

KENT COUNTY COUNCIL

PENSION BOARD

MINUTES of a meeting of the Pension Board held in the Wantsum Room, Sessions House, County Hall, Maidstone on Friday, 14 October 2016.

PRESENT: Miss S J Carey (Chairman), Mr D Coupland, Ms A Kilpatrick, Mrs S Lysaght, Mr J Parsons, Mr J Peden and Mr D Smyth

IN ATTENDANCE: Ms B Cheatle (Pensions Manager), Mr N Vickers (Business Partner (Pension Fund)), Ms D Fitch (Democratic Services Manager (Council)) and Mrs A Mings (Treasury and Investments Manager)

UNRESTRICTED ITEMS

9. Minutes of the meetings held on 29 July 2015 and 20 April 2016

(Item 1)

RESOLVED that the minutes of the meeting held on 29 July 2015 and 20 April 2016 are correctly recorded and that they be signed by the Chairman.

10. Fund Report and Accounts

(Item 2)

Mr Vickers presented the Report and Accounts of the Superannuation Fund for 2015/16 and the External Audit Findings Report.

(1) Officers answered questions from the Board which included the following:

- Officers confirmed that the Auditors had not identified any control weaknesses in the production of the Accounts and did not find any issues in relation to the risks assessed.
- Mrs Mings confirmed that the quality of the responses from Fund Managers had been good which had been a contributory factor in the Audit being completed promptly.
- Mrs Mings also confirmed that the Auditors had not identified any significant issues with the recording of contributions from Employers, payments to Members and Member Data held by KCC.
- Mr Vickers confirmed that the Auditors had not found any issues with the valuation of the investments. The Kent Fund had very few 'hard to value' investments and therefore there was less subjectivity in the Accounts.
- Mrs Mings confirmed that neither the Governance and Audit Committee nor the Superannuation Fund Committee had raised any issues on the Accounts.
- Mrs Mings confirmed that the Funds of most of the Admitted Employers on page 36 and 37 were closed. She explained that as more services were outsourced the trend would be to have more closed funds. Mrs Mings undertook to provide details of the Funds that were closed.

RESOLVED that:

- a) the content of the Annual Report including the following be noted:
 - i. The Funding Strategy Statement
 - ii. The Statement of Investment Principles
 - iii. Governance Compliance Statement
 - iv. Communications Policy Statement; and
- b) the content of the Accounts for 2015/16 be noted; and
- c) the external auditor's Audit Findings Report be noted; and
- e) approval of the Fund's Accounts by the Governance and Audit Committee on 21 July 2016 be noted.

11. Actuarial Valuation Update

(Item 3)

(1) Mr Vickers introduced a report on the Government Actuary Department's review of the 2013 actuarial valuations and provided an update on the progress of the 31 March 2016 valuation, including a briefing note from Barnett Waddingham setting out early indications of the actuarial valuation results.

(2) RESOLVED that the update be noted.

12. Pensions Administration Update

(Item 4)

(1) Ms Cheatle presented a report which provided the Board with a comprehensive update on administration issues which included; workload position; achievements against Key Performance Indicators, a change in Actuarial guidance; communications and the Guaranteed Minimum Pension reconciliation.

(2) Officers answered questions from the Board which included the following:

- Ms Cheatle confirmed that the increase in the number of calls received was partly related to the high profile that pension matters had in the media and the related concerns of potential pensioners not wanting to make a mistake in relation to their options and therefore requiring reassurance. Mr Vickers stated that as this related to people's long term future it was essential that they received the correct information but this did put pressure on the pensions section.
- Mrs Lysaght drew attention to the free advice from a financial advisor available to UNISON members which could be used by those who were anxious about their pensions.
- It was suggested that Employers who did not submit accurate and timely information should incur a penalty.
- It was confirmed that people's anxieties about their pension and the complexities of the scheme had led to an increase in correspondence
- Officers acknowledged that it would be possible to make greater use of digital technology to reduce calls relating to administrative matters such as changes of address in order to create more capacity for officers to deal with complex enquires.
- Ms Cheatle undertook to include the number of phone calls in future reports to the Board.

- Ms Cheatle confirmed that she looked at the way in which other local authorities administered their pension scheme to check for best practise. She stated that although it would be possible to have more web based information and self-service, because of the complexity of the scheme and the importance to the individual, people tended to want information in writing relating to their particular circumstances

(3) RESOLVED that the report be noted.

13. Motion to Exclude the Press and Public

(Item 5)

That under Section 100A of the Local Government Act 1972 the press and public be excluded from the meeting for the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of part 1 of Schedule 12A of the Act.

EXEMPT ITEMS

14. LGPS Pooling

(Item 6)

(1) Mr Vickers introduced a report which updated the Board on progress with LGPS pooling arrangements.

(2) Mr Vickers circulated a copy of the letter that the Chairman of the Superannuation Fund Committee had sent to the Secretary of State for Communities and Local Government on behalf of the Committee, and the response received.

(3) In response to a question Mr Vickers explained that in accordance with the Regulations a reason for keeping funds out of the Pooling arrangement was Value for Money. The Kent Fund was a very low cost scheme but most of the Funds going into the Pool were in products with a higher fee than Kent had achieved.

(4) Mr Vickers was asked whether, if the Pooling arrangements did not go ahead, there was an option to have a pooling arrangement anyway, he referred to the National Framework that had been launched by Norfolk County Council which would provide a formal legal process that Kent could use.

(5) RESOLVED that the update be noted.