

REPORT OF THE  
Director of Corporate Operations  
PART I

**1. Local Government Pension Scheme (LGPS) investment pooling**

- 1.1. This report concerns changes to the Government's requirements for the management of investments for the LGPS and arrangements for the decisions that will be needed to implement these changes.

**2. Background**

- 2.1. Hampshire County Council is responsible as Administering Authority of the Hampshire Pension Fund. It currently manages over £10bn for the payment of pensions of over 200,000 scheme members including County Council employees, other district and unitary councils in Hampshire and other organisations like academy schools and colleges.
- 2.2. Following changes captured in the 2016 LGPS Management and Investment of Funds Regulations, LGPS funds were required to pool their investments with other funds. Following a report to Council in February 2017 it was agreed that Hampshire would join the ACCESS pool, in partnership with 10 other LGPS funds in the south and east of England, and an appointment was made to the ACCESS Joint Committee.
- 2.3. At its meeting in December 2024, it was reported to the Pension Fund Panel and Board that the Government had published a consultation 'LGPS Fit for the future' proposing new requirements for LGPS pooling. Specifically, the proposals will require all LGPS pools to be based on a Financial Conduct Authority (FCA) regulated company. Of the current eight LGPS pools, ACCESS is one of three that are not a company. The Government is requiring pools that do not have a company to consider merging with an existing pool company or form their own company by March 2026. Although the Government has not published a response to the consultation that closed in January 2025, this aspect of the proposal is not expected to change.

**3. Implementing changes**

- 3.1. ACCESS is currently working through how it will respond to the Government's new requirement; whether to establish its own FCA regulated company or merge with another pool, which it will submit to Government at the end of February 2025. Whichever option is selected, a number of decisions will be required in a challenging timescale in order to stay on track to meet the Government's deadline of March 2026 to have implemented the new arrangements.

- 3.2. Possible decisions that may be required quickly are:
- Agreeing amendments to ACCESS's existing Inter-Authority Agreement (IAA)
  - Agreeing a Shareholder Agreement and associated documents.
  - Appointing a Shareholder Representative.
- 3.3. These are decisions that would be normally expected to be made by County Council, however given the timescales that the Government is requiring LGPS authorities to work to this may not be possible. It is therefore recommended that the necessary decisions to implement the changes to meet the Government's requirements are delegated to the Director of Corporate Operations if they are not able to be brought to County Council due to timescales. If it becomes necessary to use the delegation, then any decisions made will be reported retrospectively.
- 3.4. Once the Government has finalised the changes outlined in the consultation, any necessary amendments to the Pension Fund Panel and Board's Terms of Reference will be presented to the County Council's future meetings.

### **RECOMMENDATION**

That the County Council approves that authority is delegated to the Director of Corporate Operations, in consultation with the Chief Executive, Monitoring Officer and Chairman of the Pension Fund Panel and Board, to make any necessary decisions to implement a response to meet the Government's new requirements for LGPS pooling, if a timely decision is unable to be made by County Council.