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AT A MEETING of the Hampshire Pension Fund Panel and Board of
HAMPSHIRE COUNTY COUNCIL held at the castle, Winchester on Friday, 16th
December, 2022

Chairman:

*Councillor M. Kemp-Gee

Vice-Chairman:

* Councillor T. Thacker

Elected members of the Administering Authority (Councillors):

A. Crawford	A. Dowden
* J. Glen	* D. Hiscock
A. Joy	* D. Mellor
* R. Mocatta	* T. Davies

Employer Representatives (Co-opted members):

* Councillor J. Smyth (Portsmouth City Council)
Councillor P. Taylor (District Councils - Rushmoor Borough Council)
Councillor S. Leggett (Southampton City Council)

Scheme Member Representatives (Co-opted members):

* Dr C. Allen (pensioners' representative)
* Mr N. Wood (scheme members representative)
* Ms L. Gowland (deferred members' representative)
* Mr P. Reynolds (substitute scheme member representative)

Independent Adviser:

C. Dobson

*present

99. **APOLOGIES FOR ABSENCE**

Cllrs Crawford, Dowden, Joy, Leggett and Taylor, and Mrs Dobson sent their apologies.

100. **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 Personal interest in a matter being considered at the meeting they considered whether such interest should be declared, and having regard to Part 5, Paragraph 4 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.

101. CONFIRMATION OF MINUTES (NON-EXEMPT)

The minutes of the Pension Fund Panel and Board held on 30 September 2022 were confirmed.

102. CHAIRMAN'S ANNOUNCEMENTS

The Chairman welcomed Phillip Reynolds to his first meeting as the new substitute scheme member representative on the Panel and Board.

Cllr Kemp-Gee informed the committee that Cllr Davies would be replacing Cllr Mellor on the committee subject to County Council's approval in February 2023. And that following Dr Bartle's retirement and stepping down as employer representative on the Panel and Board a process to select a new representative was underway.

The Chairman invited committee members to report back on any recent training events they had attended:

- Ms Gowland had attended the public/private pensions summit and particularly found CBRE's comments on affordable housing interesting.
- Cllr Kemp-Gee had attended Baillie Gifford's triennial LGPS conference, which was useful background information ahead of the Fund's investment strategy review in the new year.

Hampshire had been represented at the ACCESS Joint Committee at the beginning of December 2023 by Dr Allen and Cllr Crawford as Pension Board observers. Dr Allen reported that it was a positive experience showing the progress that ACCESS had made with further developments due in aligning and expanding the pools work.

103. DEPUTATIONS

There were no deputations

104. HAMPSHIRE PENSION FUND RESPONSIBLE INVESTMENT SUB-COMMITTEE MINUTES - 30 NOVEMBER 2022

The minutes of the RI sub-committee meeting held on 30 November 2022 were noted.

105. GOVERNANCE - PENSION FUND ADMINISTRATION UPDATE

The Panel and Board noted a report of the Director of Corporate Operations (item 7 in the Minute Book) updating the Pension Fund Panel and Board on administration performance in the first six months of 2022/23 and other administrative issues.

Administration performance against key service standards is measured each month and in the first six months of 2022/23 Pension Services have delivered a 100% success rate against all standards. At the Panel and Board's request the Director reported more details on the value of average pensions paid and the value of benefits which are due to members but have not yet been claimed.

The Director reported that following the draft valuation results being shared with employers at the Annual Employer Meeting, employers were asked to feedback on the draft Funding Strategy Statement (FSS). The main changes to the FSS relate to the use of surpluses and the extension of the pre-payment of contributions to cover employee contributions, which were covered by the Actuary at the Panel and Board's September 2022 meeting. Following consultation with the Fund's employers on the FSS and Employer Policy, one employer requested that the option to pre-pay contributions was expanded to allow employers to partially pre-pay employer contributions which has been included in the strategy following discussion with the Actuary.

A number of minor changes to the Fund's Communication Policy Statement were highlighted by the Director to Members.

RESOLVED:

- a) That the report including the strong performance of Pension Services in the first six months of 2022/23 was noted.
- b) The revised FSS, Employer Policy and Communication Policy Statement was agreed.

106. **GOVERNANCE - GOOD GOVERNANCE REVIEW UPDATE**

The Pension Fund Panel and Board received a report of the Director of Corporate Operations (item 8 in the Minute Book) providing an update on progress against the recommendations of the Scheme Advisory Board's (SAB) Good Governance Review including the Fund's documents for review that fulfil the requirements of the Good Governance review.

In 2019 the consultancy firm Hymans Robertson was appointed by the Scheme Advisory Board (SAB) to facilitate a review of governance structures for the LGPS. Phase III of this work was agreed in February 2021 and built on the recommendations agreed in 2019 with further input from a range of scheme stakeholder. The recommendations to date have still not yet been translated into statutory guidance by Government, therefore the Pension Fund continues to ensure its governance complies with current regulations and adopts all of the recommendations of the Good Governance review where appropriate as shown in its Shadow Governance Compliance.

The Director's report contained the remainder of the Pension Fund's statutory statements that were not included with the previous item. Most of the Fund's policies had no or minor changes, other than the:

- Administration Strategy Statement, which also included the Fund's Decision Matrix, which has additions to include enabling the Director of

Corporate Operations to take the necessary action to protect the value of the Pension Funds' investments and incorporate the County Council's rules for entering into contracts.

- Business Plan included the Fund's 2022/23 revised budget and forward budget for 2023/24 to 2025/26. The budget includes the resources necessary for the Fund to deliver its regulatory duties. The Plan contained an update on 2022/23 actions and proposed activities for 2023/24 to 2025/26. The revised Risk Register now uses Hampshire County Council's risk scoring methodology.

RESOLVED:

The Pension Fund Panel and Board approved the following documents that form the Fund's Governance Framework:

- Conflicts of Interest Policy
- Funding Strategy Statement (included in item 7)
- Employer Policy (included in item 7)
- Administration Strategy Statement – including Decision Matrix
- Business Plan, including the Fund's Budget, Risk Register and Training Plan
- Investment Strategy Statement
- Representation Policy
- Communication Policy Statement (included in item 7)
- Governance Policy and Compliance Statement

107. INVESTMENTS - PENSION FUND CASH MONITORING REPORT AND ANNUAL CASH INVESTMENT STRATEGY 2023/24

The Panel and Board considered a report of the Director of Corporate Operations (Item 9 in the Minute Book) on the Pension Fund's cash balances and the Annual Cash Investment Strategy for those balances in 2023/24. The Annual Cash Investment Strategy has been prepared taking advice from the County Council's treasury management advisors Arlingclose into account.

The Director proposed investment limits based on the Pension Fund's current cash requirements and cashflows from contributions and paying member benefits. The Fund's cashflow forecast will be revised following the completion of the 2022 Actuarial Valuation and current review of the Investment Strategy. Any changes to the Cash Investment Strategy required as a result will be reported to the Panel and Board's meeting in March 2023.

RESOLVED:

- a) The Annual Cash Investment Strategy for 2023/24 was approved.
- b) The Annual Cash Investment Strategy for 2023/24 will be implemented from the date of this meeting for the remainder of 2022/23.
- c) The Director of Corporate Operations is authorised to manage the Fund's cash balance in accordance with the policy set out in the report.

108. **EXCLUSION OF THE 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 Paragraph 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.

Following the resolution the Chairman asked for the broadcasting of the meeting to end.

109. **CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING (EXEMPT)**

The exempt minutes of the Pension Fund Panel and Board held on 30 September 2022 were confirmed.

110. **GOVERNANCE - CYBER REPORT**

The Panel and Board received an exempt report of the Director of Corporate Operations (Item 12 in the Minute Book) on the controls in place to ensure the security of the pension data held by the Hampshire Pension Fund. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

111. **INVESTMENTS - LINK FUND SOLUTIONS**

The Panel and Board received an exempt report of the Director of Corporate Operations (Item 13 in the Minute Book) on the Operator of the ACCESS pool – Link Fund Solutions. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

112. **INVESTMENT - INVESTMENT UPDATE**

The Panel and Board received an exempt report of the Director of Corporate Operations (Item 14 in the Minute Book) on the progress on the Pension Fund's investments. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

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