



## AGENDA

### PENSION BOARD

Wednesday, 29th July, 2015, at 10.00 am

Ask for:

Swale 1, Sessions House, County Hall,  
Maidstone

Telephone

*Tea/Coffee will be available 15 minutes before the start of the meeting in the meeting room*

#### Membership (8)

**Kent County Council (2)** Miss S J Carey (Chairman) and Mr D Smyth

**District/Medway Council (1)** Councillor D Monk

**Police/Fire & Rescue (1)** Ms A Kilpatrick

**Staff (2)** Ms S Lysaght and Mr J Peden

**Kent Active Retirement Fellowship (1)** Mr D Coupland

**Trade Unions (1)** Mr J Parsons

#### **UNRESTRICTED ITEMS**

*(During these items the meeting is likely to be open to the public)*

1. Chairman

In accordance with the agreed constitution of this Board, the Chairman must be a Kent County Council Elected Member. Therefore the Board is requested to confirm the appointment of Miss Carey as Chairman of the Committee.

2. Introduction to the Pension Board - presentation by the Head of Financial Services

3. Position Statement (Pages 3 - 26)

#### **EXEMPT ITEMS**

*(At the time of preparing the agenda there were no exempt items. During any such items which may arise the meeting is likely NOT to be open to the public)*

Peter Sass  
Head of Democratic Services  
03000 416647  
Tuesday 21 July 2015

This page is intentionally left blank

By: Chairman Pension Board  
Corporate Director of Finance and Procurement

To: Pension Board – 29 July 2015

Subject: **POSITION STATEMENT**

Classification: Unrestricted

---

Summary: To update on progress made on establishing the Pension Board and issues to be addressed.

## **FOR INFORMATION**

---

### **INTRODUCTION**

1. This report is to give an interim position statement as the full membership of the board is established.
2. For background the Superannuation Fund Committee and County Council reports establishing the board are attached in Appendices 1 and 2.

### **BOARD MEMBERSHIP**

3. The current position on board membership is:

- (1) Employer Representatives

- KCC – 2 County Councillors, Susan Carey and Derek Smyth, nominated by the Appointments Panel with Ms Carey nominated as Chairman. The board will determine a Vice Chairman.
- Fire / Police – Alison Kilpatrick, Assistant Director – Finance, Kent Fire and Rescue Service was nominated as the Fire / Police representative.
- Medway / District Councils – there are outstanding issues over the Medway and District Council representation on the Superannuation Fund Committee. Medway has one place but it is non-voting and the Committee has been requested to re-consider its nomination process for the three District Council representatives by KCC's Director of Governance and Law. The issue will be considered again by the Superannuation Fund Committee on 28 August and a report will go to the Kent Leaders Group and it will incorporate a request for the Pension Board member at the same time. .

## (2) Scheme Member Representation

- Trade Union – Joe Parsons has been nominated with Sophy Lysaght a substitute.
- KCC Staff – a message prepared by the Head of Financial Services has been put on to the KCC intranet and responses are being received. A selection process will then be undertaken. KCC also needs a new staff representative on the Superannuation Fund Committee following the retirement of the previous representative.
- Medway / District Council Staff – the Head of Financial Services has written to the Chief Executives of the Kent Councils and nominations are being received back. Again a selection process will be undertaken.
- Kent Active Retirement Fellowship – discussions are ongoing about their representative and substitute.

## **AGENDA FOR FUTURE MEETINGS**

4. The role of the board will clearly develop over time but the focus is very much on regulatory issues. The core agenda proposed is:
  - (1) Annual Accounts – annually for noting.
  - (2) Pension Administration updates – twice yearly for noting.
  - (3) Internal Audit reports – twice yearly for noting.
  - (4) Issues for report to the Pensions Regulator – twice yearly for decision.

## **TRAINING**

5. When all members of the board are appointed the Head of Financial Services will present the training module within KCC's Financial Management Development Programme for members and senior managers.
6. Members of the board will be contacted on a regular basis by officers with training opportunities. Members of the board are asked to arrange training through the Treasury and Investments Team so that comprehensive records can be maintained.

## **RECOMMENDATIONS**

7. Members of the board are asked to note this report.

**Nick Vickers**  
**Head of Financial Services**

**Tel: 03000 416797**

This page is intentionally left blank

By: Chairman Superannuation Fund Committee  
Corporate Director of Finance and Procurement

To: Superannuation Fund Committee – 6 February 2015

Subject: **PENSION BOARD**

Classification: Unrestricted

---

Summary To make proposals for the establishment of a Pension Board.

## **FOR DECISION**

---

### **INTRODUCTION**

1. As part of the reforms of public sector pension schemes following Lord Hutton's 2010 review, major changes were proposed in the Public Services Pension Act 2013. The Act included a requirement for the Department for Communities and Local Government (DCLG) to make regulations establishing a National Scheme Advisory Board and requiring each Local Government Pension Scheme (LGPS) administering authority to establish local pension boards.
2. The committee has responded to a number of consultations from the DCLG in August and November 2014. Its responses have been fairly typical of those of administering authorities who have questioned the purpose and role of the new boards. In fact the consensus view would seem to be that for a locally administered scheme such as the LGPS they are wholly unnecessary and reflect fundamental misunderstandings about how the LGPS is currently governed. Notwithstanding this view we have to comply with the regulatory requirement.
3. This report includes a proposed basis for the establishment of a Pension Board for the Kent Fund which will be consulted on.

### **SECTION 101 COMMITTEE**

4. Each administering authority is responsible for administering and managing the LGPS and is now referred to as the scheme manager. Under the Local Government Act 1972 decisions about pensions are delegated in accordance with Section 101 to "committees or sub committees made up of councillors from all of the political groups and will

be politically balanced”. In Kent the Constitution delegates this responsibility to the Superannuation Fund Committee.

5. The number of KCC Elected Members on the committee is determined as part of the overall political balance of the County Council. Additionally the committee has:
  - 1) Three District Council representatives, one for each of the Conservative, Labour and Liberal Democrat parties who have full voting rights. It is understood that this arrangement goes back to the mid-1990s and it is timely to review this in light of the establishment of the Pension Board.
  - 2) One Medway Council – representative since 2002 (non- voting). This was the last time that the membership of the committee was reviewed and it was not felt to be appropriate that the second largest employer in the scheme did not have a seat on the committee.
  - 3) Two Kent Active Retirement Fellowship representatives. Again this goes back to when KARF was established in the mid-1990s and there are no voting rights. Pensioners are a key part of the total community of the scheme but there are no decisions which the committee can take which affects the entitlements of pensioners.
  - 4) One trade union representative. This was reduced from 2 members, for the county and district councils in 2002, non-voting.
  - 5) One staff representative from KCC, non-voting.
6. The creation of a Pension Board does not change the core role of the Administering Authority in any way. But it does give the opportunity to review the current membership of the scheme. In this context the main issues are:
  - 1) Formally confirming the arrangements for the district council representatives. The current arrangement of nomination by political group does not accord with normal practice. For example, the Council’s Health Overview and Scrutiny Committee has two voting district council representatives – nominated by councils in east and west Kent
  - 2) Determining whether it is possible to give the Medway Council representative full voting rights.
  - 3) Determining whether the KARF, trade union and staff representation is more appropriate through the Pension Board itself.

Changes to the membership of this committee have to be agreed by the County Council and proposals will be included in the report on the



establishment of the Pension Board to be considered by this committee on 20 March 2015 for recommendation to County Council in May 2015.

7. There are no proposals to change the remit of the committee.

### **PENSIONS REGULATOR**

8. The regulatory powers of the Regulator were extended under the 2013 Act to cover some aspects of public service pension schemes, including the LGPS. The Regulator is an existing body corporate established by the Pensions Act 2004 Act. Prior to 1 April 2015, the Regulator regulated occupational and personal pension schemes provided primarily through private sector employers.

9. The Regulator has a number of statutory objectives including to:

- 1) Protect the benefits of pension scheme members,
- 2) Promote, and improve understanding of, the good administration of work-based pension schemes; and
- 3) Maximise compliance with the duties and safeguards of the Pensions Act 2008.

The 2013 Act introduces a framework for the regulatory oversight of aspects of the governance and administration of public service pension schemes by the Regulator from 1 April 2015, through expanding its current role.

10. The Regulator has oversight in areas such as those listed in below and may issue codes of practice for public service pension schemes in these areas. The Regulator has issued the Code of Practice which covers:

- 1) Knowledge and understanding by pension board members.;
- 2) Conflicts of interest;
- 3) Reporting breaches of the law;
- 4) Information to be published about a scheme;
- 5) Internal controls;
- 6) Scheme record-keeping;
- 7) Maintaining contributions;
- 8) Information to be provided to members; and
- 9) Internal dispute resolution.

However, only the areas of knowledge and understanding, conflicts of interest and reporting breaches of the law have direct application to Local

Pension Boards. The other areas apply to administering authorities, although are areas that a Local Pension Board will need to be aware of in order to assist the administering authority.

11. For the avoidance of doubt the powers of the Regulator were not extended to cover areas such as the funding and investment of Funds.
12. The Regulator will have a range of enforcement powers under the 2013 Act including:
  - 1) The power to appoint a person to assist a Local Pension Board in the discharge of its functions if the Regulator considers it desirable for the purpose of ensuring compliance with relevant “pensions legislation”;
  - 2) The power to issue an ‘improvement notice’ to an Administering Authority or to a member(s) of a Local Pension Board directing them to take, or refrain from taking, such steps as are specified in the notice in order to remedy or prevent a recurrence of a contravention of “pensions legislation”;
  - 3) The power to issue a ‘third party notice’ directing a third party to take, or refrain from taking, such steps as are specified in the notice in order to remedy or prevent a recurrence of a contravention of “pensions legislation”;
  - 4) The power to issue a ‘report notice’ to an Administering Authority or to a member(s) of a Local Pension Board requiring them to provide a report on a specified matter(s) which are relevant to the exercise of any of the Regulator's functions;
  - 5) The power to require Administering Authorities and members of Local Pension Boards to produce documents and information;
  - 6) The power to inspect premises;
  - 7) The power to apply for an injunction;
  - 8) The power to apply for restitution where there has been a misuse or misappropriation of any Fund assets;
  - 9) The power to recover unpaid contributions on behalf of an Administering Authority; and
  - 10) The power to impose civil penalties for breaches of certain pensions legislation including the duty for Administering Authorities and members of Local Pension Boards to report breaches of the law, the duty for Administering Authorities to report the late payment of employer contributions and the failure to comply with an ‘improvement notice’ or a ‘report notice’.

As noted above, certain powers of the Regulator are limited to contravention of “pensions legislation”. For this purpose, “pensions legislation” has a specific meaning and includes certain pieces of core pensions legislation which apply to both public and private sector schemes (the Pension Schemes Act 1993; parts of the Pensions Act 1995; the Pensions Act 2004; and statutory provisions on pension sharing on divorce). In terms of the legislation contained in the 2013 Act, “pension legislations” only includes sections 5(4) (pension board: conflicts of interest and representation), 6 (pension board: information), 14 (information about benefits) and 16 (records).

Of the 2013 Act provisions, only section 5(4) (pension board: conflicts of interest and representation) has direct relevance to a Local Pension Board, as the other sections relate to Scheme Manager responsibilities.

13. The other listed statutory provisions are relevant to the extent that a Local Pension Board is responsible for assisting the administering authority to comply with legislation relating to the governance and administration of the LGPS (which will include certain elements of the listed statutes). In all cases, the term “pensions legislation” covers both the statutory provisions listed and any secondary legislation made under those provisions.
14. If the Regulator has reasonable grounds to suspect or believe that a member of a Local Pension Board:
  - 1) Has misappropriated any assets of the Fund or is likely to do so; or
  - 2) Has a conflict of interest in relation to the investment of assets of the Fund

The Regulator must report the matter to the administering authority. However, given that a member of Local Pension Board should not have access to Fund assets or be involved in the investment of Fund assets then the exercise of this duty should be rare in practice.

### **CONSTITUTION AND MEMBERSHIP OF A LOCAL PENSION BOARD**

15. Final regulations for the Pension Board have still not been received so the proposals here reflect the draft Statutory Instrument reported to the committee in November and the January 2015 document produced by the Pensions Regulator.
16. Regulation 106 (1) states that the Pension Board will be responsible for assisting the administering authority:
  - (a) To secure compliance with:
    - (i) These Regulations,

- (ii) Any other legislation relating to the governance and administration of the Scheme and any connected scheme, and
- (iii) Any requirements imposed by the Pensions Regulator in relation to the Scheme.

(b) To ensure the effective and efficient governance and administration of the Scheme.

17. Local Pension Boards must be established no later than 1 April 2015. Established in this context means that the administering authority must have approved the establishment of the Local Pension Board and the Local Pension Board's composition and also the terms of reference, in accordance with its constitution. It does not necessarily mean that the Local Pension Board has to be fully operational by this date. However it is anticipated that a Local Pension Board should be operational within a reasonably practicable period after 1 April 2015 (being no longer than 4 months).
18. The responsibility for establishing a Local Pension Board rests with the administering authority of each Fund. This is something the administering authority must do, it is not optional.
19. An administering authority is given power under regulation 106(5) of the Regulations to determine the procedures applicable to its Local Pension Board, including voting rights, the establishment of sub-committees and the payment of expenses. When exercising this power (as provided for in the 2013 Act), the administering authority must do so in accordance with usual local government principles, acting reasonably and within the powers set out in the Regulations.
20. A Local Pension Board must include an equal number of employer and member representatives with a minimum requirement of no less than four in total. In addition, the Regulations do not preclude that other members may also be appointed to the Board.
21. No officer or councillor of an administering authority who is responsible for the discharge of any function under the Regulations (apart from any function relating to Local Pension Boards or the Scheme Advisory Board) may be a member of a Local Pension Board. The committee did respond to DCLG in November on this issue stating:

*“We welcome the amendment which allows elected members to be members of the board. But the absolute refusal to allow elected members of the administering authority to be on the board is unhelpful. The greatest level of expertise resides with these members and the board would greatly benefit from their involvement. We would ask the Secretary of State to allow elected*

*members of the administering authority to serve on the board but in a minority”.*

22. In accordance with section 248A of the 2004 Act, every individual who is a member of a Local Pension Board must:
- (a) Be conversant with:
    - (i) The rules of the LGPS, in other words the Regulations and other regulations governing the LGPS (such as the Transitional Regulations and the Investment Regulations); and
    - (ii) Any document recording policy about the administration of the Fund which is for the time being adopted in relation to the Fund, and
  - (b) Have knowledge and understanding of:
    - (i) The law relating to pensions; and
    - (ii) Such other matters as may be prescribed.
23. The proposals for the Kent Fund Pension Board are set out in Appendix 1. It is proposed that we consult with all employers and interested parties, including trade unions and KARF, on these proposals. Final recommendations can then be made to the committee on 20 March with formal recommendations submitted to Council on 15 May. This will still allow for the first meeting of the board to take place within 4 months of 1 April 2015 as required.

### **RECOMMENDATIONS**

24. Members are asked to agree the consultation document set out in Appendix 1 and the process set out in paragraph 23 above which will include recommendations to the committee at its meeting on 20 March 2015 on consequential changes to its Membership to address the issues set out in paragraph 6 above.

Nick Vickers  
Head of Financial Services  
03000 416797

# KENT COUNTY COUNCIL SUPERANNUATION FUND COMMITTEE

## CONSULTATION ON ESTABLISHING A PENSION BOARD

### INTRODUCTION

1. Kent County Council is the administering authority for the Kent Pension Fund. The scheme has 110,000 members, there are 500 employers and assets of £4.3bn.
2. As part of the reform of public service pension schemes by the Government there is a new requirement for Local Government Pension Schemes to have a Pension Board sitting alongside the Superannuation Fund Committee.
3. The Superannuation Fund Committee remains responsible for the management of the Fund.
4. Regulation 106(1) of the draft Statutory Instrument states that the Pension Board will be responsible for assisting the administering authority:
  - 1) To secure compliance with:

These Regulations,

Any other legislation relating to the governance and administration of the Scheme and any connected scheme, and

Any requirements imposed by the Pensions Regulator in relation to the Scheme.
  - 2) To ensure the effective and efficient governance and administration of the Scheme.
5. Local Pension Boards must be established no later than 1 April 2015. Established in this context means that the administering authority must have approved the establishment of the Local Pension Board and the Local Pension Board's composition and also the terms of reference, in accordance with its constitution. It does not necessarily mean that the Local Pension Board has to be fully operational by this date. However it is anticipated that a Local Pension Board should be operational within a reasonably practicable period after 1 April 2015 (being no longer than 4 months).
6. This consultation is on the Superannuation Fund Committee's proposals for the membership of the Pensions Board.

## **PROPOSED APPROACH**

### 7. Membership

Chairman - KCC elected member NOT currently on the Superannuation Fund Committee.

Vice Chairman - to be agreed by the Board.

Member representation (4):

Staff - 2 representatives: 1 KCC and 1 non KCC.

Kent Active Retirement Fellowship - 1 representative.

Trade unions - 1 representative

Employer (4):

KCC - 2 representatives (including Chair) - not members of the Superannuation Fund Committee

District Councils/Medway Council/Police/Fire - 1 representative

Other employers - 1 representative

### 8. Selection of members

This will vary by the type of member:

Employee representatives will be asked to nominate themselves and a panel of Finance and HR officers from employers will select.

Pensioner - nominated by KARF.

Trade unions - will be approached direct.

Employer representatives - will be nominated by those employers.

### 9. Relevant Knowledge and Understanding of Representative Members

The Regulations require that individuals appointed have relevant knowledge and understanding. Much of this will come from serving on the Board and there will be a nucleus of member representatives who have experience from currently attending committee meetings in a non-voting role.

Individuals should not have a conflict of interest but membership of the LGPS or the Fund will not constitute a conflict of interest.

10. Term of Office

Given the substantial investment which will need to be made to bring members skills and knowledge up to an acceptable level it is proposed to have a four year membership period.

11. Termination

A member should cease their office where:

A member has a conflict of interest which cannot be managed in accordance with the Board's conflicts policy;

A member dies or becomes incapable of acting;

A member who is a councillor of the Administering Authority is appointed to a Superannuation Fund Committee;

A member is appointed to the role of an officer of the Administering Authority with responsibility for the discharge of functions under the Regulations;

A member resigns.

A representative member ceases to represent his constituency, for example if an employer representative leaves the employment of his employer and therefore ceases to have the capacity to represent the Fund's employers; and

A member fails to attend meetings or otherwise comply with the requirements of being a Board member, for example fails to attend the necessary knowledge and understanding training.

12. Terms of Reference

The board will assist the Superannuation Fund Committee to secure compliance with the requirements of the LGPS Regulations and of the Pensions Regulator.

The board will receive regular reports on governance and compliance issues.

13. Officer Support

The KCC Corporate Director of Finance and Procurement will be responsible for providing professional advice to the board.

Meeting agendas will be prepared and published by KCC Democratic Services, papers will be available on the KCC website and KCC Democratic Services will minute meetings and publish the minutes on the KCC website.



14. Number of Meetings

The board will meet twice a year in Sessions House, Maidstone.

15. Quorum

A minimum of 4 members will need to be present for the board to be quorate.

16. Substitutes

Substitutes will not be allowed.

17. Expenses

Member representatives will be paid expenses for attending the meeting.

Any expenditure the board proposes to incur will need to be agreed in advance by KCC's Head of Financial Services.

18. Data Protection

All members of the board will be required to comply with KCC's data protection and information security policies.

**Responses to the consultation should be made to:**

[nick.vickers@kent.gov.uk](mailto:nick.vickers@kent.gov.uk)

**By 6 March 2015**

Nick Vickers  
Head of Financial Services  
03000 416797

This page is intentionally left blank

By: Chairman Superannuation Fund Committee  
Corporate Director of Finance & Procurement

To: Council– 26 March 2015

Subject: **LOCAL PENSION BOARD**

Classification: Unrestricted

---

Summary: To receive the recommendations of the Superannuation Fund Committee on the establishment of a Pension Board.

## **FOR DECISION**

---

### **INTRODUCTION**

1. As part of the reforms of public sector pension schemes following Lord Hutton's 2010 review, major changes were proposed in the Public Services Pension Act 2013. The Act included a requirement for the Department for Communities and Local Government (DCLG) to make regulations establishing a National Scheme Advisory Board and requiring each Local Government Pension Scheme (LGPS) administering authority to establish a Local Pension Board. The Regulations were laid before Parliament on 28 January.
2. The committee has responded to a number of consultations from the DCLG in August and November 2014. Its responses have been fairly typical of those of administering authorities who have questioned the purpose and role of the new boards. In fact the consensus view would seem to be that for a locally administered scheme such as the LGPS they are wholly unnecessary and reflect fundamental misunderstandings about how the LGPS is currently governed. Notwithstanding this view the Council has to comply with the regulatory requirement.
3. The Superannuation Fund Committee received a report on 6 February which was approved with amendments and it then undertook a consultation with the 500 scheme employers. The results of this consultation were fed back to the Superannuation Fund Committee on 20 March. Given the need to progress setting up the Board it was necessary to bring the issue to this meeting of Council-an update will be given for any changes in the recommendations from the 20 March Superannuation Fund Committee meeting.

## **SECTION 101 COMMITTEE**

4. Each administering authority is responsible for administering and managing the LGPS and is now referred to as the scheme manager. Under the Local Government Act 1972 decisions about pensions are delegated in accordance with Section 101 to “committees or sub committees made up of councillors from all of the political groups and will be politically balanced”. In Kent the Constitution delegates this responsibility to the Superannuation Fund Committee.
5. There are no proposals to change the remit of the committee. It is still the body responsible for the management of the Fund.

## **PENSIONS REGULATOR**

6. The regulatory powers of the Regulator were extended under the 2013 Act to cover some aspects of public service pension schemes, including the LGPS. The Regulator is an existing body corporate established by the Pensions Act 2004 Act. Prior to 1 April 2015, the Regulator regulated occupational and personal pension schemes provided primarily through private sector employers.
7. The Regulator has a number of statutory objectives including to:
  - 1) Protect the benefits of pension scheme members,
  - 2) Promote, and improve understanding of, the good administration of work-based pension schemes; and
  - 3) Maximise compliance with the duties and safeguards of the Pensions Act 2008.

The 2013 Act introduces a framework for the regulatory oversight of aspects of the governance and administration of public service pension schemes by the Regulator from 1 April 2015, through expanding its current role.

8. To be absolutely clear the powers of the Regulator were not extended to cover areas such as the funding and investment of Funds.

## **CONSTITUTION AND MEMBERSHIP OF A LOCAL PENSION BOARD**

9. Regulation 106 (1) states that the Pension Board will be responsible for assisting the administering authority:
  - (a) To secure compliance with:

- (i) These Regulations,
  - (ii) Any other legislation relating to the governance and administration of the Scheme and any connected scheme, and
  - (iii) Any requirements imposed by the Pensions Regulator in relation to the Scheme.
- (b) To ensure the effective and efficient governance and administration of the Scheme.
10. Local Pension Boards must be established no later than 1 April 2015. Established in this context means that the administering authority must have approved the establishment of the Local Pension Board and the Local Pension Board's composition and also the terms of reference, in accordance with its constitution. It does not necessarily mean that the Local Pension Board has to be fully operational by this date. However it is anticipated that a Local Pension Board should be operational within a reasonably practicable period after 1 April 2015 (being no longer than 4 months).
  11. The responsibility for establishing a Pension Board rests with the administering authority of each Fund. This is something the administering authority must do, it is not optional.
  12. A Pension Board must include an equal number of employer and scheme member representatives with a minimum requirement of no less than four in total.
  13. No officer or councillor of an administering authority who is responsible for the discharge of any function under the Regulations (apart from any function relating to Local Pension Boards or the Scheme Advisory Board) may be a member of a Local Pension Board.
  14. The proposals for the Kent Fund Pension Board as recommended by the Superannuation Fund Committee are set out in Appendix 1.

### **RECOMMENDATION**

15. The County Council is requested to establish a Local Pension Board with effect from 1 April 2015 based on the proposal set out in Appendix 1 to this report.

Nick Vickers  
Head of Financial Services  
03000 416797

## **PENSION BOARD PROPOSAL**

### **1. Membership**

#### **Scheme member representation (4):**

Staff- 2 representatives; 1 KCC and 1 non KCC.

Kent Active Retirement Fellowship- 1 representative.

Trade unions- 1 representative

#### **Scheme employer (4):**

KCC- 2 representatives (including Chair)-not members of the Superannuation Fund Committee

District Councils /Medway Council- 1 representative

Police/Fire- 1 representative

#### **Total membership 8**

Note:

Chairman- KCC county councillor NOT currently on the Superannuation Fund Committee.

Vice Chairman- to be agreed by board.

### **2. Selection of members**

This will vary by the type of member:

Employee representatives will be asked to nominate themselves and a panel of Finance and HR officers from employers will advise the Board Chairman.

Pensioner- nominated by Kent Active Retirement Fellowship.

Trade unions- nominated by Unison.

Employer representatives- will be nominated by those employers and the Board Chairman will select.

### **3. Relevant Knowledge and Understanding of Representative Members**

The Regulations require that individuals appointed have relevant knowledge and understanding.

Individuals must not have a conflict of interest but membership of the LGPS or the Fund will not constitute a conflict of interest.

#### **4. Term of Office**

Membership will be for 4 year renewable periods with a maximum of 8 years..

#### **5. Termination**

A member should cease their office where:

A member has a conflict of interest which cannot be managed in accordance with the Board's conflicts policy;

A member dies or becomes incapable of acting;

A member who is a councillor of the Administering Authority is appointed to a Superannuation Fund Committee;

A member is appointed to the role of an officer of the Administering Authority with responsibility for the discharge of functions under the Regulations;

A member resigns.

A representative member ceases to represent his constituency, for example if an employer representative leaves the employment of his employer and therefore ceases to have the capacity to represent the Fund's employers; and

A member fails to attend 2 consecutive meetings or otherwise comply with the requirements of being a Board member, for example fails to attend the necessary knowledge and understanding training.

#### **6. Terms of Reference**

The board will assist the Superannuation Fund Committee to secure compliance with the requirements of the LGPS Regulations and of the Pensions Regulator.

The board will receive regular reports on governance and compliance issues.

#### **7. Officer Support**

The KCC Corporate Director of Finance and Procurement will be responsible for providing professional advice to the board.

Meeting agendas will be prepared and published by KCC Democratic Services, papers will be available on the KCC website and KCC Democratic Services will minute meetings and publish the minutes on the KCC website.

**8. Number of Meetings**

The board will meet twice a year in Sessions House, Maidstone. Additional meetings will be called if the volume of business makes it necessary.

**9. Quorum**

A minimum of 4 members will need to be present for the board to be quorate.

**10. Substitutes**

Substitutes will not be allowed given the highly technical nature of the work undertaken.

**11. Expenses**

Members of the board will be paid travel expenses for attending the meeting.

Any expenditure the board proposes to incur will need to be agreed in advance by KCC's Head of Financial Services.

**12. Data Protection**

All members of the board will be required to comply with KCC's data protection and information security policies.



## **SUPPLEMENTARY INFORMATION**

By: Chairman Superannuation Fund Committee  
Corporate Director of Finance & Procurement

To: Council– 26 March 2015

Subject: **LOCAL PENSION BOARD**

Classification: Unrestricted

---

Summary: To receive the recommendation of the Superannuation Fund Committee meeting on 20 March 2015 on the establishment of a Pension Board.

### **FOR DECISION**

---

(1) As stated in the report circulated with the County Council agenda scheme employers and the bodies represented on the Superannuation Fund Committee were consulted on the draft proposal to established Local Pension Board.

(2) The outcome of the consultation was considered by the Superannuation Fund Committee at their meeting on 20 March 2015 the only amendment to the proposal related to allowing for the Kent Active Retirement and Unison Members to each have a named substitute.

(3) It is therefore necessary to revise the recommendation contained in the original report to take account of the recommendation of the Superannuation Fund Committee.

### **REVISED RECOMMENDATION**

(4) The County Council is requested to establish a Local Pension Board with effect from 1 April 2015 based on the proposal set out in Appendix 1 to this report with paragraph 10 (page 76 of the County Council book) amended as follows ;

“10. Substitutes

Substitutes will be allowed for the Kent Active Retirement and Unison members of the Board but they must be a named individual who will undertake the necessary training and development.”

This page is intentionally left blank