

## HAMPSHIRE COUNTY COUNCIL

### Report

<b>Committee/Panel:</b>	Employment in Hampshire County Council Committee
<b>Date:</b>	11 November 2015
<b>Title:</b>	Amendments to the Members' Allowances Scheme
<b>Reference:</b>	7019
<b>Report From:</b>	Chief Executive

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### 1. Executive Summary

- 1.1. The legislative framework governing the payment of Members Allowances is set out in the Local Authorities (Members' Allowances) (England) Regulations 2003 ('the Members Allowances Regulations').
- 1.2. Under the provisions of the Members' Allowances Regulations, the County Council is required to make a Members' Allowances Scheme for the payment each year of Members' Allowances. Provisions in respect of the current Members' Allowances Scheme for 2015/16 were determined by the County Council at its meeting on 20 February 2014. Once a Members' Allowance Scheme is made for any year it may be amended during the year in question in accordance with the Members' Allowances Regulations. It is also possible under the Members' Allowances Regulations for any amendment to the Members' Allowances Scheme to be backdated to the beginning of the financial year in which any such amendment is made.
- 1.3. By virtue of the Members' Allowances Regulations, before the County Council can make or amend a Members' Allowances Scheme, it is required to have regard to recommendations made in relation to it by an Independent Remuneration Panel ("IRP"). In this regard the IRP met on 14 October 2015. Minutes of the IRP meeting, and the recommendations of the IRP are attached as an Appendix 1 to this report.

### 2. Contextual information

#### 2.1. Amendment to Members' Allowances Scheme 2015/16

Consideration of amendment to the Members' Allowances Scheme 2015/16 is required in consequence of changes to the County Council's Governance Arrangements following establishment of a joint Hampshire Pension Fund

Panel and Board, the scope and level of responsibility of the Chairman of the previous Pension Fund Panel, and creation of the new role of Assistant to the Executive – Rural Affairs Champion.

## 2.2. Recommendations of the Independent Remuneration Panel

**a) That revised Special Responsibility Allowances in the sum of £11,586 and £2,901 per annum respectively be payable for the role of Chairman and Vice-Chairman of the Pension Fund Panel and Board, backdated to 1 April 2015.**

2.2.1 There is currently provision in the Members' Allowances Scheme for payment of SRA's in the sum of £5,793 and £1,449 per annum respectively in respect of the roles of Chairman and Vice-Chairman of the Pension Fund Panel.

These amounts were first set in the Members' Allowances Scheme 2009/10, following appointment of a new Chairman of the Pension Fund Panel.

Previously the position had been occupied by the then Leader of the County Council in receipt of a higher Executive Leader's Allowance. It was agreed by the IRP at the time that this was an omission in the Members' Allowances Scheme. It was also agreed that consideration of the SRA for the Chairman of the Pension Fund Panel should be an ongoing matter in consequence of the evolution of the work, complexity and responsibility of the role.

2.2.2 The level of SRA payable to the Chairman of the Pension Fund Panel has been considered by the Employment in Hampshire County Council (EHCC) Committee at a number of meetings since this date, most recently at the meeting of the EHCC Committee on 12 November 2013. At this time the EHCC Committee reiterated its view that due to the nature and increasing complexity of the role, when combined with the overall decision making authority of the Panel, the role of the Chairman of the Pension Fund Panel carried more responsibility than that reflected in the current SRA. Thus whilst accepting the recommendation of the IRP at the time that there should be no change in the amount of SRA payable in respect of the post of Chairman of the Pension Fund Panel, the EHCC Committee asked that the IRP consider this further for future years.

2.3. As indicated at Paragraph 2.1 above the County Council has now established a joint Hampshire Pension Fund Panel and Board. A copy of a Report dated 16 July 2015 considered by the County Council in establishment of the Pension Fund Panel and Board is attached at Appendix 2 to this Report. The new joint Pension Fund Panel and Board combines in one place the County Council's statutory functions as administering authority of the Hampshire Pension Fund under the Local Government Pension Scheme ('LGPS') Regulations and associated legislation under the Superannuation Act 1972 previously undertaken by the Pension Fund Panel, with new requirements required to be undertaken by a Pension Board. These relate to the governance and administration of the LGPS, including responsibility for securing compliance 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. In order to achieve this dual role the work of the Committee will of necessity increase in consequence of

the requirement to give greater weight to scrutinising the administration and governance of the Pension Fund.

- 2.3.1 Further information was supplied at the meeting of the IRP on 14 October 2015 by the Director of Corporate Resources in relation to the scope and work of the joint Pension Fund Panel and Board and the level of responsibility and demands on the Chairman (see Appendix 1).
- 2.4. Currently there is provision in the Members' Allowances Scheme for payment of SRA's in the sum of £11,586 and £2,901 respectively in respect of the roles of Chairman and Vice-Chairman of the County Council's Select Committees. Should the recommendation of the IRP be accepted then this would mean that similar amounts would attach to the role of Chairman and Vice-Chairman of the joint Pension Fund Panel and Board, and the IRP's rationale for this is set out in the Minutes of their meeting (see Appendix 1).
  - b) That a Special Responsibility Allowance in the sum of £4,345 per annum be payable for the role of Assistant to the Executive – Rural Affairs Champion, backdated to 22 May 2015, to be reviewed in twelve months' time as the role develops.**
- 2.5. This is a new post following the Annual General Meeting of the County Council on 22 May 2015. Details of the role as it appears in the County Council's Constitution, together with supporting information on the detail of the role considered by the IRP is attached as an Annex to Appendix 1 and at Appendix 3 of this report.
- 2.6. Should the recommendation of the IRP be accepted in respect of this SRA then the amount payable in respect of the role would be 25 per cent of the SRA currently payable in respect of an Executive Member, subject to review as recommended by the IRP.

### **3. Information**

- 3.1. Amendments to the Members' Allowances Scheme for 2015/16 will be considered by the County Council at its meeting on 18 February 2016.

### **4. Recommendations**

- 4.1. That the EHCC Committee recommends to the County Council that approval be given to amendment of the Members' Allowances Scheme for 2015/16, which takes into account the recommendations of the Independent Remuneration Panel, and the views of the EHCC Committee.

**CORPORATE OR LEGAL INFORMATION:****Links to the Corporate Strategy**

<b>This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision in order to consider amendment to the Members' Allowances Regulations.</b>
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**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
Amendment to Members' Allowances Scheme 2013/14 and Members' Allowance Scheme 2014/15, 2015/16, 2016/17 and 2017/18	<b>5662</b>	20 February 2014
<b>Direct links to specific legislation or Government Directives</b>		
<u>Title</u>	<u>Date</u>	
Local Government and Housing Act	1989	
The Local Authorities (Members' Allowances) (England) Regulations	2003	

**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.)**

<u>Document</u>	<u>Location</u>
None	

**IMPACT ASSESSMENTS:**

**1. Equality Duty**

1.1. Equality objectives have been considered and no adverse impact identified.

**2. Impact on Crime and Disorder:**

2.1. These proposals will have no impact on crime and disorder.

**3. Climate Change:**

**a)** How does what is being proposed impact on our carbon footprint / energy consumption?

No impact has been identified.

**b)** How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No specific measures have been identified.

AT A MEETING of the INDEPENDENT REMUNERATION PANEL of the County Council held at The Castle, Winchester on 14 October 2015

**PRESENT:**

Roger Farrall (Chairman), Julia Abbott and David Heck

**1. APOLOGIES FOR ABSENCE**

Richard Kinch.

**2. DECLARATIONS OF INTEREST**

None.

**3. CHAIRMAN'S COMMUNICATIONS**

The Chairman of the Independent Remuneration Panel (IRP) welcomed everyone to the meeting and invited Barbara Beardwell, the Head of Governance to report on the recent changes to the County Council's governance arrangements.

**5. AMENDMENTS TO THE MEMBERS' ALLOWANCES SCHEME**

The Head of Governance confirmed that the IRP had been requested to undertake a piece of work comprising:

- (i) a review of the Special Responsibility Allowances (SRA) payable to the Chairman and Vice-Chairman of the former Hampshire Pension Fund Panel, in consequence of the decision of the County Council on 16 July 2015 to establish a joint Pension Fund Panel and Board in order to comply with new Regulations for Pension Fund governance; and
- (ii) to consider an SRA for the position of Assistant to the Executive – Rural Affairs Champion, which was introduced following the Annual General Meeting of the County Council on 22 May 2015.

**6. HAMPSHIRE PENSION FUND PANEL AND BOARD**

New Regulations for Pension Fund Governance were published on 28 January 2015. To comply with the new Regulations, Hampshire County Council as the Administering Authority for the Hampshire Pension Fund, applied to the Department for Communities and Local Government (DCLG) to form a Joint Pension Fund Panel and Board and approval was given by the Secretary of State on 3 June 2015. At a meeting of the full County Council held on 16 July 2015, the recommendation of the Cabinet to

establish a Joint Pension Fund Panel and Board (PFPB) was approved. The new PFPB is responsible for assisting in securing compliance with the new Regulations as well as the continuing responsibility for the administration and investment of the Fund, which will require greater weight to be given to scrutinising the administration and governance of the Pension Fund. The Hampshire Pension Fund currently stands at £5.1bn, has over 300 employers and some 150,000 members who have a keen interest in the performance of the Fund.

Councillor Mark Kemp-Gee, Chairman of the Pension Fund Panel and Board (PFPB) and Carolyn Williamson, Director of Corporate Resources were in attendance for this Agenda item and the Chairman invited both to speak. As background information, the Director of Corporate Resources drew attention to the Hampshire Pension Fund Annual Report which contains an opinion of the External Auditor, and provided comparator evidence on the role of the Chairman of the PFPB in relation to a Cabinet Member role.

The Chairman of the PFPB, the Chief Executive and the Director of Corporate Resources expanded on the challenges and complexities of the work of the PFPB. The IRP noted that the PFPB has a fiduciary responsibility and many investment issues must be taken account of requiring strong and robust leadership by the Chairman of the PFPB, including ensuring that Investment Managers are properly held to account when attending meetings to report on the performance of investment funds. It was reported that the Chairman of the PFPB drives the highest standards in regard to members of the PFPB undertaking the required training by applying strong focus on the maintenance of an Annual Training Plan to help build knowledge and expertise. It was also reported and noted by the IRP that the process of attaining the highest standards and strengthening the governance framework of the Hampshire Pension Fund had commenced a considerable amount of time ago. When the new Regulations were introduced, Hampshire was able to evidence this position which was instrumental in obtaining Secretary of State approval to move to new joint arrangements and leading the way in this regard.

In addition to taking evidence from Officers and by direct question and answer with the Chairman of the PFPB, the IRP also considered Members' allowances in other large authorities together with the level of responsibilities and scope of other roles in the Hampshire Members' Allowances Scheme. During the course of their deliberations, the IRP also considered the role of the Vice-Chairman of the PFPB. The IRP concluded that the role of the Chairman of the PFPB has, because of the revised governance requirements, acquired a more significant scrutiny element albeit it not as broad as that of the Chairman of a Select Committee. Conversely, the IRP was of the view that the role has significant executive content in developing and implementing an Investment Strategy, selecting advisers and placing investments to ensure best possible returns.

RESOLVED:

That the IRP recommends to the Employment in Hampshire County Council Committee a revised Special Responsibility Allowance of £11,586 per annum for the role of Chairman of the Pension Fund Panel and Board and a revised Special Responsibility Allowance of £2,901 for the role of Vice-Chairman of the Pension Fund Panel and Board, to be backdated to 1 April 2015.

**7. ASSISTANT TO THE EXECUTIVE – RURAL AFFAIRS CHAMPION**

At a meeting of the full County Council on 22 May 2015, the Leader announced the introduction of the role of the Assistant to the Executive – Rural Affairs Champion, a significant role requiring much time and effort to embed it fully and to utilise its cross-cutting nature. The role holder is expected to take forward and develop the activities carried out by previous Executive Members. The purpose, scope, core elements and impacts/outcomes of this role are detailed in an Annex to these Minutes.

Councillor Rob Humby, the role holder was in attendance for this Agenda item and was invited to speak by the Chairman. Oral evidence was also provided by Andrew Smith, Chief Executive. It was reported that when the role holder is working with the Cabinet and other Members, the Chief Executive, Directors and other senior managers, they are expected to do so at the same level as an Executive Member. The role holder ensures that the many rural considerations throughout the county are taken into account by an Executive Member, at a decision day, and by the Cabinet when making decisions collectively. Attention was particularly drawn to the re-establishment of the Hampshire Rural Forum, the organisation of which would be managed centrally and a wide range of people and organisations working with rural communities would be invited to put forward their views.

Having fully considered the evidence received and by direct question and answer with the role holder, the IRP concluded that the role is currently developing and includes a complex mix of topics cutting across most of the County Council's departments, and Executive Member roles. During the course of its deliberations, the IRP recognised the expanding agenda of overlapping issues including rural housing, Broadband, transport and tackling rural isolation and health Issues. The IRP also recognised the importance of developing contacts and aiding co-ordination through the Rural Co-ordination Group and with partner organisations and agencies through the Hampshire Rural Forum.

RESOLVED:

That the IRP:

- (i) recommends to the Employment in Hampshire County Council Committee an initial SRA for the role of Assistant to the Executive -

Rural Affairs Champion of £4,345, being 25 per cent of the Special Responsibility Allowance for an Executive Cabinet Member, to be backdated to the date of its introduction on 22 May 2015; and.

- (ii) recommends that the Special Responsibility Allowance for this role be revisited in 12 months to review how the role has developed.

ANNEX

## **ASSISTANT TO THE EXECUTIVE – RURAL AFFAIRS CHAMPION**

### **Purpose and impact of the role:**

**Role** – The role holder acts as the specialist Lead Member in advising the Leader and Cabinet on rural affairs and issues affecting Hampshire’s rural communities. The information provided in this note draws upon the activities of the three previous Executive Members fulfilling that lead role since 2009.

### **Purpose – Why is the role required?**

Using government definitions approximately 75% of Hampshire’s land area is defined as rural and is home to approximately 25% of its population. The role holder is expected to operate strategically, in both an internal and external capacity, to ensure that key policy and service changes take due account of the needs and issues faced by this part of Hampshire and its communities. The role holder is also expected to consider joint funding for partner organisations and community generated initiatives that develop or trial innovative and value for money solutions to service delivery and rural business development in these areas. The role is seen as fulfilling an important advocacy function across all service areas and is the ‘go to’ Member for external groups and the public on rural issues.

### **Scope – How does the role sit within the County Council and at what level?**

The role holder works across all key departments and very closely with Executive Member colleagues to ensure the best outcomes for rural communities. The role holder attends Cabinet and is expected to lead on reports and briefings at this level. The role holder is also expected to work directly at a senior level with partner organisations, including fellow local authorities, government agencies, specialist networks, and national politicians.

### **Impacts and outcomes - What does the role deliver?**

The role has been pivotal in developing innovative, sustainable and community focused outcomes for both the County Council and the rural communities it serves. In support of this an annual budget of £200,000 has been allocated to support projects in rural areas and communities. Every project, whether large or small, requires match funding to ensure that the financial gearing is as strong as possible. This doubles or triples the impact of the allocated budget. The role holder oversees this budget and makes recommendations directly to the Leader for major project allocations. On the smaller projects allocations are delegated to officers working closely with the role holder and reported back retrospectively. The role holder also reports on performance and outcomes at Policy and Resources and Cabinet level.

### **Cross-cutting work and collaboration within the County Council - how does the role relate to Departmental activities and Executive Member portfolios?**

The role holder works with, and across all key departments and has a close working relationship with senior officers and Executive Members. The role holder attends and oversees the Corporate Rural Co-ordination Group of senior officers and works very closely with Cabinet colleagues on rural policy and service issues. In some important areas the role holder has been appointed by the Leader or Executive Members to directly represent Hampshire County Council in this area of activity. Examples include the statutory Hampshire Countryside Access Forum, the Hampshire Association of Local Councils and the M3 Local Enterprise Partnership (LEP) rural group. The Leader and fellow Executive Members identify areas where the role holder can support them directly in delivering added value activity with examples including leading on support for rural business and the land-based sector, rural affordable housing, the impacts of rural isolation, and promotion of the corporate rural estate. The role fully supports and complements the role of fellow Cabinet colleagues at a senior level and brings a level of expertise and commitment targeted around rural issues. It is not a parallel set of activities but an integral and integrated part of tackling wider socio-economic issues as part of the County Council's overall effort to provide appropriate levels of support and commitment to its communities and businesses.

### **External partnership and inter-agency working - how does the role holder operate with partner organisations and agencies; with whom, at what level, and with what purpose?**

The role holder is required to develop and maintain a very strong partnership footprint, which forms a critical part of the role, and currently includes:

- Borough and District Councils – regular Leader level contact to highlight ongoing joint approaches to issues such as rural business development, rural affordable housing, and specific joint projects. County wide role.
- National Park Authorities – at Chief Executive Officer and Chairman level to progress joint initiatives in support of the vitality of protected areas and their communities.
- Hampshire Association of Local Councils – representing the County Council on the Association, listening to the rural 'voice', using the network to target grant support and to work closely with them for the benefit of rural communities. A county wide group.
- Wessex Rural and Farming Network (RFN) – one of the 13 national groups representing key rural interests developed by a former role holder in response to a national initiative by the Department of Food and Rural Affairs (DEFRA). This provides direct access to government ministers and the opportunity to influence government policy and thinking in that

Departmental area. A regional level group.

- Hampshire Rural Forum – chaired and led by the role holder and involving all the key external rural stakeholder and interest groups across the County convened to advise Hampshire County Council on the rural dimension of its activities.
- Hampshire Countryside Access Forum – acting as the County Council Highway Authority representative on this external statutory body which advises the County Council on its policy and role in managing its 3000 mile rights of way network as well as its Access Authority duties. A county wide body.
- Local Enterprise Partnership (LEP) – working directly with the rural committee of the M3 LEP to support and develop rural businesses and enterprise in partnership with senior public and private sector representatives. A pan regional group.

### **Core elements of the role:**

**Advocacy:** from a Member perspective the role hinges upon championing the needs of rural communities within the County and the contribution of rural areas to the important characteristics that makes Hampshire such a special place. This has operated both at Cabinet level and externally as the focus underpinning the County Council's position and profile on key rural issues.

**Corporate 'rural proofing':** linked to that at a corporate level is the role of actively considering the approaches taken by the organisation in introducing and developing county-wide policies and service initiatives which will impact upon rural communities. This entails pragmatic and creative thinking in advance of policy implementation. The Corporate Rural Co-ordination Group forms a key part of this aspect of the role and this enables the organisation to ensure it is joined up across, and in support of, Departments trying to juggle some very difficult issues. This will continue to be important going forward.

**Collaboration and partnership:** are key elements of the role and probably the most critical ones going forward. The issues faced cut across the interests and remits of a wide range of organisations and consequently joint working and partnership approaches will be key. There are particular opportunities with the Districts, National Parks, and LEPS. Another important area is public health. Over recent years the approach has been to focus efforts where they are likely to be most successful and linked to the core priorities. Joint resource allocation and match funding will be critical in this area.

**Innovation and responding to transformational change:** As the organisation repositions itself in the light of further significant cuts in resources, albeit accompanied by an increase in demand and customer expectations, the need for new, innovative and radical approaches will grow. The rural budget has been used to support this and will no doubt need to continue to do so. It will also be a

real challenge to keep rural communities on the same page with the scale of cuts being faced across all parts of Hampshire.

**Budget allocation and prioritisation:** requires a strong overview and substantial support to the Leader to advise, scrutinise and recommend in regard to the larger funding decisions as well as pump prime the small community level grants covered by the £200,000 budget.

**Benefits arising from the role:**

- Provision of direct reports and input to Cabinet colleagues on key rural initiatives, priorities, challenges and opportunities
- Fulfils a lead Member relationship role on rural issues with the Borough, District and Parish Councils e.g. regular meetings and discussion at Leader and Chief Officer level with partner organisations
- Contributes directly to and influences external bodies such as the Local Enterprise Partnerships, National Park Authorities, Rural and Farming Networks, Hampshire Rural Forum and NGOs and involves direct access to DEFRA and other Ministers on related issues
- Champions innovative approaches to service delivery issues in rural communities in support of Cabinet colleagues and the need for organisational change and service transformation e.g. village agents and social isolation projects/rural economic development
- Overseeing the work of the Corporate Rural Delivery Group and associated budget, including seeking the maximum financial gearing of major funding collaborations and the allocation of small grants to community initiatives e.g. small grants for local flooding projects and economic development initiatives
- Provision of an external and public "go to" lead Member role on all key rural issues as well as brokering the best possible response and profile for the County Council e.g. strong and positive public relations and communications profile on rural issues on behalf of the County Council

COUNCIL MEETING, 16 JULY 2015

REPORT OF THE  
**Cabinet**  
PART I

**141. PENSION FUND GOVERNANCE**

1. The Cabinet considered proposals for a future Pension Fund governance structure at their meeting on 30 March 2015. This was subsequent to the decision on 6 February 2015 to seek Secretary of State approval for a joint Pension Fund Panel and Board as the best option to comply with new regulations and ensure the most efficient and effective governance of the Hampshire Pension Fund.

2. At the time of the Cabinet meeting on 30 March 2015, an outcome to the application to the Secretary of State for approval for a joint Pension Fund Panel and Board had not been received. As a result, Cabinet made two alternative recommendations to the County Council, depending on the decision of the Secretary of State. The preferred option was for the establishment of a Joint Pension Fund Panel and Board; but in the event that approval for this was not received a further option of a separate Pension Board was recommended.

3. Cabinet delegated authority to the Director of Corporate Resources to recommend appropriate employer and scheme member representatives to the County Council. Full details can be found in the Cabinet report at Annex A to this report.

4. Formal approval for the establishment of a Joint Pension Fund Panel and Board in Hampshire was received from the Secretary of State on 3 June 2015. It is therefore recommended to the County Council that a Joint Pension Fund Panel and Board is established with the Terms of Reference set out in Appendix 1 of the Cabinet Report

**RECOMMENDATIONS**

That the County Council:

- a) Approves the establishment of a joint Pension Fund Panel and Board, with the Terms of Reference set out in Appendix 1 of the Cabinet Report.
- b) Authorises the Monitoring Officer to amend the Constitution to incorporate the Terms of Reference for the Pension Fund Panel and Board and to make any consequential amendments.

**ANNEX A to County Council Part I Report – 16 July 2015**

**HAMPSHIRE COUNTY COUNCIL**

**Decision Report**

<b>Decision Maker:</b>	Cabinet
<b>Date:</b>	30 March 2015
<b>Title:</b>	Pension Fund Governance
<b>Reference:</b>	6609
<b>Report From:</b>	Director of Corporate Resources - Corporate Services

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**1 Purpose**

- 1.1 New regulations for Pension Fund Governance were published on 28 January 2015. As the Administering Authority for the Hampshire Pension Fund, Hampshire County Council is responsible for implementing the new regulations. At its meeting on 6 February 2015 Cabinet agreed that the County Council should seek Secretary of State approval for a joint Pension Fund Panel and Board in order to comply with the new regulations.
- 1.2 This report outlines the progress that has been made with the Department for Communities and Local Government (DCLG) and the actions required to comply with the new regulations.

**2 Obtaining Secretary of State Approval for a joint Pension Fund Panel and Board**

- 2.1 The creation of Pension Boards are a new requirement to bring the Local Government Pension Scheme (LGPS) into line with the Public Service Pension Scheme Act 2013. Each LGPS Fund is required to set up a local Pension Board to assist with the administration of the scheme. It is a requirement of the LGPS governance regulations, published on 28 January 2015, that the new governance structure must be established by 1 April 2015. The regulations contain the option to combine the requirements for a Pension Board with an existing pension committee, subject to Secretary of State approval. The regulations require a joint committee to designate a certain number of its members to be employer and scheme member representatives, of which there must be at least two of each.

- 2.2 At its last meeting Cabinet agreed that combining the role of Hampshire's existing Pension Fund Panel with the requirements for a Pension Board offered an attractive opportunity for the efficient and effective governance of the Hampshire Pension Fund. Cabinet agreed that officers should work with DCLG to establish the exact requirements for a joint Panel and Board which would gain Secretary of State approval.
- 2.3 Joint discussions between officers from Finance, the Deputy Monitoring Officer and DCLG have progressed to a point where it is now hoped that the Secretary of State will approve a joint Pension Fund Panel and Board for Hampshire. The Terms of Reference that it is hoped will be approved by the Secretary of State are contained in Appendix 1.
- 2.4 In addition to 9 County Councilors, the Pension Fund Panel already has representation from a variety of employers and scheme members:
- 1 pensioner representative
  - 1 employee representative
  - 2 Unitary Authority representatives (one each nominated by Southampton City Council and Portsmouth City Council)
  - 2 District Council representatives nominated by the Hampshire and Isle of Wight Local Government Association.
- 2.5 The proposed Terms of Reference for the joint Panel and Board would change the composition of the committee to be made up as follows:
- 9 County Councilors
  - 3 scheme member representatives
  - 3 employer representatives.
- 2.6 There are a number of benefits that a joint Panel and Board will deliver for the governance of the Pension Fund:
- Maintaining the Panel and Board's status as a formal Section 101 committee of the County Council gives greater weight to the combined committee with responsibility for the management and governance of the Pension Fund.
  - Providing the most engaging roles for those charged with the management and oversight of the Pension Fund, which will enable the Fund to attract the best possible scheme and employer representatives to fill the roles on the joint Panel and Board.
  - Ensuring the deepest understanding of all Pension Fund matters and the most effective decision making that complies with the Regulations and requirements of the Regulator, by exposing the members of the joint Panel and Board to the full operation of the Pension Fund.

- Avoiding any duplication and confusion in roles between a separate Panel and Board, ensuring that the Fund's stakeholders have clarity over who is responsible for the management and governance of the Pension Fund.
  - Providing an efficient solution by removing the additional administrative burden of supporting a separate Board and enabling resources to be concentrated on supporting the training and development of a single committee dealing with Pension Fund matters.
- 2.7 It is recommended that Cabinet approve the Terms of Reference for a joint Pension Fund Panel and Board and recommend it to the County Council, subject to obtaining Secretary of State approval. If the ongoing dialogue with DCLG requires further changes to these Terms of Reference they will be reported to Cabinet for their approval and recommendation to Council at the Cabinet meeting on 18 May 2015 prior to the County Council meeting on 22 May 2015.

### **3 Contingency arrangements – a separate Pension Board**

- 3.1 If the County Council is unsuccessful in obtaining Secretary of State approval for a joint Pension Fund Panel and Board it will need to establish a separate Pension Board. The most significant requirements in the regulations for standalone Pension Boards are:
- There must be an equal number of employer and scheme member representatives on the Pension Board, although there can be other members of the Board as long as they do not outnumber the employer and scheme member representatives.
  - Any elected member of the Administering Authority appointed to the Pension Board must be either an employer or scheme member representative, which would mean that a County Council member could not be an independent chair of the Pension Board.
- 3.2 If the County Council is required to form a separate Pension Board, the new Board's role in scrutinising the effective governance of the Pension Fund would appear to duplicate the current role that the Audit Committee fulfils in reviewing the minutes of the Pension Fund Panel. It is recommended that if a separate Pension Board is formed that the minutes of the Pension Fund Panel are no longer reported to the Audit Committee.

### **4 Proposed format of a separate Pension Board**

- 4.1 If Secretary of State approval is not given, the following proposals have been drafted for a separate Pension Board. The full proposed terms of reference for a separate Pension Board are shown in Appendix 2. The terms of reference for the separate Board are more detailed than for the Panel and Board, as a separate Board would not be a formal committee of the County Council. The terms of reference for the separate Board

therefore contain a number of additional provisions which are not required for the joint Panel and Board, which will be subject to the County Council's Constitution and Standing Orders.

- 4.2 **Membership** – 3 employer representatives and 3 scheme member representatives. The Pension Board gives the opportunity to include groups that have not traditionally been involved in the governance of the Pension Fund. To enable the widest possible representation, Board members will ideally be selected from each of the following groups:
- Employers – admission bodies (largely voluntary organisations), scheduled bodies representing educational establishments and the County Council (as the Administering Authority of the Pension Fund).
  - Scheme members – active, deferred and pensioners members.
- 4.3 The opportunity to be a member of the Pension Board will be advertised to all of the Pension Fund's employers and scheme members. Those interested in being a member of the Pension Board will be asked to complete a short application form with applicants then shortlisted for interview.
- 4.4 It is recommended that authority is delegated to the Director of Corporate Resources to establish an appointments policy and to undertake a recruitment process to identify appropriate employer and scheme member representatives for approval by the County Council.
- 4.5 **Chairman** – In order to facilitate the effective operation of the Pension Board, it is proposed that a Chairman is appointed by the County Council. It is recommended that the Chairman of the Audit Committee is appointed as Chairman of the Pension Board. The Chairman would be one of the 3 employer representatives on the Pension Board. In addition it is recommended that this arrangement is reviewed after 2 years, to ensure it is operating effectively as envisaged.
- 4.6 **Conduct** - Members of the Pension Board will not normally be bound by the County Council's Code of Conduct and the guidance therefore recommends that the Board should have its own Code of Conduct. A draft Code, based on the County Council's Code is included as an appendix to the draft terms of reference.
- 4.7 The adoption of a Code of Conduct necessitates a process for dealing with alleged breaches of the Code of Conduct. It is therefore proposed that this is undertaken by the County Council's Conduct Advisory Panel.
- 4.8 **Allowances** - Some members of the Board may benefit from Members' Allowance Schemes but these schemes will not be available to Board Members who are not Members of local authorities. While it is not proposed to pay an allowance for being a member of the Board it is proposed to allow Board members to claim for travelling expenses on the same terms as Members can claim for travel under the Members'

Allowances Scheme.

- 4.9 **Meeting frequency** - The draft Terms of Reference envisage the Board meeting 4 times each year. This will be reviewed once the Board has been operating for a year to ensure that the meeting cycle is appropriate to transact the business of the Board.

## 5 Recommendations

- 5.1 That Cabinet note the progress that has been made with DCLG in forming a joint Pension Fund Panel and Board for Hampshire and approve the Terms of Reference for a joint Panel and Board contained in Appendix 1.
- 5.2 That Cabinet delegate authority to the Director of Corporate Resources to form an appropriate appointments policy for Scheme Member and Employer representatives on either the joint Panel and Board, or the separate Board, and undertake a recruitment process and decide on appropriate employer and scheme member representatives.
- 5.3 If Secretary of State approval is obtained for a joint Panel and Board:
- a) Cabinet recommend to the County Council the formation of a joint Pension Fund Panel and Board as outlined in this report.
- 5.4 If Secretary of State approval is not obtained for a joint Panel and Board:
- a) that Cabinet approve the Terms of Reference for a separate Pension Board contained in Appendix 2, and
  - b) that Cabinet recommend to the County Council the formation of a separate Pension Board as outlined in this report, and
  - c) that following the establishment of Hampshire's Pension Board the minutes of the Pension Fund Panel are no longer reported to the Audit Committee for scrutiny.

**CORPORATE OR LEGAL INFORMATION:**

**Links to the Corporate Strategy**

<b>1. Hampshire safer and more secure for all:</b>	no
Corporate Business plan link number (if appropriate):	
<b>2. Maximising well-being:</b>	no
Corporate Business plan link number (if appropriate):	
<b>3. Enhancing our quality of place:</b>	no
Corporate Business plan link number (if appropriate):	

**Other Significant Links**

<b>Links to previous Member decisions:</b>		
<u>Title</u>	<u>Reference</u>	<u>Date</u>
<b>Direct links to specific legislation or Government Directives</b>		
<u>Title</u>		<u>Date</u>
Public Service Pension Act 2013		25/04/2013
Local Government Pension Scheme Regulations 2014: better governance and improved accountability		10/10/2014
LGPS Advisory Board: Draft Guidance on the creation and operation of Local Pension Boards in England and Wales		17/10/2014

**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.)

<u>Document</u>	<u>Location</u>
None	

## IMPACT ASSESSMENTS:

### 1. Equalities Impact Assessment:

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:**

- a. The need to remove or minimise disadvantages suffered by persons sharing a relevant characteristic connected to that characteristic;
- b. Take steps to meet the needs of persons sharing a relevant protected characteristic different from the needs of persons who do not share it;
- c. 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.

#### 1.2. Equalities Impact Assessment:

- a. Equality impacts will be taken into account in ensuring that the appointment process for selecting scheme member and employer representatives is fair and open.

### 3. Impact on Crime and Disorder:

- a. The proposals in this report are not considered to have any direct impact on the prevention of crime.

### 4. Climate Change:

- a. How does what is being proposed impact on our carbon footprint / energy consumption?

No specific impact.

- b. How does what is being proposed consider the need to adapt to climate change, and be resilient to its longer term impacts?

No specific impact.

## Hampshire Pension Fund Panel and Board Terms of Reference

### 1. Introduction

- 1.1. Hampshire County Council has appointed a combined Pension Fund Panel and Board for Hampshire and delegated to it responsibility for its statutory functions as the administering authority for the Hampshire Pension Fund and its responsibilities in respect of operating a Pension Fund Board for Hampshire.

### 2. Composition

- 2.1. The Pension Fund Panel and Board for Hampshire includes within its membership:
  - Nine elected members from the Administering Authority.
  - Three employer representatives appointed in accordance with the Hampshire Pension Panel and Board Appointment Policy approved by the Pension Fund Panel and Board from time to time.
  - Three scheme Member representatives appointed in accordance with the Hampshire Pension Panel and Board Appointment Policy approved by the Pension Fund Panel and Board from time to time.
- 2.2. The Administering Authority members will be appointed by Hampshire County Council. The nomination process for the employer and scheme member representatives is contained in the Appointments Policy and they will be appointed by the County Council in accordance with that Policy.
- 2.3. Employer representatives and scheme member representatives should remain as members of the Pension Fund Panel and Board during their appointed term of office unless in the opinion of the County Council they are not adequately performing their role, they become incapable of acting, they cease to represent their constituency, they resign by giving written notice to the Proper Officer of the County Council, a replacement member is nominated by their relevant nominating body or they are removed from the Panel and Board pursuant to Paragraph 6.8.
- 2.4. Each employer and scheme member representative should endeavour to attend all Panel and Board meetings during the year and are required to attend at least 4 meetings each year.

### 3. Appointment of Substitute Members

- 3.1. **Allocation** - As well as allocating seats on the Pension Fund Panel and Board, the County Council will at the Annual General Meeting of the County Council in each year appoint a designated Substitute Member for each Scheme and Employer member of the Pension Fund Panel and Board.
- 3.2. **Powers and duties** - Substitute Members will have all the powers and duties of the designated Scheme and employer Members of the Board.

- 3.3. **Substitution** - Substitute members may attend meetings in that capacity only:
- a. to take place of the designated Scheme and Employer Member for whom they are the designated substitute;
  - b. where the member for whom they are the designated substitute will be absent for the whole of the meeting; and
  - c. after notifying the Chief Executive 5 working days before the meeting of the extended substitution.

#### **4. Voting rights**

- 4.1. All members of the Panel and Board, including all the Employer and Scheme Member representatives shall have full voting rights.
- 4.2. Any independent advisers appointed by the Panel and Board are invited to attend all meetings of the Pension Fund Panel and Board but independent advisers will not be a member of the Pension Fund Panel and Board and have no voting rights.

#### **5. Role of the Pension Fund Panel and Board**

- 5.1. 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 the management and investment of the Fund.
- 5.2. In its role as the Pension Board for the Hampshire Pension Fund the Pension Fund Panel and Board 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.
- 5.3. When acting in its capacity as the Pension Fund Board the Pension Fund Panel and Board shall have the power to do anything which is calculated to facilitate or is conducive or incidental to the discharge of any of its functions.

#### **6. Conflicts of Interest**

- 6.1. In addition to the obligations on Members of the Pension Fund Panel and Board under the County Council's Member's Code of Conduct arising out of their position as either members or co-opted members of the County Council the following provisions apply.
- 6.2. No member of the Panel and Board may participate in any business of the Panel and Board if they have a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Panel and Board

(this does not include a financial or other interest arising merely by virtue of membership of the Scheme or any connected Scheme) ('Conflict of Interest').

- 6.3. All Panel and Board members must before becoming a member of the Panel and Board declare any potential Conflict of Interest to the Monitoring Officer of the County Council.
- 6.4. After appointment all Panel and Board members must within 14 days of becoming aware of any new potential Conflict of Interest declare that potential Conflict of Interest to the Monitoring Officer of the County Council.
- 6.5. A member of the Panel and Board must at any time provide the Monitoring Officer of the County Council with such information as he or she requires for the purpose of establishing whether or not the Panel or Board member has a Conflict of Interest.
- 6.6. A Panel and Board member should disclose any Conflict of Interest in any business of the Panel and Board either at the commencement of the meeting, the commencement of the consideration of the item or when the Conflict of Interest becomes apparent.
- 6.7. If a Panel and Board member has a Conflict of Interest in any business of the Board then that Member may not participate in any discussion of, vote on or discharge any function in relation to the matter. In addition the Panel and Board member should withdraw from the room where the meeting is being held.
- 6.8. Any alleged non-compliance with this paragraph 5 shall be referred to the County Council's Conduct Advisory Panel for consideration and in the event that the Conduct Advisory Panel find that a member of the Panel and Board has failed to comply with the provisions of this paragraph then the Conduct Advisory Panel may recommend to the County Council that the Member is to immediately cease to be a member of the Panel and Board or take such other action as the Conduct Advisory Panel regard as appropriate which can include but is not limited to requiring the member to apologise or requiring the member to undertake such training as the Panel believe is appropriate.

### **7. Knowledge and Skills**

- 7.1. A member of the Panel and Board must have knowledge and understanding of:
  - the law relating to pensions, and
  - any other matters which are prescribed in Regulations.
- 7.2. The County Council has therefore adopted the requirements of the CIPFA Pensions Finance Knowledge and Skills Framework recognising the importance of ensuring that all staff and members charged with the financial management and decision making with regard to the Hampshire Pension Fund are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.
- 7.3. Members of the Pension Fund Panel and Board are required to acquire and maintain the appropriate level of expertise, knowledge and skills as set out in the CIPFA Pensions Finance Knowledge and Skills Framework in order to remain members of the Panel and Board.

7.4. A formal training plan for the Pension Fund Panel and Board is prepared every year to identify and meet the training needs for the Panel and Board as a whole and for individual members. The plan reflects the recommended knowledge and skills level requirements set out in the CIPFA Pensions Finance Knowledge and Skills Framework.

## **8. Publication of Pension Fund Panel and Board information**

8.1. Details of the Pension Fund Panel and Board are published on the County Council's website, including:

- The names and details of the members of the Pension Fund Panel and Board
- How the Scheme members are represented on the Panel and Board
- The responsibilities of the Panel and Board as a whole
- The Terms of Reference and policies of the Panel and Board and how they operate
- The appointment process for the Employer and Scheme members of the Panel and Board
- Who each Employer and Scheme member represents
- Any specific roles and responsibilities of individual Board Members

8.2. The procedure for the publication of Pension Fund Panel and Board meeting information and reports is contained in Part 3 Chapter 4 of the County Council's Constitution.

## **9. Reporting Breaches**

9.1. Any potential or actual non compliance with a duty relevant to the administration of the LGPS which is likely to be of material significance to the Pensions Regulator in the exercise of any of its functions that comes to the attention of the Panel and Board shall be dealt with in accordance with the Protocol for Reporting Breaches agreed from time to time by the Panel and Board.

## **Terms of Reference for the Pension Board of the Hampshire Pension Fund**

### **1. Introduction**

1.1. The County Council has established a Pension Board in accordance with the requirements of the Public Service Pension Act 2013.

### **2. Role and Powers of the Hampshire Pension Board**

2.1. The role of the Board is to:

- Assist 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 LGPS.
  - to secure compliance with requirements imposed in relation to the LGPS by the Pensions Regulator.
- To ensure the effective and efficient governance and administration of the LGPS by the Hampshire Pension Fund.
- To present an annual report to the Pension Fund Panel on the exercise of its functions.

2.2. The Board shall have the power to do anything which is calculated to facilitate or is conducive or incidental to the discharge of any of its functions.

### **3. Members of the Hampshire Pension Board**

3.1. The Board shall consist of 6 members and be constituted as follows:

- 3 employer representatives;
- 3 scheme member representatives.

3.2. The County Council will appoint one of the employer representatives, who will act as the Chair of the Board. The County Council's employer representative and Chair of the Board will be the elected Member that is appointed Chair of the County Council's Audit Committee and will be appointed by the County Council at the Annual General Meeting of the County Council in each year.

3.3. The Vice Chair of the Board will be elected by the Board at the first meeting of the Board following the Annual General Meeting of the Council in each year.

3.4. The employer and scheme member representatives will be appointed in accordance with the Hampshire Pension Board Appointment Policy approved by the County Council from time to time.

3.5. Each of the remaining two employer representatives and all scheme member representatives so appointed shall serve for a fixed 4 year period which can be extended for a further period of 4 years.

- 3.6. Employer representatives and scheme member representatives will remain as members of the Board during their appointed term of office unless they become incapable of acting, cease to represent their constituency, resign by giving written notice to the Proper Officer of the County Council or are removed from the Board pursuant to Paragraph 4 of the Board's Code of Conduct.
- 3.7. Employer representatives and scheme member representatives may also be removed from office during their term of appointment by the unanimous agreement of all of the other members of the Board if they do not comply with the requirements of paragraph 3.9. The removal of any member also requires the agreement of the County Council.
- 3.8. The County Council Board member will be appointed by the County Council each year at the annual general meeting of the County Council and may be replaced at any time during the year by the County Council.
- 3.9. Each Board member should endeavour to attend all Board meetings during the year and is required to attend at least three quarters of the meetings held in each year.

#### **4. Quorum**

- 4.1. Two-thirds of the members of the Board will represent a quorum for Board Meetings.
- 4.2. In the absence of both the Chair and the Vice-Chair the members of the Board shall appoint a Chair for that meeting who shall while presiding have any power or duty of the Chair in relation to the conduct of the meeting.

#### **5. Advisers to the Board**

- 5.1. The Board will be supported in its role and responsibilities by officers of the County Council and it will consult with such officers to help better perform its duties. In the event that specialist professional advice is not available from the officers of the County Council then the Board may ask the Director of Corporate Resources to seek independent professional advice through the appointment of advisers on their behalf.

#### **6. Knowledge and Skills**

- 6.1. A member of the Board must be conversant with:
  - The legislation and associated guidance of the LGPS.
  - Any document recording policy about the administration of the LGPS which is for the time being adopted by the Hampshire Pension Fund.
- 6.2. A member of the Board must have knowledge and understanding of:
  - The law relating to pensions, and
  - Any other matters which are prescribed in regulations.
- 6.3. A member of the Board representing employers or scheme members must have the relevant experience and capacity to represent employer and scheme members respectively on the Board.

## **7. Board Meetings**

- 7.1. Meetings of the Board will be conducted in accordance with the Standing Orders of the County Council and for all purpose including but not limited to notice of meetings, publication of agendas and reports, recording and publication of minutes of meetings and consideration of urgent items meetings of the Board shall be treated as if they were a meeting of a County Council Committee.
- 7.2. There will be four Board meetings a year to be held quarterly.

## **8. Standards of Conduct**

- 8.1. The role of Board members requires the highest standards of conduct and therefore the 'seven principles of public life' apply to all Board members, these are:
- Selflessness
  - Integrity
  - Objectivity
  - Accountability
  - Openness
  - Honesty
  - Leadership
- 8.2. The Code of Conduct for Board Members set out in Appendix 1 shall apply to all members of the Board. The County Council member of the Board is also bound by Hampshire County Council's Code of Conduct for Members and members of the Board who are also member of other authorities remain bound by the Member's Code of Conduct of their own authority.

## **9. Decision Making**

- 9.1. Each member of the Board will have an individual vote and items will be decided by a simple majority of members attending the meeting but it is expected the Board will as far as possible reach a consensus. The Chair of the Board will in addition to his or her own vote have a casting vote.

## **10. Publication of Pension Board Information**

- 10.1. Up to date information will be posted on the County Council's website showing:
- The names and information of the Board members.
  - How the scheme members are represented on the Board.
  - The responsibilities of the Board as a whole.
  - The full terms of reference and policies of the Board and how they operate.
  - The Board appointment process.
  - Who each individual Board member represents.
  - Any specific roles and responsibilities of individual Board members.

**11. Accountability**

11.1. The Board will be collectively and individually accountable to the County Council.

**12. Reporting Breaches**

12.1. Any potential or actual Breach that comes to the attention of the Board shall be dealt with in accordance with the Protocol for Reporting Breaches agreed from time to time between the Board and the Pension Fund Panel.

**13. Expense Reimbursement**

13.1. No basic allowance is payable to Board members although employer and scheme member representatives shall be entitled to claim Travelling Allowances on the terms set out in the then current Member’s Allowance scheme. The then current Member’s Allowance Scheme will apply to the County Council member of the Board.

**14. Definitions**

14.1. The undernoted terms shall have the following meaning when used in this document:

<i>Breach</i>	Means non-compliance with a duty relevant to the administration of the LGPS which is likely to be of material significance to the Pensions Regulator in the exercise of any of its functions
<i>‘Pension Board’ or ‘Board’</i>	Means the Pension Board of Hampshire County Council for the Hampshire Pension Fund as required under the Public Service Pensions Act 2013.
<i>‘LGPS’</i>	The Local Government Pension Scheme as constituted by the Local Government Pension Scheme Regulations 2013, the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 and the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009.
<i>‘Scheme’</i>	Means the Local Government Pension Scheme as defined under ‘LGPS’.

**15. Interpretation**

15.1. Any uncertainty or ambiguity or interpretation required relating to any matters contained in this document shall be resolved by reference to the County Council’s Monitoring Officer.

## Appendix 1 - Code of Conduct for Members of the Hampshire Pension Board Members

### 1. Introduction

This Code of Conduct for the Hampshire Pension Board has been adopted by the County Council pursuant to its statutory duty to appoint a Pension Board for the Hampshire Pension Fund

This Code applies to members of the Hampshire Pension Board when acting in their capacity as members of the Board. For the avoidance of doubt the County Council member of the Board is also bound by Hampshire County Council's Code of Conduct for Members and members of the Board who are also members of other authorities remain bound by the Member's Code of Conduct of their own authority.

This Code is based on and is consistent with the principles of;

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty and
- Leadership

### 2. Obligations of Members of the Board

As a Member of Hampshire Pension Board, your conduct will address the principles of the Code of Conduct by:

- a. Not allowing other pressures, including the financial interests of yourself or others connected to you, to deter you from pursuing the interests of the Hampshire Pension Fund, or the good governance of the Hampshire Pension Fund in a proper manner.
- b. Exercising independent judgement and not compromising your position by placing yourself under obligations to outside individuals or organisations who might seek to influence the way you perform your duties.
- c. Listening to the interests of all parties, including relevant advice from statutory and other professional officers of the County Council, taking all relevant information into consideration, remaining objective and making decisions on merit.
- d. Being accountable for your decisions and co-operating when scrutinised internally and externally.
- e. Contributing to making the Board's decision-making processes as open and transparent as possible.

- f. Restricting access to information when the wider public interest, the Board's Terms of Reference or the law requires it.
- g. Valuing your colleagues and Officers of the County Council and engaging with them in an appropriate manner.
- h. Always treating all people and organisations with respect and propriety.

### **3. Conflicts of Interest**

- a. No member of the Board may participate in any business of the Board if they have a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Board (this does not include a financial or other interest arising merely by virtue of membership of the Scheme or any connected Scheme) ('Conflict of Interest').
- b. All Board members must before becoming a member of the Board declare any potential Conflict of Interest to the Monitoring Officer of the County Council.
- c. After appointment all Board members must within 14 days of becoming aware of any new potential Conflict of Interest declare that potential Conflict of Interest to the Monitoring Officer of the County Council.
- d. A member of the Board must at any time provide the Monitoring Officer of the County Council with such information as he or she requires for the purpose of establishing whether or not the Board member has a Conflict of Interest.
- e. A Board member should disclose any Conflict of Interest in any business of the Board either at the commencement of the meeting, the commencement of the consideration of the item or when the Conflict of Interest becomes apparent.
- f. If a Board member has a Conflict of Interest in any business of the Board then that Member may not participate in any discussion of, vote on or discharge any function in relation to the matter. In addition the Board member should withdraw from the room where the meeting is being held.

### **4. Non-Compliance with the Code of Conduct**

Any alleged non-compliance with this Code of Conduct shall be referred to the County Council's Conduct Advisory Panel for consideration and in the event that the Conduct Advisory Panel find that a member of the Board has failed to comply with the provisions of this Code then the Conduct Advisory Panel may determine that the Member is to immediately cease to be a member of the Board or take such other action as the Conduct Advisory Panel regard as appropriate which can include but is not limited to requiring the member to

apologise or requiring the member to undertake such training as the Panel feel is appropriate.

## Appendix 3 of the EHCC Report

<p>Assistant to the Executive – Rural Affairs Champion</p>	<p>Primary departmental links – all departments of the County Council.</p> <p>Functional area – supporting the Leader and other Executive Members in the development of rural initiatives into the formulation of major policy.</p> <p>Developing links with other agencies and other local authorities regarding the development of rural activity.</p> <p>Promoting the Hampshire rural estate and partnerships with the focus on rural initiatives, to the benefit of Hampshire.</p> <p><b>NB:</b> This position does not have Executive decision making powers, but is consulted on rural matters.</p>
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