

**HAMPSHIRE COUNTY COUNCIL****Decision Report**

<b>Decision Maker:</b>	Pension Fund Panel and Board
<b>Date:</b>	22 July 2016
<b>Title:</b>	Governance: Amended Appointments Policy
<b>Reference:</b>	7678
<b>Report From:</b>	Director of Corporate Resources - Corporate Services

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### **1. Purpose**

- 1.1 This is a procedural matter to amend the Panel and Board's Appointments Policy to align the appointment of the employer representative representing Unitary Authorities with the Municipal year.

### **2. Background**

- 2.1 As part of the establishment of the Pension Fund Panel and Board the committee's Appointment's Policy was agreed in June 2015. The policy outlined the make-up of the committee, including the employer and scheme member representatives.

### **3. Amendment – timing of the appointment of the representative of Unitary Authorities**

- 3.1 One of the three employer representatives positions rotates annually between Portsmouth and Southampton City Councils. Section 4.1A of the Appointments policy originally specified that position would change every September, which was in line with the inception of the Panel and Board in September 2015.
- 3.2 The timing of the change in Unitary Authority representative is being changed to be in line with the Municipal year, so that the new appointment can be made at the County Council Annual General Meeting. This has been agreed by the two current Unitary Authority representatives. The amended text in Section 4.1A has been highlighted in Appendix 1.

### **4. Recommendations**

- 4.1 That the Pension Fund Panel and Board approves the revised Appointments Policy.

**CORPORATE OR LEGAL INFORMATION:**

**Links to the Corporate Strategy**

<b>Hampshire safer and more secure for all:</b>	no
Corporate Business plan link number (if appropriate):	
<b>Maximising well-being:</b>	no
Corporate Business plan link number (if appropriate):	
<b>Enhancing our quality of place:</b>	no
Corporate Business plan link number (if appropriate):	
<b>OR</b>	
<b>This proposal does not link to the Corporate Strategy but, nevertheless, requires a decision because actions are required to continue the appropriate investment of the Hampshire Pension Fund.</b>	

**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>	

**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:**

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

### **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:**

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.

## **Joint Pension Fund Panel and Board Scheme Member and Employer Representatives Appointments Policy**

### **1. Summary**

- 1.1. This document outlines the role of Scheme Member and Employer Representatives for the Hampshire Pension Fund Panel and Board and the means by which they will be appointed.
- 1.2. This policy covers the three Scheme Member Representatives and three Employer Representatives on the Panel and Board plus a substitute member for each group (one Scheme Member Representative substitute and one Employer Representative substitute)

### **2. Objective**

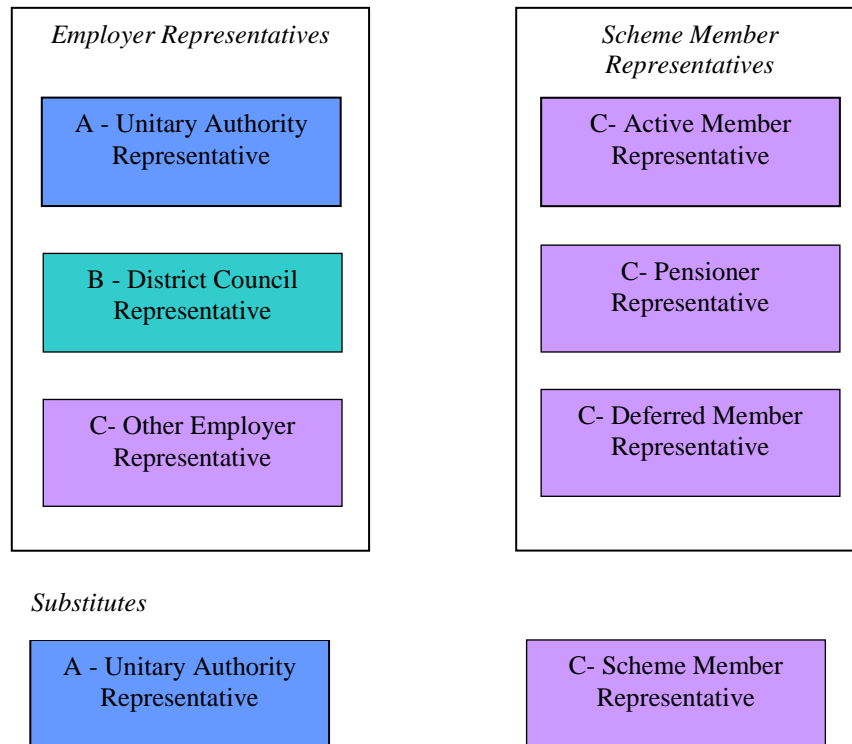
- 2.1. The objective of this policy is that the Hampshire Pension Fund has Scheme Member and Employer Representatives who are most able to contribute to the governance of the Pension Fund and represent the broadest range of the Pension Fund's scheme members and employers.

### **3. Role of the Employer and Scheme Member Representatives**

- 3.1. As members of the Hampshire Pension Fund Panel and Board, Employer and Scheme Member Representatives will be part of the committee responsible for the administration of the Local Government Pension Scheme (LGPS) in Hampshire and securing compliance with the Local Government Pension Scheme Regulations. The Employer and Scheme Member Representatives will be charged with ensuring that the views of the employers/scheme members that they represent are considered in the decisions made in discharging the Panel and Board's responsibilities.
- 3.2. Employer and Scheme Member Representatives will need to be contactable and respond to questions and comments from the groups that they represent. As part of this role they will need to agree to some personal information, such as their name, contact details and a photo being published on the Pension Fund's website.
- 3.3. The Employer and Scheme Member Representatives will be required to attend a minimum of six Pension Fund Panel and Board meetings a year, plus formal Panel and Board training events. In addition as Panel and Board members Employer and Scheme Member Representatives will need to undertake training and development activities in their own time, including attending conferences, often in London.
- 3.4. The full details of the Pension Fund Panel and Board are contained in its Terms of Reference and Operating Procedures, including a link to the County Council's Standing Orders with details of the policy for Expenses and Allowances.

#### 4. Application and Nomination Routes

- 4.1. In order to achieve the aim of having a broad representation of the Pension Fund's scheme members and employers the representative roles will be categorised as follows, with different appointment processes (A to C) for each, which are set out below.



**A – Unitary Authority Representative** – Each Unitary Authority of Southampton City Council and Portsmouth City Council will nominate an elected member to serve as their representative on the Panel and Board. The representative seat will rotate between the two cities each year (in line with Municipal year, with the new appointment made each year at the County Council's Annual General Meeting), with the city with the non-serving representative fulfilling the role of substitute Employer Representative.

Unitary Authority Representatives shall serve on the Panel and Board for as long as they continue to be an elected member of the city they are representing and they continue to receive the Unitary Authority's nomination.

**B – District Council Representative** – The Hampshire and Isle of Wight Local Government Association (HIOWLGA) will nominate an elected member from one of the 11 District Council's in Hampshire to serve as their representative on the Panel and Board.

The District Council Representative can serve for a maximum of 8 years as long as they remain an elected member of a District Council in Hampshire and continue to receive the nomination of HIOWLGA.

**C – Other Employer Representative and Scheme Member Representatives** Applications will be sought by the Hampshire Pension Fund for the other

representative roles on the Panel and Board. Prospective applicants will be asked to complete a written application which will be assessed by officers of the Pension Fund and shortlisted applicants will be invited to interview as a final stage of the application process.

To meet the aim of ensuring broad representation from employers and scheme members priorities will be assigned in appointing to the following roles:

- An Employer Representative from one of the large constituent groups amongst the Fund's employers, such as the education sector or community admission group.
- A Scheme Member Representative from each of the three groups of members:
  1. Active member – working for an employer in the Pension Fund and contributing to the Fund.
  2. Deferred member – not yet retired and in receipt of a pension but who has previously contributed to the Fund.
  3. Pensioner – in receipt of a pension from the Fund.
- A Scheme Member Representative substitute from either of the three groups of active, deferred or pensioner.

A representative selected through an application process can serve for a 4 year term as long as they can continue to represent the employer/ scheme member group from which they originally came. At the end of their 4 year term an Employer or Scheme Member Representative can apply again, and if successful serve a maximum one further 4 year term.

## **5. Criteria for the selection of Employer or Scheme Member Representatives**

5.1. Within the priorities for representation from Employer and Scheme Member Representatives the following criteria will be used in the application process to select representatives:

- Able to represent either all employers or all scheme members.
- Has the capacity to be a member of the Pension Fund Panel and Board.
- Excellent communication and listening skills and the ability to work as part of a group.
- Good analytical skills, an aptitude for taking on new information and a commitment to continuous personal development.
- Highly numerate, ideally with a background in the Financial Sector.
- An awareness of pension fund and investment issues.
- Has no conflict of interest in holding or having held a senior management post at the Administering Authority, or a role in administering the Pension Fund; either currently or in the last 5 years.

**6. Approval of appointments**

- 6.1. As a committee of Hampshire County Council all appointments to the Pension Fund Panel and Board via all three of the routes above (A, B and C) will be approved by the County Council according to its constitution.