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NOTICE OF MEETING

Meeting	Hampshire Pension Fund Panel and Board
Date and Time	Friday, 3rd November, 2017 at 10.00 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 - 10)

To confirm the Minutes of the meetings held on 29 September 2017 and 13 October 2017.

4. CHAIRMAN'S ANNOUNCEMENTS

To receive any announcements the Chairman may wish to make.

5. ACCESS JOINT GOVERNANCE COMMITTEE MINUTES 31 JULY 2017 (Pages 11 - 14)

To receive the minutes of the ACCESS Joint Governance Committee held on 31 July 2017.

6. GOVERNANCE - PENSION ADMINISTRATION STRATEGY (Pages 15 - 42)

To consider the report of the Director of Corporate Resources – Corporate Services seeking the Panel and Board's approval for proposed changes to the Pension Administration Strategy and the plan to consult on these changes with employers.

7. 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.

8. CONFIRMATION OF THE EXEMPT MINUTES OF THE MEETINGS ON 29 SEPTEMBER AND 13 OCTOBER 2017 (Pages 43 - 44)

To confirm the exempt minutes of the meetings held on 29 September and 13 October 2017.

9. ACCESS JOINT GOVERNANCE COMMITTEE MINUTES 31 JULY 2017 - EXEMPT ITEMS (Pages 45 - 48)

To receive the exempt minutes of the ACCESS Joint Governance Committee held on 31 July 2017.

10. INVESTMENTS: INVESTMENT STRATEGY REVIEW (Pages 49 - 72)

To consider an exempt report from the Director of Corporate Resources- Corporate Services which presents further analysis of proposals for changes to the Pension Fund's investment strategy following the reports already considered by the Panel and Board on 7 July and 13 October 2017 and sets out a proposal for the Pension Fund's future allocation across asset classes and choices about individual investment portfolios.

11. INVESTMENT - INVESTMENT PERFORMANCE UPDATE (Pages 73 - 90)

To consider the exempt report of the Director of Corporate Resources - Corporate Services updating the Panel and Board on the performance of the Pension Fund's investments since the last meeting of the Pension Fund Panel and Board on 13 October 2017.

12. INVESTMENTS - PROPERTY PORTFOLIO UPDATE (Pages 91 - 100)

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 property portfolio.

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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Public Document Pack Agenda Item 3

AT A MEETING of the Hampshire Pension Fund Panel and Board of HAMPSHIRE COUNTY COUNCIL held at Mitchell Room, EII Podium, Winchester on Friday, 29th September, 2017

PRESENT

Chairman:
p Councillor M. Kemp-Gee

Elected members of the Administering Authority (Councillors):

a C. Carter	p A. Joy
p A. Dowden	p P. Latham
a A. Gibson	p D. Mellor (substitute)
a J. Glen	p B. Tennent
	p T. Thacker

Employer Representatives (Co-opted members):

a Councillor P. Giddings (Test Valley Borough Council)
p Councillor M. Chaloner (Southampton 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

BROADCAST 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.

26. APOLOGIES FOR ABSENCE

Councillors Carter, Gibson, Giddings and Glen sent their apologies.

27. 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.

28. CONFIRMATION OF MINUTES (NON-EXEMPT)

The minutes of the Pension Fund Panel and Board held on 7 July 2017 were confirmed.

29. CHAIRMAN'S ANNOUNCEMENTS

The Chairman and Dr Allen provided a summary of the main topics covered at the Local Government Chronicle pensions conference.

The Chairman and Mrs Arrowsmith provided brief feedback from the Schroders autumn conference.

The Chairman thanked all of the full members of the committee for completing their training needs analyses and reminded the committee that the Pension Fund's annual employers meeting was taking place on 13 October 2017.

30. INVESTMENTS - IMPLEMENTATION OF THE MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE (MIFID II)

The Panel considered a report of the Director of Corporate Resources (item 5 in the Minute Book) outlining the impact of the implementation of the Markets in Financial Instruments Directive (MiFID II) and in particular the risk to the Fund's investment strategy if the administering authority were to become a retail client on 3 January 2018 under the new regulations. In order to continue to effectively implement the Fund's investment strategy after the new regulations take effect, applications for election to be treated as a professional client should be submitted to all financial institutions with whom the administering authority has an existing or potential relationship in relation to the investment of the Fund.

RESOLVED:

- (a) That the potential impact on investment strategy of becoming a retail client with effect from 3 January 2018 was noted.
- (b) That the immediate commencement of applications for elected professional client status with all relevant institutions in order to ensure it can continue to implement an effective investment strategy was approved.
- (c) That in electing for professional client status the protections available to retail clients attached as Appendix 1 of the report that would be foregone were acknowledged and agreed.

- (d) That the importance of the identification and participation in training by Panel and Board members in the Pension Fund securing elected professional client status was noted.
- (e) That delegated responsibility to the Director of Corporate Resources for the purpose of completing the applications and determining the basis of the application as either full or single service was approved.

31. GOVERNANCE: PENSION FUND COSTS 2016/17

The Panel and Board considered and noted a report of the Director of Corporate Resources (item 6 in the Minute Book) on the costs of managing the Pension Fund in the financial year 2016/17. Costs were disclosed according to the three categories specified in CIPFA's guidance on Pension Fund Accounts; investment management costs, administration expenses and oversight and governance costs.

The Panel and Board noted that while the cost of managing the Pension Fund was significant, it was low in comparison to the overall size of the Pension Fund and in line with Hampshire's position as one of the largest LGPS funds. It was highlighted that investment management costs had increased in percentage terms, due to the large transition between the Fund's global equity portfolios and the increased allocation to alternative investments, some of which were now able to charge a fee based on their investment performance which had exceeded the base levels set out in the funds' agreements.

32. 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 Paragraphs 1, 2 and 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.

33. CONFIRMATION OF THE MINUTES OF THE PREVIOUS MEETING

The exempt minutes of the Pension Fund Panel and Board held on 7 July 2017 were confirmed.

34. GOVERNANCE: PENSION FUND COSTS 2016/17- EXEMPT APPENDIX

The Panel and Board noted the exempt appendix from the Director of Corporate Resources (Item 9) in the Minute Book) detailing the Fund's investment management costs. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

35. **GOVERNANCE: PROVISION OF ADVICE TO THE PANEL AND BOARD**

The Panel and Board considered the exempt report from the Director of Corporate Resources (Item 10 in the Minute Book) to consider the advice provided to the Pension Fund Panel and Board. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

36. **INVESTMENT - 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]

37. **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 on the Fund's alternative investment portfolios. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

Chairman,

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AT A MEETING of the Hampshire Pension Fund Panel and Board of HAMPSHIRE COUNTY COUNCIL held at Ashburton Hall on Friday, 13th October, 2017

Chairman:
p Councillor M. Kemp-Gee

Elected members of the Administering Authority (Councillors):

p C. Carter	p A. Joy
p A. Dowden	a P. Latham
p A. Gibson	p D. Mellor
a J. Glen	p B. Tennent
	p T. Thacker

Employer Representatives (Co-opted members):

a Councillor P. Giddings (Test Valley Borough Council)
p Councillor M. Chaloner (Southampton 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)
a Mrs V. Arrowsmith (deferred members' representative)

Independent Adviser:

p C. Dobson

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.

38. APOLOGIES FOR ABSENCE

Councillors Giddings, Glen and Latham and Mrs Arrowsmith sent their apologies.

39. 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.

40. CHAIRMAN'S ANNOUNCEMENTS

The Chairman thanked members for their attendance at the Pension Fund's Annual Employers Meeting earlier that day.

The Chairman asked members to save any updates on training events they had attended until the Panel and Board's next meeting on 3 November 2017.

41. 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 Paragraphs 1, 2 and 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.

42. INVESTMENT - INVESTMENT STRATEGY REVIEW

The Panel and Board received an exempt report from the Director of Corporate Resources (Item 5 in the Minute Book) with proposals for amendments to the Pension Fund's investment strategy. [SUMMARY OF A MINUTE WHICH CONTAINS EXEMPT INFORMATION]

Chairman,



ACCESS JOINT COMMITTEE

MINUTES of a meeting of the ACCESS Joint Committee held at Camden Town Hall, Judd Street, Kings Cross, WC1H 9JE on Monday, 31st July, 2017.

PRESENT: Cllr A Axford, Cllr R Hickford, Cllr C Jordan, Cllr G Lawman, Cllr A Reid, Mr C Simkins, Cllr R Stogdon, Cllr D Williams, Cllr S Canning (Substitute for Cllr S Barker) and Dr J Walsh (Substitute for Mr J Hunt)

OFFICERS: Andrew Boutflower, Glenn Cossey, Denise Fitch (Democratic Services Manager (Council)), Paul Finbow, Vickie Hampshire, Terry Hazlewood, John Lynch (Head of Democratic Services), Nicola Mark, Kevin McDonald, Ola Owolabi, Clifford Simms, Jo Thistlewood, Patrick Towey, Nick Vickers (Business Partner (Pension Fund)) and John Wright

UNRESTRICTED ITEMS

1. Election of Chairman.
(Item. 1)

Cllr Andrew Reid (Suffolk) was elected Chairman of the ACCESS Joint Committee until 31 July 2019

2. Election of Vice-Chairman.
(Item. 2)

Cllr Richard Stogdon (East Sussex) was elected Vice-Chairman of the ACCESS Joint Committee until 31 July 2019.

3. Apologies/Substitutes.
(Item. 3)

Apologies were received from:

Cllr Susan Baker (Essex County Council) who was substituted by Cllr Stephen Canning.

Mr Jeremy Hunt (West Sussex County Council) who was substituted by Dr James Walsh

Cllr Mark Kemp-Gee (Hampshire County Council)

4. Declaration of interests in items on the agenda.
(Item. 4)

None.

5. Governance.

(Item. 5)

(1) The Chairman referred to the terms of reference for the Joint Committee (circulated with the papers for the meeting) which had been approved by all eleven local authorities.

(2) On behalf of the Committee, the Chairman thanked the officer team and Hymans Robertson LLP for the work carried out to establish ACCESS.

RESOLVED that the agreed terms of reference for the Joint Committee be noted.

6. ACCESS Pooling.

(Item. 6)

(1) Kevin MacDonald (Essex County Council) and John Wright (Hymans Robertson) gave a presentation on the background to the establishment of ACCESS.

(2) Officers answered questions/addressed comments from Members which included the following:

- It was confirmed that some fund assets would never be included within the Pool and this was acceptable as long as there was a “best value” case for exclusion.
- There was a transition plan for moving assets into the Pool on an incremental basis with a timeline to 2033, to mitigate the risk associated with moving a large amounts of assets in a short period.
- Until an ACCESS website was established, the Clerk provide a link to the public papers for ACCESS meetings which could be included on individual Councils website.
- Property investments could be held outside of the pool. The Officer Working Group was asked to look at Fund’s future plans.
- Officers were considering, in consultation with legal and procurement colleagues, the process for each local authority to co-sign the contract with the approved Operator.
- The importance of submitting the application to the Financial Conduct Authority (FCA) in January 2018 was emphasised. Even if the application had not been approved but the April deadline, this fact that it was being process by the FCA would demonstrate that the Pool had attempted to comply with the deadline.

(3) RESOLVED that :

(a) the Officer Working Group consider intermediate arrangements for moving property investments into the pool, taking into account the timelines for property investments by individual funds.

(b) future reports to the Committee should include savings in basis point terms.

(c) the requirement for the contract with the agreed Operator to be co-signed of by each of the 11 Local Authorities (LA's), via their individual governance arrangements, be noted

(d) a copy of the timetable/critical path for ACCESS up to and post Jan 2018 be circulated to the Committee.

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HAMPSHIRE COUNTY COUNCIL

Decision Report

Decision Maker:	Pension Fund Panel and Board
Date:	3 November 2017
Title:	Review of the Pension Administration Strategy
Report From:	Andrew Lowe, Head of Pensions, Investments & Borrowing

Contact name: Andrew Lowe

Tel: 01962 876370

Email: andrew.lowe@hants.gov.uk

1. Executive Summary

1.1. The purpose of this paper is to seek the Panel and Board's approval for proposed changes to the Pension Administration Strategy, and to approve the plan to consult on these changes with employers.

2. Contextual information

2.1. The Local Government Pension Scheme (LGPS) Regulations 2013 provide for an administering authority to have a Pension Administration Strategy which can cover matters such as:

- the procedures for liaison and communication with Scheme employers
- the establishment of levels of performance which the administering authority and its Scheme employers are expected to achieve in carrying out their Scheme functions
- the procedures which aim to secure that the administering authority and its Scheme employers comply with statutory requirements in respect of those functions and with any agreement about levels of performance
- procedures for improving the communication by the administering authority and its Scheme employers to each other of information relating to those functions

2.2. If an administering authority has a Pension Administration Strategy, it must keep it under review and must consult with Scheme employers (and such other persons as it considers appropriate) when reviewing or changing the Strategy.

3. Revisions to the Pensions Administration Strategy

3.1. The current strategy is reviewed annually but has remained largely unchanged since it was first written in 2011. However a number of key changes mean that revisions to the strategy are now required:

- 2014 CARE scheme is now embedded in scheme and employer processes
- increased numbers of employers are making structural changes to their organisations which have an impact on pensions
- Pension administration system improvements are feeding through efficiencies in processing
- greater involvement in public service pensions of the Pensions Regulator
- transparent monitoring and reporting of employer performance

3.2. As well as some minor amendments and clarifications, there are proposed changes to the strategy in the following areas:

- separate administration charges for employers who are restructuring
- employer performance standards for notifying Pensions of leavers
- additional requirement for data cleansing if there are concerns over the quality of employer data
- new employer performance standards for changes of payroll provider and outsourcing work
- reduction to Pension Service's target times for processing work

A copy of the current strategy with the proposed amendments is shown in Appendix 1. The key changes are described in more detail below.

4. Administration charges

4.1. The costs of pensions administration are charged to the Pension Fund and then shared equally across all employers when the Fund Actuary sets employer contribution rates.

4.2. An increasing number of employers are making structural changes which have pension implications and this puts pressure on the existing administration resource. Examples of this include conversion to academy status, outsourcing and the creation of wholly owned companies. Employers are charged for the actuarial and legal costs associated with these decisions but no charge is made for the additional administration carried out by Pensions Services.

4.3. It is proposed that the Administration Strategy allows for the administration costs of these decisions to be recharged to employers. To reduce the overhead, a set of flat rate charges will be established on the basis of estimated staff time depending on the complexity of the work. Employers will be notified of the relevant charge before any work is undertaken.

4.4. This change is made in paragraph 8.3 of the proposed revised Administration Strategy in Appendix 1.

5. Notification of leavers

5.1. Under the 2013 regulations, the definition of pensionable pay for CARE was expanded to include overtime. As many overtime claims are not paid until the month after an employee has left, employers have been finding it difficult to

provide final pay information to Pensions within the timescales set out in the strategy. This has become evident through the regular monitoring of employer performance which was introduced in 2015.

5.2. Employers have also fed back to Pensions that often they do not know a casual employee has left until the person is contacted for work and found to be unavailable. This means that leaver forms for casuals are often sent in months after the actual leaving date (which for pension purposes is the last date they worked).

5.3. The proposed changes to the strategy are:

- splitting out the employer service standards required for reporting retirements and other leavers
- changing the standard for non retiree leavers to measure from the last month in which the employee was paid
- changing the standard for casuals so that employer performance is measured from when the employer knew that the casual had left the scheme.

5.4. Pensions have informally discussed with employers whether changing the requirement for 20 days notice of a retirement would be beneficial, and whether this could be achieved without impacting on Pensions Services' aim of paying lump sums within 10 working days of retirement. The feedback to date has been that it would not be beneficial to change this standard. It is therefore currently proposed to keep the existing standard for retirements, but to ask for further feedback on this area in the consultation.

5.5. These proposed changes to employer service standards are shown on page 7 of the proposed revised Administration Strategy in Appendix 1.

6. Requirement for data cleansing

6.1. Employers have to submit an annual return by 30 April giving details of all employees who contributed to the scheme during the year. This data is used to produce annual benefit statements and provides a check that employers have notified Pensions of all changes during the year.

6.2. Employers are measured against the timeliness and quality of the data on this return. It is proposed that where significant data quality issues are identified then those employers will be asked to carry out a mid year data cleanse (based on a review of data as at the end of September) to help improve the quality of their data for the following year end annual return exercise.

6.3. As part of the data cleanse impacted Employers will be required to make a declaration by 31st December each year that either:

- they have fulfilled all of their requirements to notify the fund of changes in relation to starters and leavers and that they are up to date, or
- to advise of the steps that they will take to ensure their data, including notifying new starters and leavers, will be up to date at year end.

- 6.4. Pensions Services will however be able to ask an Employer to undertake a data cleanse at any other time if there is clear evidence of poor data quality and /or a backlog in notifications of starters and leavers.
- 6.5. Employers will be provided with details of the data cleanse requirement as part of the annual returns process. By having the detail outside of the strategy itself, the process can be refined following feedback from the first data cleanse exercises in early 2018.
- 6.6. The change is made in paragraphs 7.3 and 7.4 of the proposed revised Administration Strategy in Appendix 1.

7. New service standards for changes of payroll provider and outsourcing

- 7.1. The strategy has been updated to include employer service standards for change of payroll providers and for outsourcing. This is necessary because of the number of employers who now undertake these exercises and will provide clarity about the information and timescales that are required.
- 7.2. These new service standards have been added to the Employer responsibilities table on pages 8 and 9 of the proposed revised Administration Strategy in Appendix 1.

8. Reduction in processing times for Pensions Services

- 8.1. Pensions have now been using the current pensions administration software for over two years and the system has driven process improvements. The current service standards are based on statutory requirements but Pensions are always exceeding these. It is therefore proposed to reduce the current published standard of 20 working days for processing retirements and estimates to 15 working days.
- 8.2. These new service standards have been added to the HPF responsibilities table on pages 11 and 12 of the proposed revised Administration Strategy in Appendix 1.

9. Consultation process

- 9.1. The proposed changes to the Administration Strategy have been formulated following informal feedback and discussions with employers. It is proposed that the draft revisions will be shared with all employers, via their high level and payroll contacts, allowing a four week period for responses to be submitted.
- 9.2. Once the responses have been collated and assessed, a final version of the updated strategy will be shared with the Panel and Board for approval at the December meeting.

10. Recommendation(s)

- 10.1. It is recommended that the Panel and Board:
 - i) approve, for consultation, the proposed changes to the Administration Strategy
 - ii) agree the plan for employer consultation

CORPORATE OR LEGAL INFORMATION:**Links to the Strategic Plan**

Hampshire maintains strong and sustainable economic growth and prosperity:	no
People in Hampshire live safe, healthy and independent lives:	no
People in Hampshire enjoy a rich and diverse environment:	no
People in Hampshire enjoy being part of strong, inclusive communities:	no
OR	
This proposal does not link to the Strategic Plan but, nevertheless, requires a decision because: 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.)

DocumentLocation

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:

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

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

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

1.1. Equalities Impact Assessment:

1.2. 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?

3.3. No specific impact.



1	Introduction	1
2	Pension Administration Strategy	1
3	Roles and responsibilities	2
4	The Regulations – effect on strategy	2
5	Definitions.....	2
6	Communication	3
7	Performance measurement and reporting	3
8	Costs.....	4
9	Penalties	4
10	Hampshire Pension Fund contacts.....	5
	Appendix A - Employer Responsibilities	6
	Appendix B - HPF Responsibilities	9
	Appendix C – Administering Authority discretions.....	14

Hampshire Pension Fund Administration Strategy

I Introduction

- 1.1 Hampshire County Council is the administering authority for the Local Government Pension Scheme (LGPS) on behalf of the employers participating in the LGPS through the Hampshire Pension Fund (HPF). The LGPS is governed by statutory regulations.
- 1.2 HPF provides a high quality pension service to members and employers, to ensure members receive their correct pension benefits. This is best achieved where HPF and the employers are clear about their roles and responsibilities and work in partnership.
- 1.3 This strategy statement:
 - sets out the roles and responsibilities of HPF and the employers
 - specifies the level of services HPF and the employers will provide to each other
 - explains the performance measures used to evaluate them
 - is an agreement between HPF and the employers

2 Pension Administration Strategy

- 2.1 This strategy is an agreement between the Hampshire Pension Fund and all participating bodies. All parties commit to the following principles:
 - provide a high quality and low cost pension service to members
 - continually develop efficient working arrangements
 - meet HPF's service standards
 - an annual report of performance
 - take responsibility to provide accurate and timely information
 - keep the pension administration strategy under review and revise where appropriate.
- 2.2 This strategy statement was produced by HPF in consultation with the employers and is effective from 16 December 2017 . It is hereby agreed that each of the parties as defined in this agreement and the scheme regulations, shall abide by the requirements of this agreement.
 - HPF shall monitor the requirements of this agreement and report its findings to the Hampshire Pension Fund Panel and Board.
 - Changes are subject to consultation with the employers. Variations must be agreed with HPF and confirmed in writing.
- 2.3 Please keep a copy of this strategy for your records. The original will be held at the offices of the Hampshire Pension Fund and will be made available to any scheme member, past or present, wishing to have sight of the document.

3 Roles and responsibilities

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

4 The Regulations – effect on strategy

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

5 Definitions

- 5.1 For the purpose of this Administration Agreement:
 - “**Administering Authority**”, ‘Hampshire Pension Fund (HPF) and the Fund means Hampshire County Council;
 - “**Employing authority**” or “**employer**” means an employer within the Hampshire Pension Fund; and
 - “**Scheme**” means the Local Government Pension Scheme, and
 - “**The Panel**” means the Hampshire Pension Fund Panel and Board’

6 Communication

- 6.1 The HPF Communications Policy Statement outlines how the Fund communicates with all stakeholders, including employers.
- 6.2 HPF routinely provides information and resources for employers using
 - its website, www.hants.gov.uk/pensions with an employers' section
 - an electronic newsletter called Pension Matters
 - an employer manual and other guides available on the HPF website.
- 6.3 HPF will make available to the employer an up to date list of LGPS publications which will be available from the HPF website or as otherwise indicated.
- 6.4 HPF will communicate to the employer on an ad hoc basis and as required in respect of matters relating to the LGPS.
- 6.5 HPF will ensure that sufficient information is issued in the form of newsletters, booklets and other materials to satisfy the requirements of The Occupational, Personal and Stakeholder Pension Schemes (Disclosure of Information) (Amendment) Regulations 2013.
- 6.6 HPF will notify the employer of changes to administrative procedures that may arise as a result of changes in pension scheme regulations and update standard documentation on the HPF website.
- 6.7 HPF will issue electronic forms, newsletters, booklets and such other materials as are necessary in the administration of the LGPS, for members and the employers.
- 6.8 Employers should provide contact details at least annually, and whenever a named contact changes, on the Employer Contacts and Authorisation form.
- 6.9 Employers may provide information about members to HPF in a variety of ways, including electronic and paper forms or directly updating electronic pension records. Forms used must be up to date, and are available on the HPF website. Employers who update electronic pension records directly are fully supported via initial and refresher training and day to day support.

7 Performance measurement and reporting

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

8 Costs

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

9 Penalties

- 9.1 Commitment to the principles of this statement (see 2.1) should mean that any non-compliance is addressed promptly, with no need to resort to a penalty. However, the following actions are possible:
 - Where payment over of contributions is late more than once in any 12 month period, HPF will issue the employer with a written notice of unsatisfactory performance and may charge interest on the late payment at a daily rate equal to the Bank of England's base rate plus 1%
 - Persistent failure to comply with contributions payment requirements will result in HPF informing The Pensions Regulator as required of Scheme Administrators by the Pensions Act 2004.
 - Where the employer fails to comply with their scheme duties, including failure to pay contributions due, HPF reserves the right to notify the member(s) involved and to notify all members employed by the employer in the event of serious or persistent failure.
 - If additional and disproportionate resources are deployed by HPF because of an employer's poor performance, the cost of the additional resources may be re-charged to the employer according to powers available under scheme regulations. Written notice will be given of the reasons for the re-charge, how the cost was calculated, and the part of this statement which, in HPF's opinion, was contravened.
 - Where orders or instructions issued by The Pensions Regulator, the Pensions Ombudsman or other regulatory body require financial compensation or a fine to be paid by HPF, or by

any officer responsible for it, and it is due to the default, omission or otherwise negligent act of the employer, the sum concerned will be recharged to the employer.

- Where, as a result of the employer's failure to notify HPF of the final retirement details in a timely manner, payment of any retirement lump sum is not made within 30 days from the date of the member's retirement, HPF may issue the employer with a written notice of unsatisfactory performance and may charge the employer for the interest payment made.
- Where it is proven that the employer is not responsible for any fine or penalty imposed by The Pensions Regulator or any other statutory body as a result of non-compliance of this Service Level Agreement, any such charge will automatically default to HPF.
- From time to time, HPF offer training and support to employers through 'Employer Days' and workshops. There is no charge made to an employer for attending this event, however HPF reserves the right to charge a late cancellation fee of £100 + VAT, where at least one week's notice has not been given of non attendance.

10 Hampshire Pension Fund contacts

Member and general employer queries
Pensions customer support team 01962 845588 pensions@hants.gov.uk Website www.hants.gov.uk/finance/pensions
Technical employer queries
Employer services team servdev.pensions@hants.gov.uk
End of year and associated matters
Employer services team pensions.eoy@hants.gov.uk

Appendix A - Employer Responsibilities

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

Employer responsibility	Timescale
Decide who is eligible to become a member of the LGPS and the date from which membership of the LGPS starts). Notify HPF of the new member details and provide employee with details of the pension scheme.	Within 10 working days following the end of the month in which the employee joined the LGPS.
Determine the rate of employee contributions to be deducted from the employee's pensionable pay and, where the employee holds more than one post, the rate that should be applied to each post. This should be reviewed at least annually or more often where employer policy states	For the first pay period in which the employee joins the LGPS
Move employees into the 50:50 section Provide an amendment form to advise of change to/from 50:50 section	From the next pay period after receiving the employee's request Within 10 working days following the change
Collect and pay to the HPF the deduction of, the correct rate of pension contributions payable by the employee and the employer, including any additional employee contributions of any kind.	Payment over to HPF by 19 th of the month following deduction (22 nd if electronic)
Complete monthly remittance form containing detail of the contributions payment.	Send to Pensions Services with payment of contributions every month
Collect and pay over AVC contributions to the specified AVC provider in accordance with statutory timescales Notify HPF of a member's election to pay, vary or cease AVCs.	Payment over to AVC provider by 19 th of the month following deduction (22 nd if electronic)
Refund contributions through the payroll to any employee who opts out of the scheme with less than 3 months membership. Notify HPF of opt out and refund through payroll by providing a copy of the opt out form	From the next pay period after receiving the employee's request to opt out Within 10 working days following the end of the month in which the employee left the scheme

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

Employer responsibility	Timescale
Notify HPF of a member's death and next of kin's details.	Within five working days of the member's death.
Supply details required for completion of an estimate.	Within 10 working days of the member's request
Distribute annual benefit statements and any other notifications to active members as requested by HPF.	Within 20 working days of receipt
<p>Notify HPF of any TUPE transfer.</p> <p>Complete TUPE forms for each member transferring.</p>	<p>Notify HPF of the transfer as soon as possible in advance of the transfer date.</p> <p>Part A of the TUPE form completed within 10 working days following the end of the month in which the transfer took place.</p>
<p>Notify HPF of any outsourcing arrangements which impact on employees eligible to the LGPS</p> <p>Where an admission agreement is required, the Scheme employer should complete an 'Outsourcing data capture' form, transferring 'staff data capture' form and 'Undertaking of costs' form</p> <p>Ensure admission agreement is finalised</p> <p>Provide individual TUPE forms for transferring staff to HPF</p>	<p>As soon as possible but no later than 20 working days before change</p> <p>As soon as possible but no later than 20 working days before change</p> <p>No later than date of transfer</p> <p>Part A of the TUPE form completed within 10 working days following the end of the month in which the transfer took place</p>

Employer responsibility	Timescale
Notify HPF of a change of payroll provider by completing a 'Employer Change of payroll provider' form	As soon as possible but no later than 20 working days before change
Submit individual 'Change of payroll provider' forms to HPF for all transferring employees	Within 20 working days post transfer
Provide notification of new payroll numbers (if applicable) to HPF	Within 20 working days post transfer

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Appendix B - HPF Responsibilities

The overriding responsibility of HPF is to maintain the Hampshire Pension Fund in accordance with the regulations.

HPF will provide the following within the timescales shown. A reduced timescale may be agreed in exceptional cases at an employer's request.

HPF responsibility	Timescales
Invest pension contributions and account for and manage the Pension Fund's assets.	Daily.
Allocate all contributions submitted by the employer to their respective income codes and reconcile the total contributions paid on a yearly basis.	Annually.
Appoint Additional Voluntary Contributions provider(s).	As required.
Appoint an actuary for the purposes of the triennial valuation of the Fund and to provide periodical actuarial advice when required.	As required, in line with procurement provisions.
Provide accurate, timely data to the Fund actuary.	As required.
Correspond with and commission any information required of the Fund Actuary on behalf of the employer.	As required.
Arrange for the triennial valuation of the Pension Fund and provide the employer with a copy of the valuation report and the annual report and statement of accounts.	Every three years.
Arrange for the annual accounting report to be provided to all employers requiring such a report.	Annually.
Publish and review the Pension Fund's Policies and Funding Strategy Statement, and prepare annual report and accounts.	Annual review and publication.
<p>Notify the employers of any significant changes to:</p> <ul style="list-style-type: none"> • Regulations that might affect members in their employ; • policies made by the administering authority under the Regulations; or • procedures adopted by it in accordance with this strategy. <p>Advice will be given to the employers in respect of matters arising from the interpretation and implementation of the Regulations.</p>	As required.
Maintain a complaints procedure including the appointment of a specified person to act as a local referee at Stage 2 of the dispute process.	As required.

HPF responsibility	Timescales
Write, publish and maintain a policy on areas of the regulations in which employers can exercise their discretion.	In accordance with regulations and then regular review. Notify employers and members of any changes to those policies within 30 working days of the changes taking effect.
Answer enquiries made by members	Within 5 working days or sooner where possible Where an enquiry will take longer than 5 days to resolve, HPF will notify the member and keep the member updated.
Set up a record for each new member and issue a statutory notification.	Within 20 working days from when notified of their membership.
Issue annual benefit statements on member self service to active members or via their employer where written notification is received to opt out of member self service	By 31 August after relevant annual return information from the employer is received and uploaded
Provide an estimate of pension benefits on request from the employer, and details of any capital costs to be paid by them.	Within 15 working days of receipt of all relevant information
Amend a member's record.	Within 20 working days from when the change was notified.
Calculate benefits due when a member leaves employment and send details to the member.	Within 20 working days for retirements, or within 40 working days for deferred benefits, on receipt of all information needed to make the final calculation
Send a benefit statement to all deferred members showing the accrued benefits to the date of leaving and the other options available to them in accordance with the Regulations.	Annually by 31 August

HPF responsibility	Timescales
Pay retirement lump sums.	Within 10 days of the retirement date or of receipt of all information from the employer and member if later.
Provide details of the final capital costs to be paid by the employer into the Pension Fund.	Within 10 working days of completing the calculation.
Calculate and process transfers of members' pension rights inwards and outwards.	Within 15 working days of receipt of all information
Acknowledge in writing the death of a member.	Within 5 working days of being notified of the death.
Supply survivor beneficiaries with notification of their entitlements including the method of calculation.	Within 15 working days of all the information being received.
Pay any death grant due and set up dependant on pensioner payroll.	Within 10 working days of completing the calculation of entitlement
Apply pensions increases annually to the relevant pensions in payment and deferred pensions retained in the Fund in accordance with the Pensions Increase (Review) Order issued by the Government.	Annually

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Appendix C – Administering Authority discretions and delegated authority for approval

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

	Discretion	Regulation	Policy	Delegated authority for approval
1.	Whether to agree to an admission agreement with a Care Trust, NHS Scheme employing authority, Care Quality Commission or any other body applying to be an admission body	R4(2)(b), R5(5) & RSch 2, Part 3, para 1	HPF will enter into an admission agreement where the requirements that it has set down and issued to prospective bodies are met.	Team Manager – Service Development
2.	Whether to terminate a transferee admission agreement in the event of: <ul style="list-style-type: none"> - Insolvency, winding up or liquidation of the body - Breach by that body of its obligations under the admission agreement - Failure by that body to pay over sums due to the Fund within a reasonable period of being requested to do so 	RSch 2, Part 3, para 9(d)	HPF will decide any case on its merits.	Director of Corporate Resources
3.	Define what is meant by 'employed in connection with'	RSch 2, Part 3, para12(a)	HPF admission agreements specify this as the employee spending at least 50% of his time employed by the admission body carrying out duties relevant to the provision of the services.	N/A
4.	Whether to turn down a request to pay an APC/SCAPC over a period of time where it would be impractical to allow such a request (e.g. where the sum being paid is very small and could be paid as a single payment)	R16(1)	HPF has not set a minimum payment threshold.	N/A
5.	Whether to require a satisfactory medical before agreeing to an application to pay an APC / SCAPC	R16(10)	HPF does not require those applying to take out an APC to pass a medical.	N/A
6.	Whether to turn down an application to pay an APC / SCAPC if not satisfied that the member is in reasonably good health.	R16(10)	HPF will turn down an application if there are sound reasons to believe the applicant is not in good health	Head of Pensions

	Discretion	Regulation	Policy	Delegated authority for approval
7.	Whether to charge member for provision of an estimate of additional pension that would be provided by the Scheme in return for transfer in of in house AVC /SCAVC funds (where AVC / SCAVC arrangement was entered into before 1 / 4/ 14)	TP15(1)d & A28(2)	HPF charges for estimates in accordance with its estimates policy.	N/A
8.	Decide to whom any AVC/SCAVC monies (including life assurance monies) are to be paid on death of the member	R17(12)	HPF will decide each case on its merits, after assessing all potential beneficiaries, but will take into account the member's valid expression of wish form.	Team Manager - Operations
9.	Pension account may be kept in such form as considered appropriate	R22(3)(c)	HPF will decide the form in which pension accounts are kept based on any published guidance, best practice and in an efficient manner.	N/A
10.	Decide, in the absence of an election from the member within 12 months of ceasing a concurrent employment, which ongoing employment benefits from the concurrent employment which has ceased should be aggregated (where there is more than one ongoing employment)	TP10(9)	HPF will aggregate with the earliest remaining employment.	N/A
11.	If an Employer has become defunct, the administering authority is required to make decisions on ill health and early payment of benefits. Including whether to waive, in whole or in part, actuarial reduction on benefits paid on flexible retirement or on benefits which a member voluntarily draws before normal pension age.	R30(8) TP12(6) R38(3) R38(6) B30(2) B30(5) B30A(3) B30A(5) B31(4) B31(7)	HPF will exercise this discretion in accordance with, and to the extent of (if any) the policy and practice of the former employer. If no policy exists, HPF will not waive any reduction. HPF will assess ill health retirement decisions, including the use of 2008 certificates, on a case by case basis.	Head of Pensions

	Discretion	Regulation	Policy	Delegated authority for approval
12.	Whether to require any strain on Fund costs to be paid 'up front' by employing authority following payment of benefits under: flexible retirement; redundancy / business efficiency; the waiver (in whole or in part) of any actuarial reduction that would have otherwise been applied to benefits which a member voluntarily draws before normal pension age; release of benefits before age 60.	R68(2) TPSch 2, para 2(3) L80(5) B30 or B30A	HPF requires employers to make upfront payment of strain charges following any decision to allow early payment of benefits (other than ill health).	N/A
13.	Whether to extend the time limits within which a member must give notice of the wish to draw benefits before normal pension age or upon flexible retirement.	R32(7)	No extension will be granted, unless appropriate to the individual circumstances of a case.	Head of Pensions
14.	Decide whether to commute small pension	R34(1) B39 T14(3) L49 & L156	HPF will not allow commutation of small pension pots.	N/A
15.	Approve medical advisors used by employers (for ill health benefits)	R36(3) L97(10)	HPF requires employers to provide details of medical advisors used for assessing entitlement to ill health benefits and will liaise with any employer who is using a medical advisor of which HPF does not approve.	Head of Pensions
16.	Decide to whom death grant is paid	TP17(5) to (8) R40(2) R43(2) R46(2) B23(2) & B32(2) B35(2) TSch1 L155(4) L38(1) L155(4) E8	HPF will decide each case on its merits, after assessing all potential beneficiaries, but will take into account the member's valid expression of wish form.	Team Manager - Operations

	Discretion	Regulation	Policy	Delegated authority for approval
17.	Decide, in the absence of an election from the member, which benefit is to be paid where the member would be entitled to a benefit under 2 or more regulations in respect of the same period of Scheme membership	R49(1)(c) B42(1)(c)	HPF will choose the benefit entitlement that yields the highest level of benefits for the member.	Team Manager - Operations
18.	Whether to set up a separate admission agreement fund	R54(1)	HPF has decided not to set up a separate admission agreement fund.	Director of Corporate Resources
19.	Maintain a governance policy which contains the information set out in the regulations	R55	HPF has a written governance policy which contains the required information and is regularly reviewed.	Pension Fund Panel and Board
20.	Decide on Funding Strategy for inclusion in funding strategy statement	R58	HPF has a funding strategy which is included in the funding strategy statement.	Pension Fund Panel and Board
21.	Whether to have a written pensions administration strategy and if so, the matters it should include	R59(1) and (2)	HPF has a written pensions administration strategy.	Pension Fund Panel and Board
22.	Maintain a communication policy which contains the information set out in the regulations	R61	HPF has a written communication policy which contains the required information and is regularly reviewed.	Pension Fund Panel and Board
23.	Whether to obtain revision of employer's contribution rate if there are circumstances which make it likely a Scheme employer will become an exiting employer	R64(4)	HPF will decide each case on its merits, with advice from the Fund Actuary.	Director of Corporate Resources
24.	Decide whether to obtain a new rates and adjustments certificate if the Secretary of State amends the Benefits Regulations as part of the 'cost sharing' under R63	R65	HPF will make this decision as it arises, with advice from the Fund Actuary.	Director of Corporate Resources
25.	Decide the frequency of payments to be made over to the Fund by employers and whether to make an admin charge	R69(1) L81(1) L12(5)	Employer contribution payments are due monthly by 19 th of the month (22 nd if electronic) following deduction. Administration costs are taken into account by the actuary when setting employer contribution rates.	Head of Pensions

	Discretion	Regulation	Policy	Delegated authority for approval
26.	Decide the form and frequency of information to accompany payments to the Fund	R69(4) L81(5)	Employers are required to complete a monthly remittance form with their payment showing a breakdown of contributions.	Team Manager - Finance
27.	Whether to issue employer with notice to recover additional costs incurred as a result of the employer's level of performance	R70 and TP22(2)	HPF will work with employers to improve performance but if additional and disproportionate resources are deployed by HPF because of an employer's poor performance, the cost of the additional resources may be re-charged.	Head of Pensions
28.	Whether to charge interest on payments by employers which are overdue	R71(1) L82(1)	HPF will charge interest on payments which are more than one month overdue.	Head of Pensions
29.	Decide whether to extend six month period to lodge a stage one IDRPs to be heard by the administering authority	R74(4)	HPF will not extend the 6 month period, unless the circumstances of the individual case warrant an extension.	Head of Pensions
30.	Decide procedure to be followed when exercising its IDRPs functions and decide the manner in which those functions are to be exercised	R74(6) R76(4) L99	HPF has a documented and compliant IDRPs process.	N/A
31.	Whether admin authority should appeal against employer decision (or lack of a decision)	R79(2) L105(1)	HPF would take the decision to appeal based on the merits of the individual case.	Head of Pensions
32.	Specify information to be supplied by employers to enable admin. authority to discharge its functions	R80(1)(b) & TP22(1)	HPF provides employers with full guidance as to the information they must supply.	N/A
33.	Whether to pay death grant due to personal representatives or anyone appearing to be beneficially entitled to the estate without need for grant of probate / letters of administration where payment is less than amount specified in the Administration of Estates (Small Payments) Act 1965.	R82(2) A52(2) L95	HPF will pay death grants that are under the amount specified in the Administration of Estates (Small Payments) Act 1965 without the need for grant of probate / letters of administration.	N/A

	Discretion	Regulation	Policy	Delegated authority for approval
34.	Whether, where a person (other than an eligible child) is incapable of managing their affairs, to pay the whole or part of that person's pension benefits to another person for their benefit.	R83 A52A	HPF will decide who should receive payment of benefits, based on the circumstances of the individual case.	Head of Pensions
35.	Date to which benefits shown on annual benefit statement are calculated.	R89(5) L106A(5)	HPF uses 31 March, but will revise this if regulatory requirements, administrative efficiency or best practice demand it.	N/A
36.	Extend normal time limit for acceptance of a transfer value beyond 12 months from joining the LGPS.	R100(68)	HPF will not extend the 12 month limit, except if warranted by the individual circumstances of the case.	Head of Pensions
37.	Allow transfer of pension rights into the Fund.	R100(7)	HPF will allow transfers into the Fund.	N/A
38.	Where member to whom B10 applies (use of average of 3 years pay for final pay purposes) dies before making an election, whether to make that election on behalf of the deceased member. Make election on behalf of deceased member with a certificate of protection of pension benefits i.e. determine best pay figure to use in the benefit calculations (pay cuts / restrictions occurring pre 1.4.08.).	TP3(6), TP4(6)(c), TP8(4), TP10(2)(a), TP17(2)(b) TSch 1 L23(9) B10(2)	HPF will choose the pay figure that would yield the highest overall level of benefits for beneficiaries.	Team Manager - Operations
39.	Decide to treat child as being in continuous education or vocational training despite a break.	RSch 1 & TP17(9) B39 T14(3)	HPF will treat a child as being in continuous education or vocational training despite a break.	N/A
40.	Decide evidence required to determine financial dependence of cohabiting partner on scheme member or financial interdependence of cohabiting partner and scheme member.	RSch 1 & TP17(9)(b) B25	HPF will decide the evidence required to determine financial dependence, based on guidance and best practice. For most cases, utility bills, bank statements or mortgage documentation in joint names will be accepted.	Team Manager - Operations

	Discretion	Regulation	Policy	Delegated authority for approval
41.	Decide policy on abatement of pensions following re-employment, including the pre April 14 element for post 14 leavers.	TP3(13) & A70(1)* & A71(4)(c) T12 L109 L110(4)b	HPF will not abate pension for any re-employment starting after 1 April 2014. Pensions already abated at this date will continue to be abated until the re-employment ends.	N/A
42.	Extend time period for capitalisation of added years contract	TP15(1)(c) & TSch1 & L83(5)	HPF will not extend the time limit for applications to pay off added years contracts.	N/A
43.	Outstanding employee contributions can be recovered as a simple debt or by deduction from benefits	A45(3) L89(3)	HPF will usually recover as a deduction from benefits.	Team Manager - Operations
44.	Whether to pay the whole or part of a child's pension to another person for the benefit of that child.	B27(5) L47(2) G11(2)	All pensions due to children under 16 will be paid to another person for the benefit of the child. After age 16, HPF will normally pay to the child, unless the circumstances of the individual case mean that the payments should continue to be made to another person.	N/A
45.	Extend normal 12 month period following end of relevant reserve forces leave for "Cancelling notice" to be submitted by a councillor member requesting that the service should not be treated as relevant reserve forces service.	L17(4),(7),(8) , & L89(4) & Sch 1	HPF will not extend the 12 month period.	N/A
46.	Select appropriate final pay period for deceased non-councillor member (leavers post 31.3.98. / pre 1.4.08.).	L22(7)	HPF will choose the appropriate pay period that would yield the highest overall level of benefits for beneficiaries.	Team Manager - Operations
47.	Apportionment of children's pension amongst eligible children (children of councillor members and children of post 31.3.98 / pre 1.4.08. leavers).	L47(1) G11(1)	HPF will apportion children's pension equally amongst eligible children.	N/A
48.	Commute benefits due to exceptional ill-health (councillor members, pre 1.4.08. leavers and pre 1.4.08. Pension Credit members).	L50 and L157	HPF will commute benefits due to exceptional ill health, provided regulatory conditions are met.	N/A

	Discretion	Regulation	Policy	Delegated authority for approval
49.	Whether acceptance of AVC election is subject to a minimum payment (councillors only).	L60(5)	HPF does not set a minimum payment threshold for AVCs	N/A
50.	Timing of pension increase payments by employers to fund (pre 1.4.08. leavers).	L91(6)	Employer payments are paid monthly on account, with an annual balancing charge after the year end.	N/A
51.	Retention of CEP where member transfers out (councillors and pre 1.4.08. leavers).	L118	CEP will be paid with transfers out rather than being retained in the Fund.	N/A
52.	Discharge Pension Credit liability (in respect of Pension Sharing Orders for councillors and pre 1.4.08. Pension Sharing Orders for non-councillor members).	L147	HPF will discharge its liability by conferring pension credit rights on the person entitled to the pension credit.	N/A
53.	Whether to pay spouse's pensions for life for pre 1.4.98 retirees / pre 1.4.98 deferreds who die on or after 1.4.98. (rather than ceasing during any period of remarriage or co-habitation).	F7	HPF will pay spouse's LGPS pensions for life.	N/A
54.	Agree to pay annual compensation on behalf of employer and recharge payments to employer.	DC31(2)	HPF will pay compensation on behalf of an employer, subject to acceptable recharge arrangements.	Head of Pensions

Key to regulations:

Prefix	Regulation
R	Local Government Pension Scheme Regulations 2013
TP	Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014
A	Local Government Pension Scheme (Administration) Regulations 2008
B	Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007
T	Local Government Pension Scheme (Transitional Provisions) Regulations 2008
L	Local Government Pension Scheme Regulations 1997 (as amended)
None	Local Government Pension Scheme Regulations 1995
DC	Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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