

Hampshire Pension Fund Panel and Board – Member’s commitment

Background

The Hampshire Pension Fund is responsible for the provision of pensions to local government and public sector workers in Hampshire (including Portsmouth and Southampton). There are currently 349 employers in the Fund; including the district and city councils in Hampshire plus employers that were once part of local government such as academy schools, universities, housing associations and charities.

There are over 201,000 scheme members in the Fund, including nearly 53,000 in receipt of pensions.

The Pension Fund is responsible for investing the pension contributions it receives from scheme members and employers to pay pensions in the future. At the Fund’s last year end – 31 March 2023, the value of the Fund’s investments was £9.0bn, making Hampshire the 9th largest Local Government Pension Fund and the 49th largest defined benefit fund, including public and private funds, in the UK¹.

Panel and Board responsibilities

Hampshire is one of the only two of 89 English and Welsh Local Government Pension Funds to have been granted permission by Government to have a joint Panel and Board.

In its role as the Pension Fund Panel for the Hampshire Pension Fund the Pension Fund Panel and Board is responsible for the County Council’s statutory functions as Administering Authority of the Hampshire Pension Fund under the Local Government Pension Scheme Regulations and associated legislation under sections 7, 12 and 24 of the Superannuation Act 1972. This includes dealing with all matters arising that relate to the Hampshire Pension Fund, including a fiduciary duty for the management and investment of the Fund.

In its role as the Pension Board for the Hampshire Pension Fund it is responsible for assisting Hampshire County Council, as the administering authority of the Hampshire Pension Fund, to secure compliance with the Local Government Pension Scheme Regulations 2013 and any other legislation relating to the governance and administration of the Local Government Pension Scheme (‘LGPS), for securing compliance with requirements imposed in relation to the LGPS by the Pensions Regulator and for ensuring the effective and efficient governance and administration of the Hampshire Pension Fund.

The committee meeting requirements are:

- Four meetings a year
- Two Responsible Investment Sub-Committee meetings per year (4 Hampshire County Council Members plus 2 of the co-opted scheme member and employer representatives by annual rotation)
- One annual meeting of the Pension Fund’s employers

¹ Source: Investments and Pensions Europe, ranking by assets 31/03/2022

- Seven 2-hour on-line briefings from the Pension Fund’s investment managers per year

Training requirement

As a Pension Board in accordance with the Act²;

‘every individual who is a member of a Local Pension Board must:

- *be conversant with:*
 - *the rules of the LGPS, in other words the Regulations and other regulations governing the LGPS (including the Transitional Regulations, earlier regulations and the Investment Regulations); and*
 - *any document recording policy about the administration of the Fund which is for the time being adopted in relation to the Fund, and*
- *have knowledge and understanding of:*
 - *the law relating to pensions; and*
 - *such other matters as may be prescribed.*

A Local Pension Board member should be aware that their legal responsibilities begin from the date they take up their role on the Board and so should immediately start to familiarise themselves with the documents as referred to above and the law relating to pensions. In accordance with section 248A, the knowledge and understanding requirement applies to every individual member of a Local Pension Board rather than to the members of a Local Pension Board as a collective group.’

The training, knowledge and skills requirements are currently stricter for Pension Board’s rather than Pension Committees however the Government is currently consulting³ on increasing the requirements for Pension Committees.

‘Pensions expertise is an important criterion for decision making, and there are some factors which may make it harder to acquire that expertise under current structures. Firstly, pensions committees generally have high levels of turnover. Second, members of such committees are not required to complete training and may have no specific expertise in pensions. The outcome of these factors is that expertise may be lower than an equivalent panel of trustees for a private sector scheme, with higher reliance on advisors. Some targeted requirements, specifically on training, would help administering authorities to manage these issues.

We propose that each administering authority sets a training policy for committee members. We propose that the administering authority should report regularly on the training undertaken by committee members and whether this is in line with their training policy’.

Hampshire already produces a training policy for Panel and Board members, based on CIPFA’s Pensions Knowledge and Skills Assessment and reports on the training undertaken each year in the Pension Fund’s Annual Report.

² Section 248a 2004 Pensions Act

³ Local Government Pension Scheme (England and Wales): Next steps on investments Published 11 July 2023

In general Panel and Board members are expected to participate in the following training:

- internal training provided by officers and external specialists – around 5 hours,
- LGPS online training modules that the committee committed to complete in a year (recorded as internal) – around 12 hours,
- externally provided online and in-person training and seminars that Members can attend independently.

The Panel and Board's training records for 2022/23 as published in the Pension Fund's Annual Report is included in Appendix 1.

Payments to Members

Special responsibility allowances are currently paid to the Chairman and the Vice-Chairman of the Pension Fund Panel and Board (PFPB) – these costs are met by the Pension Fund, as would any further/future allowances paid to committee members.

It should also be noted that the PFPB also has five named substitute councillor members (substitute members are encouraged to attend all meetings and undertake the same level of training and have voting rights in the absence of a PFPB councillor member from the meeting).

In addition, the PFPB has eight co-opted members: four Scheme representatives (one of which is a substitute member) and four Employer representatives (one of which is also a substitute member).

The Scheme representatives are not elected Members and receive an allowance under HCC's Members' Allowances Scheme in respect of Co-opted members of the public.

Three of the Employer representatives are elected Members at other Councils in Hampshire and will be in receipt of an allowance from their respective authorities. The fourth Employer Representative is the 'Other Employer Representative' who has historically been a senior officer from an employer within the Hampshire Pension Fund, who is attending as part of their 'day job', so an allowance has not been payable on that basis.

Hampshire is a member of the ACCESS pool for investment pooling with 10 other Local Government Pension Funds in the south and east of England. Nine of the 10 other funds have responded to confirm that they do not pay specific additional allowances to their pension committee members. The majority have confirmed that they do pay special responsibility allowances to the chairs of their committees, or they are already in receipt of an allowance for another role in the council.

Appendix 1 – Pension Fund Panel and Board 2022/23 Attendance and Training record

Panel and Board member	Pension Fund Panel and Board (meetings)	Responsible Investment Sub-Committee (meetings)	Training sessions	
			Internal (hours)	External (hours)
Cllr Kemp-Gee	¾	2/2	14	19
Cllr Thacker	4/4	1/2	5	10
Cllr Crawford	¾		14	46
Cllr Davies	2/2		13	0
Cllr Glen	4/4		15	9
Cllr Cooper	1/1		3	0
Cllr Hiscock	¾	2/2	15	8
Cllr Joy	¾		14	3
Cllr Smyth	4/4	2/2	5	28
Cllr Mellor	3/3		13	2
Cllr Mocatta	4/4		5	12
Cllr P Taylor	¾		3	0
Dr Liz Bartle	2/2		1	0
Dr Cliff Allen	4/4	2/2	11	18
Lindsay Gowland	4/4		6	9
Neil Wood	4/4		14	7
Fiona Hnatow	1/1		0	0
Sarah Manchester (Substitute)	0/2		0	0
Phillip Reynolds (Substitute)	2/2		6	12
Cllr Steve Leggett (Substitute)	¼		5	12
Cllr Keith House (Substitute)	0/1		0	0
Cllr Drew (Substitute)	0/4		9	7
Cllr K Taylor (Substitute)	0/4		1	6
Cllr Tustain (Substitute)	0/4		1	4