

Chairman and Vice-Chairman of the Pension Fund Panel

1. Background

The Local Government Pension Scheme (Amendment) (No 3) Regulations 2007 require the Hampshire Pension Fund to maintain a Governance Policy Statement. This statutorily required document is formally published annually within the Hampshire Pension Fund Annual Report and Accounts.

This Governance Policy Statement states the following with regards to the Pension Fund Panel's terms of reference and its representative member composition:

The County Council, as administering authority for the Hampshire Pension Fund, has delegated responsibility for managing the Fund's investments to the Pension Fund Panel through its Audit Committee.

2. The Terms of Reference of the Pension Fund Panel in the Constitution are "to administer the Pension Fund on behalf of the County Council as Superannuation Authority".

What this means in practice is that the Pension Fund Panel oversees the proper administration and management of the Pension Fund. It is responsible for:

- i. Appointing external fund managers and advisers;
- ii. Making suitable custody arrangements for the Fund's investments;
- iii. Considering and approving actuarial valuations every three years and determining the level of employers' contributions;
- iv. Considering changes in pension fund regulations and determining actions required;
- v. Considering and approving strategic advice on investment policy;
- vi. Considering and approving the external managers' investment strategies;
- vii. Monitoring the investment performance of each manager against their target and benchmark, based on statistics prepared by Northern Trust;
- viii. The periodic review of the Statement of Investment Principles, the Fund's Business Plan, its Funding Strategy Statement, this Governance Policy Statement and the Governance Compliance Statement and the Fund's Communication Policy Statement;
- ix. Producing an Annual Report on the Pension Fund. This report is submitted to Audit Committee, and is a statutory requirement of the County Council.

3. Membership of the Pension Fund Panel

The Pension Fund Panel is constituted to reflect the views of:

- the County Council as administering authority and the largest employer with 46% of the contributing membership
- the two city unitary authorities with 22% of the contributing membership
- the district councils and other employers with 32% of the membership, and
- the Fund's pensioners and contributors themselves.

The Pension Fund Panel consists of:

- nine county councillors with voting rights
- one representative of the unitary city councils of Portsmouth and Southampton with voting rights
- one representative of the 11 district councils in the Hampshire county area with voting rights
- one representative of the Fund's contributors with voting rights
- one representative of the Fund's pensioners with voting rights.

There is also an independent adviser/sounding board without voting rights, who attends all Panel meetings.

The Chairman and Vice-Chairman of the Pension Fund Panel are members of the County Council.

4. Meetings of the Pension Fund Panel

The Pension Fund Panel has historically met four times each year.

However, changes in the nature and amount of the business to be transacted has meant that in recent years, the number of meetings required has steadily been increasing. The reason for this is a combination of an increased workload caused by a more diversified investment portfolio (and consequently a significantly increased number of investment fund managers), increased risk management requirements, and increased statutory responsibilities. It is anticipated that the Pension Fund Panel will now meet eight times a year. There will be three meetings in May and again in November (two for discussion with the investment managers and one for "business" items) with single meetings of the Panel in the intervening periods to consider "business" items.