Respondee name	Employer type	Supportive of proposals?	Summary of response
Alton TC	TPC	No	TPC pool is too small to be viable and a cap on contributions from the 2019 valuation does not help as just masks the true cost. Might prefer to be standalone.
Basingstoke and Deane BC	SBG	Yes	Justifiable allocation of costs to employers. Opportunity to pay one off contributions is appreciated.
Baughurst PC	TPC	Yes	No objection to proposed changes.
Beech PC	TPC	No	Leave the SBG as it is, or pool with HCCC, or pool with 'parent' district/borough.
Blackwater and Hawley TC	TPC	No	Understand the need to be equitable but cannot respond to consultation without understanding the impact of the changes on the council's own financial position.
Bourne Education Trust	Academy	Yes	Broadly supportive but have got general concerns about affordability.
Bramshott and Liphook PC	TPC	No	Noted the proposals but unable to comment without understanding the financial implications.
Church Crookham	TPC	No	Leave the SBG as it is. Concern over the lack of details and timing of the consultation. Wait until after the 2019 valuation results and then re-consult.
Colden Common PC	TPC	No	Do not feel placed to make a response without further information on what is driving the changes and financial information.
Fawley PC	TPC	No	Leave SBG as is or else pool TPCs with less than 10 members
Four Marks PC	TPC	No	No, would leave TPCs vulnerable.
Fleet TC	TPC	No	Not supportive of change. Don't understand how this decision can be taken before the 2019 valuation as it won't be made on up to date information.
Hampshire County Council	SBG	Yes	Provides visibility / autonomy over pension costs. Welcome ability to pre-pay contributions or make additional contributions.
Hamsphire Fire and Rescue	SBG	Yes	Provides visibility / autonomy over pension costs. Welcome ability to pre-pay contributions or make additional contributions.

Respondee name	Employer type	Supportive of proposals?	Summary of response
Headley Parish Council	TPC	Yes	In principle have no objection to the proposals but need further information to be able to respond.
Hordle PC	TPC	No	Unable to comment without financial information
Hound PC	TPC	No	Leave the SBG or else pool TPCs with the other councils.
Hythe and Dibden	TPC	No	Leave the SBG as it is, no reason to change.
Kingsclere PC	TPC	No	Cannot comment where figures are unknown and options haven't been compared. Concerned about TPC being too small.
New Milton TC	TPC	No	Leave the SBG as it is, to de-group is against the ethos of councils working together.
New Forest DC	SBG	Yes	Hard to comment on principles rather than knowing the financial impact on my own organisation but would like the ability to pre-pay and do see that employers should be accountable for their own decisions.
Odiham PC	TPC	No	Increases exposure so leave the SBG as it is. Unhelpful not to have figures.
Overton PC	TPC	No	Leave the SBG as it is. Difficult to respond in the absence of financial information.
Ringwood Town Council	TPC	No	Look for alternative proposal that allows pre-payment/one off contributions without breaking up the group.
Romsey Extra PC	TPC	No	Unable to comment without financial information
Rushmoor BC	SBG	Yes	Changes will result in improved long term position for the Fund. Welcome the option to make pre payments or pay additional contributions towards the deficit.
Southampton City Council	SBG	Yes	It is the right time to disaggregate and would be interested in the option for pre-payment/additional contributions.
Thornden School	Academy	Yes	No comment on changes but would like certainty over deficit payments, and for changes to come in from September 2020 not April 2020.
West End PC	TPC	No	TPC pool is too small. Membership of the LGPS by TPCs should be encouraged to strengthen the partnership between tiers of local government.
Winchester City Council	SBG	Yes	Fair contributions. Support ability to make pre-payments/one off contributions.

Downer, Lois

From: Alton Town Clerk <townclerk@alton.gov.uk>
Sent: 26 June 2019 12:34
To: Pensions Employer Services
Subject: Proposed changes in the Hampshire Pension Fund Consultation response

Dear Sirs,

Please find below the comments from Alton Town Council in relation to this consultation.

1) The proposed Parish Council fund looks too small to be a viable pension scheme in its own right
2) We have reservations about the long term cost implications of these changes and alarm bells start ringing when advisors suggests members of the scheme should look at whether to remain in the scheme or not due to the cost implications of liability going forward by remaining in the scheme. Is the intention to try and get town and parish councils to exit?
3) Whilst the consultation has stated there will be a cap any increase for the first three years to lessen the initial impact this only adds to the burden in years to come
4) This is only being put forward now because of a very short term improvement in the funding position over the last three years. If it can improve that much in three years it can potentially go down by the same percentage over the next three.
5) Without evidence of what the position would be if we stayed in the existing arrangement it is difficult to assess the principles of the consultation.
6) The proposal lumps larger councils i.e those with 15+ employees in the scheme with smaller ones with one or two employees. The larger councils generally have a lower age profile of employees but will be worse affected as their liability overall is less but they are lumped in with smaller councils whose liability is greater because of the higher age profile, but we will all be paying the same percentage.
7) Whilst HCC were keen to say that this was a transparent process there was no evidence presented of options they have discounted and nor was there any forecasting of the new rates for parishes should we stay in the existing regime. We were advised it has not been considered which provokes the question as to whether this is a genuine consultation or not.
8) We would asked if Councils, particularly those with larger numbers of employees in the scheme or deferred/retired could be dealt with in the same way as the proposal for others currently in the Scheduled Body Group and have an individual assessment of their contribution levels to ensure it is fair but we were advised we could put that in our response but it was not likely to be considered (again a question over whether therefore this is a genuine consultation)

Kind Regards

Leah
Mrs Leah Coney
Town Clerk
Alton Town Council
Town Hall
Market Square
Alton GU34 1HD
01420 83986


VISA
GREAT BRITISH
HIGH STREET
2018


2018
FINALIST

Downer, Lois

From: Phillip Hood <Phillip.Hood@basingstoke.gov.uk>
Sent: 28 June 2019 15:34
To: Pensions Employer Services
Cc: Sue Cuerden; Carr, Rob
Subject: Proposed Changes to Pension Fund Arrangements

Dear Carolyn
Thank you for the invite to the pension fund workshop on the proposed changes to pension fund arrangements which I attended on 29 May on behalf of Basingstoke and Deane Borough Council.
This together with the accompanying briefing note was very helpful in understanding the proposed changes and I am pleased to confirm that following discussion with Sue Cuerden (Exec Director of Finance and Resources and S151 Officer) this council supports the proposed changes. We agree that the proposed de-grouping arrangements will lead to a fairer and more justifiable allocation of pension costs across employers and welcome the resulting opportunity of being able to consider making one-off contributions to reduce future pension deficits and make revenue savings.
Kind regards
Phillip Hood
Head of Financial Services
Basingstoke and Deane Borough Council
Tel: 01256 845660
Phillip.Hood@basingstoke.gov.uk
www.basingstoke.gov.uk
@BasingstokeGov @BasingstokeGov

Basingstoke and Deane

THAMES VALLEY PROPERTY AWARDS 2019 Town of the Year WINNER

Downer, Lois

From:	clerk@baughurst-pc.gov.uk
Sent:	25 June 2019 14:16
To:	Pensions Employer Services
Subject:	Proposed changes to the Hampshire Pension Scheme

Dear Sirs
My Council has considered the arguments both for and against the proposed changes to the Hampshire Pension Scheme, and have no objection to the proposed changes, and feel that the scheme should be accepted.
Yours faithfully

Penny Waterfield
Clerk to the Council
51 Sheridan Crescent
BAUGHURST
RG26 5HQ
clerk@baughurst-pc.gov.uk
www.baughurst-pc.gov.uk
Tel: 0118 981 2944 Mobile: 07746 756007
Please note that I work part-time, and will reply to your emails on a flexible basis

24 June 2019

Beech Parish Council response to
Proposed changes to the structure of the Hampshire Pension Fund

Prepared in response to:

(i) a letter from HCC dated 28 April 2019, with an attached briefing note; and
(ii) HCC's workshop for town and parish councils on 28 May 2019.

Town and parish councils, as a whole, have done well out of the comprehensive risk sharing within the current SBG. Pension contributions have been lower than they otherwise would have been, and the share of the SBG deficit (and contributions to paying it off) have been steady, predictable and equally shared between employers. Any change from the status quo is likely, on the whole, to affect such councils adversely.

The proposed scheme for de-grouping the Scheduled Body Group ('SBG') is being taken as the opportunity, wherever possible, to attribute Fund assets and liabilities at the individual employer level. This applies to town and parish councils as much as to the larger councils. The effect of the proposed TPC Group is merely to have a common pension contribution rate in respect of all current employees (which may be more for the convenience of the HCC scheme administrators than for any other reason); in all other respects there is absolutely no sharing of pension fund risk between the town and parish councils or with any other employers.

(We refer to paragraph 31 of HPF's paper 'Proposed changes to the funding strategy for the Hampshire Pension Fund' which states:
"31. **It is therefore proposed that the TPCs will be pooled together and pay a common primary contribution rate.** However, it is also proposed that assets of the pool are allocated at employer level to enable the Fund Actuary to certify individual deficit contributions reflective of the TPC's expected future participation in the Fund, and so that exit calculations are based on the TPC's own assets and liabilities."
In other words, in the future the assets, liabilities and resulting surplus/deficit will be calculated at individual town and parish council level, and the council's very real deficit reduction payments will be made based upon that individually-calculated deficit number. No sharing of pension financial risk there at all. With all of the asset/liability calculations being performed at the individual employer level, it will be as though each council will be funding its own individual defined-benefit pension scheme – in the case of Beech Parish Council a 2 person scheme – with no risk-diluting pooling effect at all.)

One does wonder why there should be a common contribution rate for all town and parish councils; the common rate will be too high for some and too low for the rest, and will act to drive each council further into deficit or surplus. Wouldn't it be more sensible to set an individual contribution rate for each council under this scenario? The additional contribution for paying off the attributed deficit will in any case be set individually for each council, so the total contribution % of payroll will already vary between councils.

The proposal to cap an employer's contribution (during a transition period) to what it would have been under the old SBG arrangement is well-intentioned but perhaps pointless? A 'capped' employer would just be increasing its deficit during the transition period, and so following the end of the transition period its total contribution (including deficit reduction payment) will just be higher than it would otherwise have been. In other words, the increase to the employer's contributions is merely deferred and accentuated. (Although it could be the case that a transitional period may allow

the increase to be better quantified and planned for by councils. In general, fixing a council's contribution levels well in advance will help financial planning, setting council tax precepts etc.)

You asked for comments on the appropriate number of years over which payments should be made to eliminate a council's deficit. This is impossible to answer because we have no idea of the range of sizes of deficit (per £ of payroll) that we might be faced with. No parish council knows the size of its current deficit, if any. Also, deficits fluctuate wildly over time depending on Fund investment returns and other factors, so aren't predictable. Our only comment is that if a parish council ceases to be a member of the Fund (e.g. if it ceases to exist because no councillors come forward – an emerging problem) then it may well not have sufficient reserves to pay off any residual pension fund deficit, as a parish council is not supposed to carry unallocated reserves. And it is hard to allocate the appropriate reserves, every year, to a wildly fluctuating deficit.

Overall, we believe that the comprehensive risk sharing arrangements that exist in the current SBG are ideal for accommodating small organisations (town and parish councils) that:

- need steady and predictable outgoings to match their steady, barely fluctuating income (council tax precepts);
- may at any time cease to be participating employers (or even cease to exist) and be unable to fund any (relatively very small) residual deficit that could be attributed to them;
- may unwittingly be carrying pension liabilities accrued when their employees were previously employed by other Hampshire local authorities; and
- should not have to worry about incurring a significant actuary-calculated financial penalty when recruiting a suitable older (or female) candidate to their very small workforce (possibly only a single employee, as in Beech Parish Council).

So moving town and parish councils out of the currently constituted SBG will be detrimental to their finances and financial planning.

By how much will Beech Parish Council's financial risk increase by moving from a risk-pooled scheme with c.150,000 members/pensioners to a stand-alone scheme with two members (where financial risk equals the probability of deviation from the mean expected financial outcome)? Will the level of financial risk rise by a factor of 100 (all other things being equal)? By a factor of 1,000? Or 10,000? Or will the level of financial risk rise by a factor of more than 1 million? These are straightforward statistical calculations that AON's actuaries must be able to provide.

(Also, even if financial risk were to be truly pooled between all town and parish councils, there would be a move from the c.150,000 member/pensioner SBG pool to a c.600 member/pensioner TPC pool. Once again, the level of financial risk would rise by a large factor.)

Therefore, if the SBG is to be abolished for other good commercial reasons, then we would propose that the Hampshire town and parish councils be put in a pool with HCC (who have c.70,000 members/pensioners), with full risk sharing in the same manner as the current SBG. The vast bulk of this pool would consist of HCC, which would still be separated from other major bodies currently in the SBG (which must be one of the key drivers of the current proposals). Essentially, town and parish council employees would become members of the de-grouped HCC pension scheme. Town and parish councils already have a pensions administrative relationship with HCC/HPF. In this arrangement, the beneficial pooling effect for town & parish councils is of the same order as in the SBG.

Alternatively, town and parish councils could be pooled with their 'parent' district or borough council – thus Beech Parish Council in East Hampshire District Council's pool – again with the pool

acting similarly to the SBG. This may be more appropriate if the ratio of town and parish council employees to district council employees is lower than it is to HCC employees. But this seems unlikely because EHDC has only c.950 members/pensioners, and so pooling with HCC would seem to be a far superior solution.

In summary, the potentially high volatility of a pension fund calculated at single employer level, for a very small parish council like Beech (one current employee plus possibly one deferred pensioner), is not desirable. The likelihood and financial consequences of our attributed pension fund's deviation from actuarial assumptions are just too great for comfort. We would be surprised if it were not to be considered poor professional practice, in the context of defined benefit pension arrangements, to move a one/two member employer into a stand-alone asset/liability arrangement from the existing comprehensive risk pooling arrangement in the SBG.

This note is copied to Mark Kemp-Gee, the Chairman of the Hampshire Pension Fund Panel & Board, and our local County Councillor. It is also copied to Tony Costigan, our local East Hampshire District Councillor.

Downer, Lois

From: Enquiries <enquiries@blackwaterandhawleytowncouncil.gov.uk>
Sent: 25 June 2019 12:40
To: Pensions Employer Services
Cc: acollett@cix.co.uk; Andy Tarbet; Bob Harward; Brian Blewett; Dave Lister; Sara Usher; Terry Hunt; Trish Monks
Subject: Response to Pensions Consultation

Dear Sirs

This is the formal response of Blackwater and Hawley Town Council (BHTC) to the current HCC LG Pensions Scheme consultation.

The Council has reviewed the information provided and is disappointed that it has been unable to find out the actual monetary impact of the proposals on the Town Council.
BHTC acknowledges the wish to spread the load equitably regarding the Pensions Deficit, costs and risks going forward, however it understands that this consultation is based on projections following the last Actuarial Review which took place in 2016, with the next Review due in September 2019.
BHTC believes that this consultation is therefore premature, and formally requests that the deadline for consultation and action on these proposals be deferred until the effects of the Actuarial Review on its personal circumstances are known.

Yours faithfully

Mary Harris

Locum Clerk
Blackwater and Hawley Town Council

Downer, Lois

From: Kate Sanders | Bourne Education Trust <sandersk@bourne.education>
Sent: 28 June 2019 10:14
To: Pensions Employer Services
Cc: Helen Webster; Alex Russell | Bourne Education Trust
Subject: Response to Pensions Consultation - Academies

Dear Pensions

We are broadly in support of polling academies together.

However there are three significant concerns:

1) Timing of valuations – our 19/20 budget has been set, the academy budget is on a knife edge and it is really not good for us to get any in year changes to the pension rate or deficit lump sum.
2) Assumptions – whilst we understand the need for conservative assumptions any significant increases will have a serious impact on our budgets. Unlike maintained schools, academies cannot have deficit budgets. We would therefore ask that this is taken into account when making the final decisions on rates/deficit lump sum values.
3) The basis of the deficit lump sum – we understand that this was set at conversion – given that Everest has had to go through two major restructures to reduce staff in order to be viable including the payment of at least one capital lump sum, a deficit lump sum based on payroll at conversion is now completely at odds with the current payroll value. Everest for example has a deficit lump sum to bear that is the same or more than Robert Mays School, a school many times its size. We believe this calculation methodology should be reviewed.

Thanks and regards,

Kate

Kate Sanders
Chief Operating Officer
Bourne Education Trust
Ruxley Lane
West Ewell
Epsom
KT19 9JW
02089740400
sandersk@bourne.education

Bourne Education Trust

Transforming schools... changing lives

Downer, Lois

From: Clerk <clerk@bramshottandliphook-pc.gov.uk>
Sent: 20 June 2019 14:37
To: Pensions Employer Services
Subject: Consultation on Proposed Changes to the LGPS

In response to the consultation, the council considered the proposals and felt that in the absence of any detailed information about the financial implications, the proposals be noted.

Kind regards

Peter Stanley
Executive Officer
Bramshott & Liphook Parish Council
The Parish Office
Haskell Centre
Liphook
Hampshire
GU30 7TN
Tel 01428 722988

CHURCH CROOKHAM
PARISH COUNCIL

Church Crookham Parish Council

Church Crookham Community Centre, Boyce Road, Church Crookham, GU52 8AQ
01252 626793

25th June 2019

Response to the proposed changes to the structure of the Hampshire Pension Fund on behalf of Church Crookham Parish Council

Dear Sirs,

Church Crookham Parish Council (CCPC) was recently represented at the Town & Parish Council briefing session where details on the proposed changes to remove Town & Parish Councils to a separate pension scheme were set out. As requested this letter is in response to the proposals.

Of main concern is the lack of time and meaningful detail that has been provided to respond on such an important issue especially bearing in mind the timetable of parish council meetings and bringing an important and somewhat complex issue to be determined.

CCPC's response is as follows:

- That CCPC should remain in the Scheduled Bodies Group (SBG) for now as concern has been raised that the proposal is made on assumptions, and is not based on the most current valuation for which figures are due out later in the year.
- If the proposal is to proceed, the Pension Fund should delay any proposed changes until after publication of the 3-year valuation at 1st April 2019, i.e. no decision should be made until that result is known later this year. We believe it is imperative to have the most up to date and complete information to enable an appropriate decision to be made.
- That any proposed changes should be consulted fully on again with ALL options and their impact on the TPCs set out clearly. At the meeting there was a request to be provided with the funding position if this group remained in its current form but this was not forthcoming.

In addition, Church Crookham Parish Council is not aware of any potential shortfall in its fund and currently assumes that we would have been notified of any such shortfall in order that plans can be set to rectify any such position. Are you able to confirm if CCPC has a deficit?

CCPC would also like to understand how the outcome of the consultation will be communicated and if we can expect individual responses to points raised within this submission.

CHURCH CROOKHAM
PARISH COUNCIL

Church Crookham Parish Council

Church Crookham Community Centre, Boyce Road, Church Crookham, GU52 8AQ
01252 626793

Yours Sincerely,

Mrs C L Inglis
Clerk to Church Crookham Parish Council

Downer, Lois

From: clerk@coldencommon-pc.gov.uk
Sent: 26 June 2019 10:37
To: Pensions Employer Services
Subject: Proposed changes in the Hampshire Pension Fund - Town and Parish Councils

Please find below Colden Common Parish Council's comments on the proposed changes in the Hampshire Pension Fund.

The Parish Council do not feel competent to make a representation but would like to make the following comments: -

1) ***The Parish Council would like further information on what is driving this proposed change and the perceived benefits to HCC and the Town and Parish Councils.***
2) ***What is the forecasted financial effect on both the Town and Parish Council and the HCC pension fund in terms of contributions to any deficits and ongoing financially viability?***
3) ***The perception is that fewer Town and Parish Councils are offering the HCC pension fund to new employers, adopting for a NEST pension instead. Does HCC have evidence of enrolments from Town and Parish Council falling, and if so, what are the forecasted effects of this on the proposed a stand-alone Town and Parish Council pension fund.***

Colden Common Parish Council

The Parish Office, Community Centre,
St Vigor Way, Colden Common,
Winchester, Hampshire, SO21 1UU

Telephone: 01962 713700 or 07775 627131
Email: clerk@coldencommon-pc.gov.uk
www.coldencommon-pc.gov.uk

Clerk to the Council: Debbie Harding

FAWLEY PARISH COUNCIL

Connecting Communities

FAWLEY
PARISH COUNCIL

REF: SP

13 June 2019

Carolyn Williamson FCPFA
Deputy Chief Executive & Director of Corporate Resources
Hampshire Pensions Service
The Castle
Winchester
Hampshire
SO23 8UB

Dear Ms Williamson FCPFA

Re: HPF Grouping Proposals

Thank you for your briefing note and invitation to the grouping proposal workshop that I attended on Tuesday 28 May 2019.

I can confirm that your briefing note was part of agenda papers for a meeting of our full council on 12 June 2109. The resolution agreed was that this letter is returned as Fawley Parish Council's (FPC) response to the consultation.

The Council having read the briefing document fully understand the reasoning why Hampshire County Council (HCC) would consider separating town and parish councils from the 'scheduled body group' (SBG) of the Local Government Pension Scheme (LGPS). Whilst the reasoning concludes that the small numbers, and the older age profile of employees of town and parish councils creates a higher risk due to reduced years of pension membership, and the possibility of exiting the scheme if there are no employees to continue contributions, this is not the case for Fawley Parish Council. However, members do think this would generally be true for many parish councils who have small employee numbers.

Fawley Parish Council has 30 employees, 15 of which are in the LGPS. The age profile is very varied with many being in their twenties. This would, in the council's opinion set us apart from most other parish councils, as we are not within the risk profile suggested in the briefing document. i.e. FPC has sufficient employees to continue contributions, and length of membership is sufficient to meet any deficit payments.

FAWLEY PARISH COUNCIL

Connecting Communities

FAWLEY
PARISH COUNCIL

The proposal of Fawley Parish Council would therefore be;

1. The scheme to remain as it is currently
2. If a change is approved to create a new Town and Parish Group that membership of a group is conditional; that a council having more than 10 employees stays within the SBG.

Should you have any questions please do not hesitate to contact me.

Yours sincerely

Steve Postlethwaite

Clerk to Fawley Parish Council
Email: clerk@fawley-pc.gov.uk
Tel: 02380890761

Fleet
TOWN COUNCIL

The Harlington
236 Fleet Road
Fleet
Hampshire
GU51 4BY

01252 625246

25 June 2019

Dear Sirs,

Fleet Town Council's response to the proposed changes to the structure of the Hampshire Pension Fund

We recently attended the consultation meeting and have been considering your proposals.

Thank you for the opportunity to respond to your proposal to remove Town and Parish Councils to a separate pension scheme, although we feel that the length of time given is quite inadequate on such an important matter.

After careful consideration, we are of the opinion that we would strongly prefer to remain, as now, in the current large scheme on the simple basis that there is great strength rather than becoming a minnow of only 271 active members.

If that is not possible we are very concerned that the proposal is being made on the basis of assumptions and not on the basis of an actual 3 year valuation at 1st April 2019. We believe no decision should be made until that result is known in October this year.

The current situation is based on information in Nov/Dec 2018, a most favourable time in the present volatile markets and it is known that conditions since, in particular March/April are not as favourable.

The December figures show a massive improvement in valuation of the scheme over a two and a half year period. However your information at times varies and

mentions 90%, 93.5%, closer to 100% and "it is near 100% funded" (page 4 of the proposed changes to the funding strategy).

Currently in local government you use a very optimistic Discount Rate compared to private schemes, largely based on the covenant of the tax payer. This rate is critical as even a reduction of 0.1% makes a massive increase to liabilities. Likewise your investment return target is overly optimistic in today's UK scenario.

Therefore the new 3 Year Valuation will have new agreed assumptions on the Discount Rate, Investment Return, Mortality and Inflation. In addition there should be assumptions made for GMP and the McCourt case all of which affect liabilities. We think it is essential to have the most up to date facts available.

In addition, Ministry of Housing, Communities and local Government have issued a consultation document. This latter part covers flexibility on exit payments and policy changes on exit credits. The current exit discount rate of 2.1% (fully buy out basis) is a particular concern to us as employers where we have only two members in a closed scheme, both of whom could retire at any time. We believe many other Town and Parish Councils are open to new members.

We would like to know the precise situation re exit payments under any new arrangements for our council say from 31 December 2019.

We hope you agree that all these aspects are sound reasons for suggesting that any decision is made only when all these current factors are taken into account in the 3 Year Valuation at April 2019.

Surely if you are determined to achieve smooth contribution rates, the most up to date information is necessary?

Whilst we appreciate your proposals to keep certain cost items like lump sum death in service and ill health early retirement pooled at Fund level, we are still concerned by proposals based on dated information.

A further concern is that on page 8 of the presentation you give £24.348m in respect of Town and Parish Councils but it is not clear whether that represents assets or liabilities. This does not seem a significant sum for a total of 582 members including pensioners and deferred pensioners! Could you please clarify?

In addition we believe everyone at the meeting requested to know the funding position if this group remained as now. Can you oblige please?

I trust the points that have been made will be given careful consideration and responded to where appropriate.

In summary if the Council's position cannot remain as now, it is essential to base any change on a full evaluation as at April 2019 such that the current facts form the basis of any decision.

If you have any questions re Fleet Town Council's comments we are happy to answer and provide any further information.

Yours Faithfully

J. J. Stanton

Janet Stanton
Town Clerk

Downer, Lois

From: officer@fourmarkspc.co.uk <officer@fourmarkspc.co.uk>
Date: 27 June 2019 at 10:10:41 BST
To: Kemp-Gee, Cllr M <CllrM.Kemp-Gee@hants.gov.uk>
Cc: 'Janet Foster' <janet.foster@fourmarksvillage.co.uk>
Subject: Changes to Pension Grouping for Town & Parish Councils

Good morning Mark,

Although I am 'allegedly' on holiday, I had been trying to respond to the proposed changes to the pension arrangements, but due to the complexity and my very scant understanding of how it all works, and more importantly lack of time, I did not respond to the consultation by the deadline.

I was unable to get a place on one of the workshops but have had the opportunity to watch on-line. The general consensus is that this is already a 'done deal' and no amount of concern raised will have an effect on the proposals and outcome. Although one or two suggestions were acknowledged as being 'looked into'.

As is noted in the issues raised, Parish Councils particularly are usually one employee, and some are very small, there is no 'one size fits all', and I would have concerns that this proposal would leave particularly Parish Council's vulnerable.

I would welcome your thoughts on these proposals, and maybe you can alleviate concerns and reassure that Parish Councils will not be left vulnerable or have to pay more in the long term for the privilege of being a member of the LGPS. I could foresee some PC's actually opting out.

Separately, I thought the meeting on Monday was very productive and it is great that HCC are now actively listening to and working with both the District and the Parish Council.

Thank you for working so hard on this.

Kind regards,

Sarah Goudie
Executive Officer
clerk@fourmarkspc.co.uk
www.fourmarksvillage.co.uk

Tel: 01420 768284

Follow us on Facebook @fourmarksparishcouncil and Twitter @FourMarksPC

Office hours 9.30am - 4.30pm

Four Marks Parish Council
The Parish Office
Four Marks Sports Pavilion
Uplands Lane
Four Marks

Hampshire GU34 5AF

Downer, Lois

From: Carr, Rob
Sent: 20 June 2019 12:01
To: Pensions Employer Services
Subject: Proposed Changes in Hampshire Pension Fund

Dear Sir / Madam

I refer to your consultation in respect of changes to the way the Hampshire Pension Fund operates.

Hampshire County Council as an employer is supportive of the proposed changes, given the changing nature of employers across the public sector and the differing ways in which services are provided following the long period of austerity.

We also welcome some of the opportunities that this provides, not just in terms of the ability to make pre-payments but also to give employers more visibility and autonomy in managing their own pension liabilities.

Many thanks

Rob

Rob Carr
Head of Finance
Finance Service
Elizabeth II Court
The Castle, Winchester, Hants SO23 8UB
E-mail: rob.carr@hants.gov.uk
Tel: 01962 847508
Fax: 01962 847644

Downer, Lois

From: Carr, Rob
Sent: 20 June 2019 12:03
To: Pensions Employer Services
Subject: Proposed Changes in the Hampshire Pension Fund

Dear Sir / Madam

I refer to your consultation in respect of changes to the way the Hampshire Pension Fund operates.

Hampshire Fire and Rescue Service as an employer is supportive of the proposed changes, given the changing nature of employers across the public sector and the differing ways in which services are provided following the long period of austerity.

We also welcome some of the opportunities that this provides, not just in terms of the ability to make pre-payments but also to give employers more visibility and autonomy in managing their own pension liabilities.

Many thanks

Rob

Rob Carr
Head of Finance
Finance Service
Elizabeth II Court
The Castle, Winchester, Hants SO23 8UB
E-mail: rob.carr@hants.gov.uk
Tel: 01962 847508
Fax: 01962 847644

Clerk & Executive Officer: Katie Knowles
Parish Office, Village Hall, Arford Road, Headley, Bordon, Hampshire, GU35 8LJ
Tel: (01428) 713132 E:mail: clerk@headleypc.co.uk
www.headleyparish.com

Hampshire Pension Services,
The Castle,
Winchester,
SO23 8UB

24th June 2019

Dear Sir/Madam

PROPOSED CHANGES TO THE FUNDING STRATEGY FOR THE HAMPSHIRE PENSION FUND

Unfortunately, we were not made aware of the opportunity to attend the briefing on the proposed changes to the Hampshire Pension Fund. We were first notified by the briefing note issued by HALC on 12th June and therefore, the window of opportunity for the Council to formulate its comments has been very tight and an unreasonable consultation time period.

However, we have reviewed all available information, including the video recording of the briefing for Town and Parish Councils, and provided the 2019 actuarial valuation is at an acceptable level to allow the proposed changes, our assumption is that you will proceed.

There are many unanswered questions on the impact that the changes will have to the Parish Council's future liabilities and whilst in principle we have no objection to your proposals to separate out town and parish councils, we need further clarification on a number of issues:

1. The differences between the current and proposed ill health provision together with our risks and liabilities;
2. How the proposed new death in service provision will operate and be funded;
3. When will individual parish and town councils be made aware of their specific liabilities for any pension shortfall /secondary contributions for their employees so relevant budgeting can take place in due time?

Yours sincerely

Katie Knowles

Katie Knowles
Clerk & Executive Officer

Clerk & Executive Officer: Katie Knowles
Parish Office, Village Hall, Arford Road, Headley, Bordon, Hampshire, GU35 8LJ
Tel: (01428) 713132 E:mail: clerk@headleypc.co.uk
www.headleyparish.com

Hordle Parish Council
Council Offices, Vaggs Lane, Hordle,
Hampshire. SO41 0FP

Tel: 01425 611119 email: clerk@hordleparishcouncil.gov.uk
Web: www.hordleparishcouncil.gov.uk

Date: 25th June 2019.

Dear Carolyn Williamson

Proposed changes to the structure of the Hampshire Pension Fund

Council members have reviewed the proposed changes to the pension fund and make the following comments:
Concern that these matters are being recommended before the outcome of the 2019 valuation.
Concern over risks, as a small employer only having been in the scheme for 12 years with a maximum of 2 members our monthly deficit repayment is large.
No accurate figures are being offered especially to smaller employers to allow for liabilities to be considered. It is requested that as part of any consideration of changes to the scheme that we receive and Actuary report detailing our pension deficit and therefore our liability.

Yours sincerely

Susan Whitcher

Susan Whitcher

Clerk to Hordle Parish Council

Carolyn Williamson
Deputy Chief Executive and Director of Corporate Resources

Downer, Lois

From: David Nevin <dnevin@houndparishcouncil.gov.uk>
Sent: 26 June 2019 11:09
To: Pensions Employer Services
Subject: Re: Proposed changes in the Hampshire Pension Fund - Town and Parish Councils

Good morning,

Thank you for the workshop and sending through the below information from that workshop.

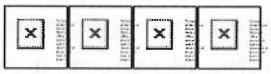
Hound Parish Council members have discussed the proposed changes and have resolved that they do not wish for any changes to be made to the grouping arrangements as proposed; however they may be interested in changes if Town and Parishes were grouped with larger Council bodies.

I have also been instructed to clarify what the exit charge would be if Hound Parish Council were to leave the LGPS and would appreciate if you could send this over please.

Kind regards,

David Nevin PSLCC
Clerk & RFO

t: 02380 453732
m: 07900 056225
e: dnevin@houndparishcouncil.gov.uk
www.houndparishcouncil.gov.uk



On Wed, 12 Jun 2019 at 13:04, Pensions Employer Services <pensions.employer@hants.gov.uk> wrote:

Dear Colleague,

Thank you to those that were able to attend the recent workshops held by the Fund Actuary to help you understand how the proposals regarding changes to the way in which employers are grouped together for funding purposes in the Hampshire Pension Fund, would affect Town and Parish Councils (TPCs).

We are now pleased to attach copies of the slides used on the day, as well as a link to the filmed session for those who were not able to attend or perhaps would like to remind themselves of some of the points made. We have also attached a copy of the Grouping Briefing Note that was previously sent.

Town and Parish Councils Filmed workshop - https://youtu.be/4V5exlc_V2U

Background and discussion from the session

Although we recognise that contributions are likely to have come down had the Scheduled Bodies Group (SBG) remained as is, it is also true to say that the existing cross subsidies within the group would remain; this consultation is seeking to address the point that such cross subsidies are no longer sustainable or justifiable. The much-improved funding position provides an opportunity to make changes without negative impacts on Town or Parish Councils (TPCs).

Under a grouped arrangement, every employer pays the average future service cost for employees in the group and a share of the group's deficit (currently based on the proportion of the group's payroll in 2010). Grouped arrangements therefore mean that employers are cross subsidising each other (e.g. some may have an older than average membership and therefore benefit from paying the group average, some may have a younger than average membership and therefore the group average is higher than they would otherwise pay).

However, these cross subsidies are generally accepted within a group of very similar employers in return for the benefits of sharing risks across a larger number of members, as this results in more stable contributions.

The costs of ill health retirements and death in service have been shared across all employers in the Fund since 2016, and this will continue to be the case regardless of the outcome of the consultation.

The proposal is for the main scheduled bodies (such as the district, unitaries and County Council) to be removed from the group and become stand alone employers in the Fund, paying a future service rate based on their own profile of members and deficit contributions in line with their own liabilities (pensions promised/in payment to deferred and pensioner members).

The town and parish councils are considered to be have a similar profile to each other and therefore it was assumed that they would benefit from remaining as a group, accepting the cross subsidies in return for continuing to share risks and have the resulting stability of contributions. However, it is recognised that TPCs are likely to exit the Fund at different times and so within the group, TPCs would have their own recovery periods for paying off their deficit allowing them to receive the direct benefit of deficit contributions rather than these being shared across all the members of the group.

The administering authority is committed to ensuring stability of contributions for TPCs as smaller employers and has therefore undertaken that that TPCs will be no worse off following the 2019 valuation (i.e. will pay no more, and may pay less) than they would have done based on their current position in the SBG.

At the workshop there was a suggestion that TPCs pool with the relevant council (instead if all TPCs together), however we would also have to consider the views of those councils, noting this is not a proposal which has been put to them. If TPCs believe agreement can be gained with a relevant council to pool together, we would consider this request.

It was summarised that we would welcome comments on views of TPCs on:

- Being part of a TPC group, as proposed, and
- Being treated as individual employers for funding purposes (not sharing experience with other TPCs)

Consultation Feedback

We would like to remind you that we are inviting feedback regarding these proposed changes and we would be grateful for comments to be sent to pensions.employer@hants.gov.uk **no later than 5pm on Wednesday 26 June**, to allow the responses to be collated for a report to be considered by the Pension Fund Panel and Board at their meeting on 12 July.

*Please note that all slides and filmed sessions are now available on the Hampshire Pension Services Website under 'Employer News' - https://www.hants.gov.uk/hampshire-services/pensions/local-government/employers/news/hampshire-news

Kind regards

Hampshire Pension Services
Tel: 01962 845588 | **Fax:** 01962 834537
E-mail: pensions@hants.gov.uk | **Web:** www.hants.gov.uk/pensions

Hampshire Pension Services, The Castle, Winchester, SO23 8UB

How are we doing? Click here to let us know.

Hythe & Dibden
PARISH COUNCIL

SEAN SPENCER - Deputy Clerk to the Council Tel: 023 8084 1411
email:sean.spencer@hytheanddibden.gov.uk

Carolyn Williamson FCPFA
Deputy Chief Executive and Director of Corporate Resources
Hampshire Pensions Services
The Castle
Winchester
Hampshire
S023 8UB

27 June 2019

Dear Carolyn

Proposed changes to the structure of the Hampshire Pension Fund

Thank you for providing the opportunity for the Parish Council to comment on the above and for hosting the officers briefing in Winchester.

The Council understands the reasoning that a number of Parish Councils exiting the scheme due to their small number of employees and their age profile representing a risk to the pension fund. However, Members do not think that this is true for Hythe and Dibden Parish Council.

This Council has 12 employees in the fund who are of varying ages and therefore we are not within the risk profile suggested in the briefing document. Additionally, there is concern about the potential medium to long term impact on the level of Parish and Town Council's contribution rates should the regrouping proceed.

The response to the consultation of Hythe and Dibden Parish Council is that the grouping should remain as existing.

Yours sincerely

P/P SM Bennett

Malcolm Wade
Chairman of the Parish Council

Downer, Lois

From: clerk@kingsclere-pc.org.uk
Sent: 26 June 2019 16:00
To: Pensions Employer Services
Subject: Proposed changes in the Hampshire Pension Fund - Town and Parish Councils

Dear Sir/Madam
In response to your invitation for feedback on the proposed changes in the Hampshire Pension Fund, my council has made the following comments:-
• The consultation is premature in that no firm figures are available. It is unreasonable to expect any considered view to be provided without the financial consequences being set out;
• No alternative proposals were presented such as alternative groupings. The proposed change should be compared with other options along with the financial consequences of each option. At the workshop there was a suggestion that Town and Parish Councils (TPC) could pool with the relevant Borough or District council instead of all the TPCs together but this proposal has not been put to them;
• The major risks associated with the proposed change need to be explained and quantified For instance what would be the effect on the Town and Parish Councils' grouping if some of the larger employers of the group withdraw from the scheme? My council is concerned that if some of the larger employers of a TPC grouping were to withdraw the security of the group fund could be compromised.
In summary my council is concerned that it has been asked to comment on a proposal where the figures are unknown and options have not been compared. Without being able to properly consider this detail my council is not in a position to comment on a preferred option.

Yours sincerely,
Louise Porton
--
Mrs Louise Porton
Kingsclere Parish Clerk - 01635 298634
37 George Street
Kingsclere
RG20 5NH

Downer, Lois

From: alan.bethune@nfdc.gov.uk
Sent: 27 June 2019 12:27
To: Pensions Employer Services
Cc: Lowe, Andrew
Subject: Feedback on Proposed changes to HFP

Good afternoon,

Please find below comments from New Forest District Council in relation to the **'Proposed changes to the structure of the Hampshire Pension Fund'** letter received on 29 April 2019.

- NFDC support the need to continually review and reform within Local Government and understand the decision as to why this proposal is being considered as part of the 2019 valuation of the HFP.
- We appreciate that we are being asked to consider and feedback on the principles of the proposals, and in summary can support the rationale and objectives.
- We agree that decisions taken across the County should not have a significant bearing on the pension contributions that NFDC are required to pay. Disbanding would mean that NFDC are accountable for decisions taken by NFDC.
- As a mid-sized scheme member, NFDC could support the de-pooling of death and ill health benefits, but understands than in order to offer a level of protection to smaller scheme members, certain elements (death in service, ill health) should be pooled (as will presumably the administration fees?)
- We welcome the opportunity to explore how one-off lump-sum contributions or additional contributions could be evaluated on a financial return basis
- Ultimately we feel very strongly that it would be preferential to make an informed judgement on more specific feedback based on our individual standing as a scheme member, as opposed to just being asked to comment on the overarching principles

Kind regards
Alan Bethune FCCA
Head of Finance (S151)
New Forest District Council
Tel: 02380 28 5588 | 07768 882616

alan.bethune@nfdc.gov.uk
www.newforest.gov.uk

New Forest InTouch app

****

Downer, Lois

From: clerk@newmiltontowncouncil.gov.uk
Sent: 26 June 2019 16:40
To: Pensions Employer Services
Cc: advice@hampshirealc.org.uk
Subject: Proposed changes to the Hampshire Pension Fund

Dear Colleague

As fellow local government employees, we are all working together to provide value for money, and the best services possible.

Irrespective of the tier of local government we are working in, it's always been made clear that we are in this together, equally.

We were reminded of this when Devolution was discussed not long ago and how HCC would work closer with our local councils.

We took this onboard and used the services of Hampshire Legal Services (HLS) as an example. I am also reminded of others, IT.

I was therefore surprised to learn that HCC are considering proposals for changes prior to the triennial review being undertaken.

As you well know, the results of this will not be known until the autumn, and therefore after the end of the consultation period.

From HALC, I also understand that the scheme administrators have confirmed that they will not increase our total contributions.

But this may change in future years and that deficit payments are dependent on work force profile, actuarial valuations and ROI.

All of which leads me to the conclusion that what is being proposed is somewhat premature and runs against our accepted ethos.

In summary, we are not keen on proposed changes at this time and nor are we convinced about the two other options at the end.

Kind regards

Graham Flexman
Town Clerk
New Milton Town Council
I

Downer, Lois

From:	Angela McFarlane <cllrmcfarlane@odiham.org.uk>
Sent:	26 June 2019 13:36
To:	Pensions Employer Services
Cc:	Full Council
Subject:	Response to the consultation on Proposed changes to the LGPS

Dear Sir

We would like to register our concern regarding the proposed changes to the LGPS as it affects Town and Parish Councils. Anything which potentially increases the exposure to pension deficit risk of small public bodies such as Parish Councils, and therefore puts the retirement benefits of employees, at risk is clearly undesirable. We are concerned that the planned disaggregation of Councils into groups significantly increases our exposure. The planned changes to transfer of pension rights on change of employer is also unhelpful in both regards. We therefore request that the planned disaggregation is reconsidered and the fund remains as it is, with risk shared across the full range of Councils.

We also find it unhelpful that the consultation period ends before the planned re-evaluation in the Autumn, when employers would be better able to assess and manage the resulting level of risk exposure.

Should we have to fund a deficit, we would have little option but to increase the precept which in the current financial climate would be very difficult. It is also unlikely that this could be increased to the level required. Parish Councils are unlikely to carry a sufficient reserve to be able to meet a shortfall.

Yours sincerely

Angela McFarlane
pensions.employer@hants.gov.pensions.employer@hants.gov.u

Dr Angela McFarlane
Chair of Odiham Parish Council

Downer, Lois

From: Laura Harley <lfeh63@gmail.com>
Sent: 25 June 2019 16:59
To: Pensions Employer Services
Subject: Proposed changes to LGPS - consultation

Dear Sir of Madam

I am disheartened by the currant consultation to cease to group parish and town councils with district and the county councils with regard to funding the pension scheme for all employees who contribute.

It seems that parish and town council are expected to make decisions on this matter with no financial information or forecasts regarding what this will mean for each parish council going forward. Whilst being keen to have the pension that I am owed, I do not want to be an ongoing burden for my parish council. I would prefer to see the status quo continue for all existing employers and employees.

Kind regards

Laura Harley
Overton Parish Council

Downer, Lois

From: Rory Fitzgerald <Rory.Fitzgerald@ringwood.gov.uk>
Sent: 24 June 2019 15:10
To: Pensions Employer Services
Cc: Chris Wilkins
Subject: Proposed changes in the Hampshire Pension Fund – Consultation

Hello,

I have been asked to respond on behalf of Ringwood Town Council to the consultation on proposed changes to the Hampshire Pension Fund.

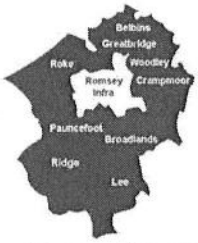
The Town Council is concerned about the consequences of the proposed changes and feel that the proposals are not in the best long term interests of the Town Council. For this reason, Council members are opposed to the proposals as outlined. Ringwood Town Council urge you to explore other mechanisms that would achieve the flexibility in deficit contributions that some of the larger authorities are seeking whilst avoiding the break-up of the Scheduled Body Group of Councils.

regards

Rory Fitzgerald
Finance Manager
Ringwood Town Council

Ringwood Gateway, The Furlong, RINGWOOD, BH24 1AT
Direct Line: 01425 484723 ¦ Switchboard: 01425 473883
rory.fitzgerald@ringwood.gov.uk ¦ www.ringwood.gov.uk

ROMSEY EXTRA PARISH COUNCIL



Chairman: Cllr John Parker
www.romseyextra-pc.org.uk

Hampshire Pension Fund

Via e-mail:
pensions.employers@hants .gov.uk

7 June 2019

Dear Sir or Madam

PROPOSED CHANGES TO THE FUNDING STRATEGY CONSULTATION

In response to your letter of 29 April inviting comments to the proposed changes to the funding strategy for the Hampshire Pension Fund the Parish Council is not in a position to make an informed decision. Having attended the workshop on 28 May, whilst illustrative figures were given for the new TPC group no figures were given if the parish council was to remain in the Scheduled Body Group thus making it impossible to make a comparison

Yours faithfully

C McFarland.

Carol McFarland
Clerk to the Council

Clerk to the Council

CAROL McFARLAND
Cowesfield Lodge
Romsey Road
Whiteparish
Salisbury SP5 2QY

www.romseyextra-pc.org.uk
Telephone: 01794-884826
Email: clerk@ romseyextra-pc.org.uk

Chairman of Council

JOHN PARKER
Cornerways
Highwood Lane
Romsey
Hants SO51 9AF

Telephone: 07825 514348
E-mail: parkerjsxx@aol.com

RUSHMOOR BOROUGH COUNCIL

Council Offices, Farnborough Road,
Farnborough, Hants. GU14 7JU
Tel: (01252) 398 399

Website: www.rushmoor.gov.uk

Your reference

Our reference

Contact David Stanley

Telephone 01252 398440

Email david.stanley@rushmoor.gov.uk

Date 01 July 2019

Hampshire Pension Fund
Pensions Services
The Castle
Winchester
Hampshire
SO23 8UB

Proposed changes to the structure of the Hampshire Pension Fund

I am writing to you providing the formal response from Rushmoor Borough Council (RBC) to the proposed changes on the Hampshire Pension Fund.

As a Council, we broadly welcome and support the proposal to unwind the current grouping arrangements within the scheduled body group (SBG). It is our view that this promotes

- improved governance across the pension fund
- recognises the diversification within the SBG over the last few years
- provides greater clarity to each local authority on their pension liabilities, costs and will lead to improved local decision making

I recognise that the proposed changes to the structure will lead to winners and losers, but I believe that the changes will promote an improved long-term position for the fund with each local authority within the SBG being accountable for its own pension cost and funding decisions.

Given the improvement in the deficit position over the last 3 years, this would seem a sensible point to make the proposed changes. I am aware that there may be an adverse impact on the level of contributions from RBC to the pension fund.

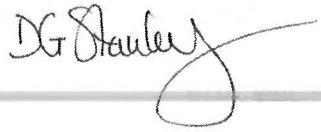
Furthermore, the changes would allow for the setting of individual authority funding rates that could consider affordability (subject to agreement with the actuary and pension fund). The option for local authorities to make additional pension fund contributions or prepayments over the 3-year funding cycle are also welcomed.

Subject to proper accounting practice and agreement with the pension fund, actuary and auditors, I would welcome a flexible approach to prepayments – for example:

- Prepayment of 3-year 'lump-sum' at start of the funding period (i.e. 01 April 2020)
- Prepayment of 3-year 'lump-sum' during the first year of the funding period (i.e. 4 equal instalments during 2020/21 financial year).

Therefore, in conclusion, RBC supports the proposed changes to the structure of the Hampshire Pension Fund.

Yours sincerely



David Stanley
Executive Head of Finance (Section 151 Officer)

FINANCE AND COMMERCIALISATION
Southampton City Council
Civic Centre
Southampton
SO14 7LY

SOUTHAMPTON
CITY COUNCIL

Carolyn Williamson
Hampshire Pension Fund
The Castle
Winchester

Please ask for: Steve Harrison
Direct dial: 023 8083 4153
Email: steve.harrison@southampton.gov.uk
Our ref:

Dear Carolyn

RE: Proposed changes to the structure of Hampshire Pension Fund

Thank you for your letter, outlining the proposed changes to the Fund and treatment of employers within the Fund.

The presentation made by the actuary, supported by your officers Andrew Lowe and Lois Downer was also extremely helpful in providing the background and rationale to the proposal.

The proposal to have an individual contribution rate for each major employer, rather than a pooled arrangement is consistent with that adopted by other funds. Smaller employers will still be able to benefit from a pooled arrangement.

There is a risk when disaggregating the pool arrangement, as highlighted in the briefing, that any 'cross subsidy' is effectively 'crystalised', and new contribution rates will take this into account. This is because the employer rate is currently determined by the whole pool, with assets and deficits not individually allocated. However, we understand that there is mitigation for any employer impacted, namely:

- Any contribution rate changes will be phased in, in accordance with the Funding Strategy Statement, and
- The revaluation itself is anticipating a helpful outcome, which will cushion any adverse changes (though we do appreciate this cannot be guaranteed), and
- No changes are being made that are retrospective in nature.

On this basis, we therefore consider that the time is right to disaggregate the pool and calculate appropriate employer specific contribution rates. It will also allow greater flexibility with each employer, such as being able to make an early lump sum payment into the Fund, and potentially benefit from assumptions around the rate of return on investments. We would be interested in exploring the option of this as a flexibility, whilst acknowledging that lump sum investment also has risks and appropriate advice would be required from the actuary for such a proposal, including advice on the risks to an employer from such an approach.

Yours sincerely

Steve Harrison

FINANCE AND COMMERCIALISATION
Southampton City Council
Civic Centre
Southampton
SO14 7LY

SOUTHAMPTON
CITY COUNCIL

Downer, Lois

From: K Robinson <k.robinson@thornden.hants.sch.uk>
Sent: 18 June 2019 10:01
To: Pensions Employer Services
Subject: Changes to Hants Pension Fund - Academies

Comments/Views from Thornden School

As with other academies, certainty around future deficit payments would be welcome as there is so much uncertainty around budgets. It would also be of benefit to Academies for this change to take effect from Sept 2020 rather than April in line with our financial year, and negating changes to next years budget.

Many thanks,

Kelly Robinson

School Business Manager

Thornden School
Winchester Road, Chandlers Ford,
Eastleigh, Hants, SO532DW
t: 02380 246542

www.thornden.hants.sch.uk

Downer, Lois

From: laura.cooke@westend-pc.gov.uk
Sent: 26 June 2019 14:00
To: Pensions Employer Services
Subject: RE: Proposed changes in the Hampshire Pension Fund - Town and Parish Councils

Response to Proposed Changes in the Hampshire Pension Fund – West End Parish Council

West End Parish Council does not support the proposals regarding changes to the way in which employers are grouped together for funding purposes in the Hampshire Pension Fund.

West End Parish Council is concerned that the parish council group membership would be too small to sustain itself. The other option to be stand-alone employer may be more beneficial providing the Council is intending to remain in the LGPS but membership is costly to employers and many parish & town councils probably chose cheaper schemes when auto enrolment was introduced, resulting in a drop in membership. West End Parish Council has encouraged younger members of staff to join the LGPS so will be making contributions into the scheme for many years, so would be concerned if the long term intention is to close the scheme to parish & town councils.

WEPC feels very strongly that parish and town councils are part of local government and there should be a group for all local councils. Parish & town councils should not be isolated and therefore making it less advantageous for them to stay in the scheme. Membership by parish and town councils should be encouraged as it strengthens the partnership between the tiers of local government, giving confidence to the smaller parish councils' employees that they are considered part of their local government.

Regards,
Laura

Laura Cooke
Clerk to West End Parish Council
The Parish Centre
Chapel Road,
West End,
Southampton SO30 3FE

Tel : 023 80462371
www.westend-pc.gov.uk

From: Pensions Employer Services [mailto:pensions.employer@hants.gov.uk]
Sent: 12 June 2019 13:03
Subject: Proposed changes in the Hampshire Pension Fund - Town and Parish Councils

Dear Colleague,

Thank you to those that were able to attend the recent workshops held by the Fund Actuary to help you understand how the proposals regarding changes to the way in which employers are grouped together for funding purposes in the Hampshire Pension Fund, would affect Town and Parish Councils (TPCs).

We are now pleased to attach copies of the slides used on the day, as well as a link to the filmed session for those who were not able to attend or perhaps would like to remind themselves of some of the points made. We have also attached a copy of the Grouping Briefing Note that was previously sent.

Town and Parish Councils Filmed workshop - https://youtu.be/4V5exIc_V2U

Background and discussion from the session

Although we recognise that contributions are likely to have come down had the Scheduled Bodies Group (SBG) remained as is, it is also true to say that the existing cross subsidies within the group would remain; this consultation is seeking to address the point that such cross subsidies are no longer sustainable or justifiable. The much-improved funding position provides an opportunity to make changes without negative impacts on Town or Parish Councils (TPCs).

Under a grouped arrangement, every employer pays the average future service cost for employees in the group and a share of the group's deficit (currently based on the proportion of the group's payroll in 2010). Grouped arrangements therefore mean that employers are cross subsidising each other (e.g. some may have an older than average membership and therefore benefit from paying the group average, some may have a younger than average membership and therefore the group average is higher than they would otherwise pay).

However, these cross subsidies are generally accepted within a group of very similar employers in return for the benefits of sharing risks across a larger number of members, as this results in more stable contributions.

The costs of ill health retirements and death in service have been shared across all employers in the Fund since 2016, and this will continue to be the case regardless of the outcome of the consultation.

The proposal is for the main scheduled bodies (such as the district, unitaries and County Council) to be removed from the group and become stand alone employers in the Fund, paying a future service rate based on their own profile of members and deficit contributions in line with their own liabilities (pensions promised/in payment to deferred and pensioner members).

The town and parish councils are considered to be have a similar profile to each other and therefore it was assumed that they would benefit from remaining as a group, accepting the cross subsidies in return for continuing to share risks and have the resulting stability of contributions. However, it is recognised that TPCs are likely to exit the Fund at different times and so within the group, TPCs would have their own recovery periods for paying off their deficit allowing them to receive the direct benefit of deficit contributions rather than these being shared across all the members of the group.

The administering authority is committed to ensuring stability of contributions for TPCs as smaller employers and has therefore undertaken that that TPCs will be no worse off following the 2019 valuation (i.e. will pay no more, and may pay less) than they would have done based on their current position in the SBG.

At the workshop there was a suggestion that TPCs pool with the relevant council (instead if all TPCs together), however we would also have to consider the views of those councils, noting this is not a proposal which has been put to them. If TPCs believe agreement can be gained with a relevant council to pool together, we would consider this request.

It was summarised that we would welcome comments on views of TPCs on:

- Being part of a TPC group, as proposed, and
- Being treated as individual employers for funding purposes (not sharing experience with other TPCs)

Consultation Feedback

We would like to remind you that we are inviting feedback regarding these proposed changes and we would be grateful for comments to be sent to pensions.employer@hants.gov.uk **no later than 5pm on Wednesday 26 June**, to allow the responses to be collated for a report to be considered by the Pension Fund Panel and Board at their meeting on 12 July.

*Please note that all slides and filmed sessions are now available on the Hampshire Pension Services Website under 'Employer News' - https://www.hants.gov.uk/hampshire-services/pensions/local-government/employers/news/hampshire-news

Kind regards

Hampshire Pension Services
Tel: 01962 845588 | **Fax:** 01962 834537
E-mail: pensions@hants.gov.uk | **Web:** www.hants.gov.uk/pensions

Hampshire Pension Services, The Castle, Winchester, SO23 8UB

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Downer, Lois

From:	DKennedy@winchester.gov.uk
Sent:	24 June 2019 09:27
To:	Pensions Employer Services
Cc:	JCann@winchester.gov.uk; JHolmes@winchester.gov.uk
Subject:	RE: Proposed changes in the Hampshire Pension Fund - Scheduled Body Employers

Dear Pension Fund Panel

Thank you for arranging the May workshop which gave us clarity on the changes being proposed for effect from April 2020.

We would like to confirm our support for these proposals which will help to ensure that organisations are making fair contributions to the pension fund into the future. We understand that there will be changes to our current contribution percentage and past service fixed contribution rate to reflect our individual forecast liability and that these will also be affected by the triennial review, with the aim of at keeping within existing contribution levels wherever possible.

We particularly support the ability to make advance past service contributions, both up-front in-year payments and also fixed contribution payments to reduce our outstanding past service deficit (thereby reducing our annual past service deficit contribution). We will be considering our options further once there is clarity on the impact of these advance payments which we understand is the next step once the proposed changes have been agreed.

Kind regards
Darren Kennedy

Darren Kennedy
Finance Manager (Strategic Finance)
Tel: 01962 848464 (ext. 2464)
Mob: 07824 102759

From: Pensions Employer Services [mailto:pensions.employer@hants.gov.uk]
Sent: 10 June 2019 12:18
Subject: Proposed changes in the Hampshire Pension Fund - Scheduled Body Employers

Dear Colleague,

Thank you to those that were able to attend the recent workshops held by the Fund Actuary to help you understand how the proposals regarding changes to the way in which employers are grouped together for funding purposes in the Hampshire Pension Fund, would affect scheduled body employers.

We are now pleased to attach copies of the slides used on the day, as well as a link to the filmed session for those who were not able to attend or perhaps would like to remind themselves of some

of the points made. We have also attached a copy of the Grouping Briefing Note that was previously sent.

Scheduled Body Group Filmed workshop - https://youtu.be/4V5exIc_V2U

Webex recording - Play recording *Please note sound will need to be turned up

Pre-payment

In relation to pre-payment options, we confirmed the administering authority would only want to offer some limited options, and not to give employers the freedom to make unusual/bespoke requests. We would ask for requests early in the process (e.g. before January 2020) since this would need to be reflected in the final certificate.

Standard options may include:

- Payment on 1 April in the certification year for a 'discount', rather than paid monthly (future service rate)
- Payment of all deficit contributions that would have been certified (2,3 or 5 years, to be confirmed) in year 1
- Payment of a voluntary additional contribution amount before 31 March 2020 to reduce the rates certified over the certification period.

Any additional actuary costs for an employer request to make a pre-payment, would need to be met by the individual scheme employer.

Employers are welcome to suggest payment terms that they would like to be offered as part of their consultation response.

We also mentioned that employers should ask their auditors how any pre-payment would be accounted for, and if there is any particular presentation within the Rates and Adjustments Certificate which is needed. We understand that most Councils use the same audit firm (EY) which is helpful and should lead to consistency.

Consultation Feedback

We would like to remind you that we are inviting feedback regarding these proposed changes and we would be grateful for comments to be sent to pensions.employer@hants.gov.uk no later than **5pm on Wednesday 26 June**, to allow the responses to be collated for a report to be considered by the Pension Fund Panel and Board at their meeting on 12 July.

*Please note that all slides and filmed sessions will shortly be available on the Hampshire Pension Services Website under 'Employer News' - https://www.hants.gov.uk/hampshire-services/pensions/local-government/employers/news/hampshire-news

Kind regards

Hampshire Pension Services
Tel: 01962 845588 | **Fax:** 01962 834537
E-mail: pensions@hants.gov.uk | **Web:** www.hants.gov.uk/pensions

Hampshire Pension Services, The Castle, Winchester, SO23 8UB

How are we doing? Click here to let us know.

From: Pensions Employer Services
Sent: 30 April 2019 11:18
Subject: Proposed changes in the Hampshire Pension Fund and workshop invite Wednesday 29th May 2019 (pm) **requires action**

This email contains important information which concerns all employers who are part of the Scheduled or Admitted body groups in the Hampshire Pension Fund and has been sent to you as a high level or finance pensions contact.

Dear Colleague,

Please see the attached letter from Carolyn Williamson, Director of Corporate Resources and Deputy Chief Executive of Hampshire County Council, regarding proposed changes to the way in which employers are grouped together for funding purposes in the Hampshire Pension Fund.

We are inviting your feedback on these proposals and I would be grateful if you could provide your comments to pensions.employer@hants.gov.uk no later than 5pm on Wednesday 26 June, to allow the responses to be collated for a report to be considered by the Pension Fund Panel and Board at their meeting on 12 July.

You are invited to attend a workshop session led by the Fund Actuary from **1.30pm – 3.30pm on Wednesday 29 May** to understand how these proposals would affect scheduled body employers.

The session will be recorded and the video and presentation slides will be shared with employers after the workshop has been held.

Places are limited to one per organisation but we will operate a waiting list for additional places once numbers are known.

Please can you reply to this email by 10 May with the name, job title, email address and telephone number of the person who will be attending this session on behalf of your

organisation. If you would like us to add a further name onto the waiting list then please can you also include their details in your reply.

We will confirm the details of the workshop in an email to the named participant by 21 May.

Kind regards,

Hampshire Pension Services
Tel: 01962 845588 | **Fax:** 01962 834537
E-mail: pensions@hants.gov.uk | **Web:** www.hants.gov.uk/pensions

Hampshire Pension Services, The Castle, Winchester, SO23 8UB

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