equities			The Panel and Board have set a diversified asset allocation which limits exposure to one particular market. The Fund contracts with specialist external investment managers and as a general principle aims to invest globally and set mandates for investment managers that give them as much freedom as possible, in order to manage market conditions as they see fit.
	Interest rate risk – which can affect the prices of investments that pay a fixed interest rate			The Fund contracts with specialist external investment managers and as a general principle aims to set mandates for investment managers that give them as much freedom as possible, in order to manage risks such as changes in interest rates.
	Currency risk – the risk of fluctuations in prices of financial instruments that are denominated in any currency other than the functional currency of the Fund (GB pounds)			As a UK Pension Fund the Panel and Board consider that the Pension Fund should have a significant proportion of its assets denominated in Sterling, thereby removing the currency risk. The Panel and Board keep their view of the long

Risk	Description	Likelihood	Impact	Mitigation
				term nature of currency movements under review and will seek specialist advice if they believe that this might change or there is likely to be an event that might crystallise the effect of particular currency movements.
	Credit risk – the risk that 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.			The Panel and Board have set a diversified asset allocation which limits exposure to any particular investment, with further limits set in the Investment Strategy Statement to limit the Fund's exposure to particular vehicles or assets
	Refinancing risk – that the Pension Fund could be bound to replace on maturity a significant proportion of its financial instruments at a time of unfavourable interest rates.			The Fund contracts with specialist external investment managers and as a general principle aims make their portfolios 'ever-green' so that income and maturing investments can be reinvested, allowing investment managers to build portfolios that do not have a concentration of investments with a particular maturity date.
	Custody risk – losing economic rights to Fund assets, when held in custody or being traded.			The Panel and Board and the Fund's officers regularly monitor the performance of the Fund's custodian and have the power to replace the provider should serious concerns exist.
	Liability risk – that the Fund's liability are not accurately calculated resulting in the return target being too low and employer's contributions having			The County Council as the Fund's Administering Authority will ensure that the Fund's Actuary investigates the main factors that determine the Fund's liabilities, such as

Risk	Description	Likelihood	Impact	Mitigation
	to rise.			interest rates, inflation, life expectancy and other demographics. The Fund's Actuary will report and agree with the Administering Authority any necessary changes to their assumptions.
	Environmental, social and governance (ESG) factors – that these factors reduce long-term returns.			The Fund's external investment managers have been instructed to exercise the Fund's responsibility to vote on company resolutions wherever possible. They have also been instructed to intervene in companies that are failing, thus jeopardising the Fund's interests, by voting or by contacting company management directly.
	Regulatory risk – that inhibits the Pension Fund Panel and Board's fiduciary duty.			The Fund will be proactive in engaging with the Government, including responding to consultation, on any issues effecting the management and investment of Pension Fund monies.
	Illiquidity – that the Fund is unable to meet its immediate liabilities			The Fund maintains a cashflow forecast to ensure that it can plan suitably in advance to ensure that it has sufficient cash available. The Fund's asset allocation is set to achieve a balance between liquid and illiquid investments.
Liability risk	The main risks include interest rates, pay and price inflation, life expectancy, changing retirement patterns and other demographic risks that will impact on the Actuary's calculation	H	M	The County Council as the Fund's Administering Authority will ensure that the Fund's Actuary investigates the main factors that determine the Fund's liabilities, such as interest rates, inflation, life expectancy and other demographics.

Risk	Description	Likelihood	Impact	Mitigation
	of the Fund's liabilities and reduce the Fund's funding ratio.			The Fund's Actuary will report and agree with the Administering Authority any necessary changes to their assumptions and the resulting impact on the Fund's employers' contributions.
Funding risk	The Government Actuary's Department (GAD) has been appointed by the Department of Communities and Local Government (DCLG) to provide a report under Section 13 of the Public Service Pensions Act 2013 when an actuarial valuation of the LGPS has been carried out. Their report must cover: - whether the fund's valuation is in accordance with the scheme regulations - whether the fund's valuation has been carried out in a way which is not inconsistent with the other fund valuations within the LGPS - whether the rate of employer contributions is set at an appropriate level to ensure the solvency of the pension fund and the long-term cost-efficiency of the scheme, so far as relating to the pension fund These requirements will have statutory force with effect from the 2016 valuations in England and Wales.	M	H	Any relevant measures and scores will be regularly reported to The Pension Fund Panel and Board. Appropriate financial assumptions will be agreed with the Fund Actuary for the 2016 valuation.

Risk	Description	Likelihood	Impact	Mitigation
	Funds will be assessed against a number of measures and scored as: Red – potentially a material issue that might contribute to a recommendation for remedial action to ensure solvency Amber – highlights a possible risk Green – no material issue that might contribute to a recommendation for remedial action to ensure solvency GAD will then engage with Funds with any amber or red flags.			
Regulatory and Compliance risk	Regulatory risks relate to changes in LGPS regulations, including national pensions legislation and HM Revenue and Customs rules.	L	M	The Administering Authority will keep abreast of proposed changes to the LGPS, taking the necessary legal, actuarial or investment advice necessary to interpret the changes. Any resulting changes in policy will be reported to the Pension Fund Panel and Board for approval.
Governance risk	That decision making and control of the Pension Fund is lacking or inappropriate or undertaken by persons without suitable knowledge or experience.	M	L	The Pension Fund Panel and Board has documented Terms of Reference and Operating Procedures. The Panel and Board will consider all items that are material to the management of Hampshire Pension Fund and are supported by suitably qualified officers. Members of the Pension Fund Panel and Board complete a Training Needs Analysis based on CIPFA's Knowledge and Skills Framework and undertake identified

Risk	Description	Likelihood	Impact	Mitigation
				training activities as necessary.

HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Pension Fund Panel and Board
Date:	16 June 2017
Title:	Investments: Pension Fund Cash – Annual Report 2016/17
Report From:	*Director of Corporate Resources*

Contact name: Gemma Farley

Tel: 01962 847540 **Email:** Gemma.farley@hants.gov.uk

1. Executive Summary

1.1. This report provides an annual review of the policy for managing the Hampshire Pension Fund's cash balance. The Pension Fund adopts the key recommendations of the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management in the Public Services: Code of Practice, which includes an annual report on the treasury management strategy after the end of each financial year.

2. Background

2.1. The Pension Fund receives cash each month from contributions by employees and employers, and from investment income. The Pension Fund requires a cash balance to be able to pay pensions and other costs. Cash is also required for the following investment reasons:

- if the UK property manager CBRE Global Investors purchases additional properties;
- to finance drawdowns of private equity limited partnerships; and
- to finance drawdowns of infrastructure investments.

2.2. Dividends from shares and interest receipts from bonds are retained by the external investment managers for reinvestment, but rent income from the Pension Fund's direct property portfolio is credited to the Fund's cash balance. Distributions from the Fund's private equity, infrastructure investments and indirect property funds are also paid to the Fund's balance.

2.3. The Pension Fund's investment managers aim to be fully invested in equities, bonds and hedge funds, and generally do not plan to hold cash as a matter of investment policy. The exception at the current time is Newton, who are holding a cash balance of 4.98% which is close to the 5% limit set as part of their Investment Management Agreement, as a hedge against falling equity values. All of the Fund's active investment managers will have some cash balances as a result of trading between stocks and from dividend and interest income pending investment. These cash balances are held by the Pension Fund's Custodian bank, JP Morgan, and are held in an account on which interest is earned.

2.4. There are rigorous procedures in place to ensure the security of all cash deposits which are managed by the County Council in separate investment accounts for the Pension Fund. These include criteria for the quality of counterparties and limits on the amount that can be placed with any one counterparty as set out in the Pension Fund's Annual Investment Strategy for 2017/18 for cash, which was approved by the Pension Fund Panel and Board on 16 December 2016. In addition the County Council's treasury advisers, Arlingclose, provide advice to the Director of Corporate Resources in undertaking treasury management activities.

3. Investment activity

3.1. Security of capital remains the Fund's main investment objective for the management of the cash balance. This was maintained during 2016/17 by following the Fund's counterparty policy as set out in its Annual Investment Strategy. Investments during the year included:

- Investments in AAA-rated Money Market Funds
- Investments in UK Government Treasury Bills
- Investments in Corporate Bonds
- Call accounts, notice accounts and certificates of deposit with banks and building societies with a minimum credit rating of BBB-, or equivalent

3.2. In addition to credit ratings counterparty credit quality was assessed and monitored with reference to:

- credit default swap prices
- any potential support mechanisms
- share prices
- other economic or financial data.

3.3. Based on these factors and advice from the Treasury Management advisers, Arlingclose, the Director of Corporate Resources on behalf of the Pension Fund has varied investment duration limits for new investments according to the assessment of credit risk and has suspended investing with individual counterparties when it is felt to be necessary to protect the Pension Fund's capital.

3.4. The Pension Fund's current counterparty limits are shown in Appendix 1. The limits are the agreed maximum values and duration of investments per counterparty, which shows the full range of counterparties the Fund could potentially invest with. The placement of actual investments is likely to be below these limits and will depend on both the Fund's requirements, such as the need to maintain a high degree of liquidity, and the availability of counterparties in the market; most of the foreign banks listed do not offer instant accounts that the Pension Fund can access.

3.5. The UK base rate has been maintained at 0.25 since August 2016 and short term money market rates continued at very low levels which have depressed the level of cash investment income earned in 2016/17. The Fund's average cash investment balance was £123.1m (1.9% of the total Pension Fund) during 2016/17, and interest earned was £489,000, leading to an average yield of 0.40%. The Fund's cash investments at 31 March 2017 and 31 May 2017 are shown in the exempt appendix.

4. Cash inflows and outflows from dealings with members

4.1. The Pension Fund monitors its surplus or deficit from dealings with members; the extent to which income from employer and employee contributions are greater or less than the outgoings on pensions and other costs. Up until 2011/12 the Fund's historic average was a surplus of around £50m. However due to austerity in the Public Sector and the reductions in scheme employers' workforces that took place beginning in 2012/13, the surplus reduced at that time. The Hampshire Pension Fund's draft statement of accounts for 2016/17 show that it made a surplus of £21.3m from its dealings with members, which is an increase from a £20.9m surplus in 2015/16.

4.2. A more accurate view of the Fund's cash flow can be achieved by removing the effect of the transfer of scheme members, which can vary significantly from year to year, and the Fund has no control over. Removing the impact of transfers brings the net figure to £22.3m in comparison to 2015/16's net figure of £20.9m.

Table 1: Net additions from dealing with members

	2015/16	2016/17
	£'000	£'000
Net additions from dealing with members	20,871	21,304
Net total transfers	61	948
	20,932	22,252

4.3. It has been reported that a number of LGPS funds are experiencing annual cash deficits from their dealings with members, which will result in them having to liquidate some of their investments to continue to meet their obligations for payments to scheme members.

4.4. Projecting the Pension Fund's annual surplus or deficit from dealings with members in the future is very difficult given the number of variables involved, such as membership numbers, investment returns and inflation. The Fund's cash position will continue to be monitored by officers, with the assistance of the Fund's actuary, Aon Hewitt, where necessary, and reported to the Panel

5. Recommendation

5.1. That the outturn report on the Pension Fund's cash management in 2016/17 be approved.

CORPORATE OR LEGAL INFORMATION:

Links to the Corporate Strategy

This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision by the Pension Fund Panel to approve the annual report on Pension Fund cash for 2016/17.

Other Significant Links

Links to previous Member decisions:		
Title	Reference	Date
Direct links to specific legislation or Government Directives		
Title		Date

Section 100 D - Local Government Act 1972 – background documents **The following documents discuss facts or matters on which this report, or an important part of it, is based and have been relied upon to a material extent in the preparation of this report. (NB: the list excludes published works and any documents which disclose exempt or confidential information as defined in the Act.)** Document   Location None

IMPACT ASSESSMENTS:

1. Equality Duty

1.1. The County Council has a duty under Section 149 of the Equality Act 2010 ('the Act') to have due regard in the exercise of its functions to the need to:

- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
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Due regard in this context involves having due regard in particular to:

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b) Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;

c) Encourage persons sharing a relevant protected characteristic to participate in public life or in any other activity which participation by such persons is disproportionally low.

1.2. **Equalities Impact Assessment:**

1.3. Equality objectives are not considered to be adversely affected by the proposals in this report.

2. Impact on Crime and Disorder:

2.1. The proposals in this report are not considered to have any direct impact on the prevention of crime.

3. Climate Change:

a) How does what is being proposed impact on our carbon footprint / energy consumption?

No specific impact.

b) How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No specific impact.

Current Bank and Building Society investment limits

Country / Domicile	Counterparty	Maximum investment	Maximum duration
UK	Bank of Scotland	£15m	6 months
UK	Barclays Bank	£15m	100 days
UK	Close Brothers	£15m	6 months
UK	Goldman Sachs	£15m	100 days
UK	HSBC Bank	£15m	6 months
UK	Leeds Building Society	£15m	100 days
UK	Lloyds Bank	£15m	6 months
UK	Nationwide Building Society	£15m	6 months
UK	NatWest/Royal Bank of Scotland	£10m	35 days
UK	Santander UK/Abbey National	£15m	6 months
UK	Standard Chartered	£15m	100 days
Australia	Australia and NZ Banking Group	£15m	6 months
Australia	Commonwealth Bank of Australia	£15m	6 months
Australia	National Australia Bank	£15m	6 months
Australia	Westpac Banking Group	£15m	6 months
Canada	Bank of Montreal	£15m	6 months
Canada	Bank of Nova Scotia	£15m	6 months
Canada	Canadian Imperial Bank of Commerce	£15m	6 months
Canada	Royal Bank of Canada	£15m	6 months
Canada	Toronto-Dominion Bank	£15m	6 months
Denmark	Danske Bank	£15m	100 days
Finland	OP Corporate Bank	£15m	6 months
Germany	Landesbank Hessen-Thuringen (Helaba)	£15m	6 months
Netherlands	Cooperative Rabobank	£15m	13 months
Netherlands	ING Bank	£15m	100 days
Singapore	DBS Bank Ltd	£15m	13 months
Singapore	Oversea-Chinese Banking Corporation	£15m	13 months
Singapore	United Overseas Bank	£15m	13 months
Sweden	Nordea Bank AB	£15m	13 months
Sweden	Svenska Handelsbanken	£15m	13 months
Switzerland	Credit Suisse	£15m	100 days
US	JP Morgan Chase Bank	£15m	13 months

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Agenda Item 10

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