



AGENDA

PENSION BOARD

Friday, 15th June, 2018, at 10.00 am

Ask for: Ann Hunter

Wantsum Room - Sessions House

Telephone 03000 416287

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

Membership

Scheme Employer Representatives (4)

Kent County Council (2)	Mrs M Crabtree (Chairman) and Mrs R Binks
District/Medway Council (1)	Councillor D Monk
Police/Fire & Rescue (1)	Ms A Kilpatrick

Scheme Employee Representatives (4)

KCC (1)	Mr J Peden
Medway/Districts (1)	Mr J Parsons (Vice-Chairman)
Trade Unions (1)	Vacancy
Kent Active Retirement Fellowship (1)	Mr D Coupland

UNRESTRICTED ITEMS

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

1. Apologies
2. Declarations of Interest by Panel members on items on the agenda for this meeting
3. Minutes of the meeting held on 20 April 2018 (Pages 3 - 6)

4. ACCESS Pooling Update (Pages 7 - 8)
5. Pensions Administration (Pages 9 - 24)
6. Fund Employer Matters (Pages 25 - 30)
7. Date of next meeting

The next meeting of the Panel will be held on 19 October 2018 at 10am

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)

Benjamin Watts
General Counsel
03000 416814

Thursday, 7 June 2018

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, 27 October 2017.

PRESENT: Mrs M E Crabtree (Chairman), Mrs R Binks, Mr D Coupland, Ms A Kilpatrick, Mrs S Lysaght and Mr J Peden

IN ATTENDANCE: Mr J Lynch (Head of Democratic Services), Ms L Savage (Pensions Administration Performance and Operations Manager), Mr S Tagg (Senior Accountant - Pension Fund) and Mr N Vickers (Head of Financial Services)

UNRESTRICTED ITEMS

10. Apologies
(Item 1)

Apologies were received from Councillor David Monk (Medway Council) and Ms Barbara Cheatle (Pensions Manager).

11. Declarations of Interest by Panel members on items on the agenda for this meeting
(Item 2)

None

12. Minutes of the meeting held on 4 July 2017
(Item 3)

RESOLVED that the minutes of the meeting held on 4 July 2017 are correctly recorded and that they be signed by the Chairman as a correct record.

13. Superannuation Fund Report & Accounts and External Audit
(Item 4)

(1) Mr Vickers presented the report and Accounts of the Superannuation Fund for 2016/17 and the External Audit Findings report.

(2) Mr Vickers highlighted the followings points:

- The Accounts were agreed by the Governance and Audit Cttee in July and then the Superannuation Fund Committee in Sept each year before being presented to the Board.
- The last year had seen a very significant growth in the value of the Pension Fund, with a return of 21% the fund increased in value by just under £1bn.

- 39% of the Fund's portfolio was in Overseas Equities versus the benchmark figure of 32%. Given the high returns these had yielded £200m had been taken out of equities to bank them.
- A major review of investment strategy had been commissioned, the outcome of which would be presented to the next meeting of the Board.
- The Funds' investments had outperformed the benchmark over a 3, 5 and 10 year period.
- A lot of our investments were in pool funds. Where KCC were direct owners of shares they did vote on them and were actively engaged with management at their company meetings.

(3) Mr Vickers answered questions from the Board and stated:

Fund Managers performance was closely monitored and they would shortly be meeting with Woodford over their performance.

The review of investment strategy could well suggest having less in UK equities.

(4) RESOLVED that the report be noted.

14. ACCESS Pooling Update (Item 5)

(1) Mr Vickers updated the Board on progress with pooling. It was noted that:

- A formal Joint Ctte had now been formally established with the 11 participating authorities. This was chaired by Cllr Andrew Reid from Suffolk and Cllr Richard Stogdon from East Sussex being Vice Chairman.
- The DCLG had changed their view and now required all funds to participate in a pool and all pools must have an FCA authorised operator. ACCESS was now complying with this requirement whereas the Northern Pool were not and a small number of funds did not want to be part of pools.
- ACCESS Funds had recently awarded a contract for their combined passive mandate to UBS Asset Management (UK) Ltd. This would give KCC a saving of £400,000 per annum.
- Kent's current manager, State Street, did not bid for the new contract.
- In relation to Investment Manager Rationalisation each of the 11 Funds had their own manager and there was around £10bn of Funds in passive investments across ACCESS. Potentially there could be a further £10bn of funds moved into passive investments over the next 2 years.

- The November meeting of the Superannuation Ctte would be asked to agree the Kent investment in the initial sub funds. The intention was that the sub fund structure would be agreed by all ACCESS funds by 1st February 2018, when the operator's contract commenced, so that they could go ahead and seek authorisation from the FCA for the establishment of the sub funds.
- 3 good responses had been received from the invitation to tender for the operator procurement. The Joint Ctte was scheduled to approve the recommender supplier, following more detailed meetings with respondents, on or around 20th November and to recommend the contract award to individual funds for their approval during late November/early December 2017.
- The contract would be for 3 years plus 2.

(2) RESOLVED that the update be noted and officers let members know of any training events they think would be useful for members on pooling.

15. Fund Employer Matters (Item 6)

(1) Mr Tagg took members through the report and answered questions.

Late contributions from employers were closely monitored and during quarter 1 the KPI has been exceeded each month with an average of 98% being received on or before the due date. Late payments were mainly due to manual error.

The number of employers in the Fund was likely to go up in the future due to schools converting to Academy status and Parish and Town councils joining as it fulfilled their auto enrolment requirement. More private contractors were joining as local authorities outsourced work.

The Superannuation Fund Ctte could refuse access to join and officers would provide members with due diligence and legal advice before any decision was taken.

Following a question concerning Academy Trusts, it was noted that the Government had stated that they would stand behind Trusts should they fold.

Noted that the workload of the Pensions team had increased dramatically with the increase in the number of employers in the Fund but that officers had been able to cope with this with thinking ahead and modernising their processes and systems.

(2) RESOLVED that the report be noted and officers thanked for all their hard work.

16. Implementation of the Markers in Finance Instruments Derivative (MiFID II)
(Item 7)

(1) Mr Vickers introduced the report and advised that the Superannuation Cttee at their meeting in September had agreed that elections for professional client status should be made on behalf of the Council and delegated authority to the Treasury and Investments Manager for the purpose of completing the applications.

(2) RESOLVED that the report be noted.

17. Date of next meeting
(Item 8)

(1) It was agreed that the next meeting of the Board would be held on 24 April 2018 at 10.00am.

(2) Noted that this meeting would focus on what was happening in Pensions rather than investments.

By: Corporate Director of Finance
To: Pensions Board – 15 June 2018
Subject: **ACCESS POOLING UPDATE**
Classification: Unrestricted

Summary: To update on progress on pooling.

FOR INFORMATION

INTRODUCTION

1. This report is to update the Board on progress on pooling.

JOINT COMMITTEE

2. The Joint Committee met in December 2017, January, March and April 2018. A further meeting is planned for 11 June 2018. Minutes of the meetings are circulated to the Superannuation Fund Committee.

APPOINTMENT OF OPERATOR

3. Following the completion of the Procurement process all the ACCESS Funds agreed to accept the Joint Committee's recommendation for the award of the contract to Link Fund Solutions Ltd and the contract was finalised on 5 March 2018.

ESTABLISHMENT OF THE ACS AND SET UP OF SUB-FUNDS

4. The ACCESS' onboarding sub-group is meeting with Link on a weekly basis to agree the creation of the Authorised Contractual Scheme (ACS) and the sub-funds that ACCESS requires.
5. Discussions have taken place on various aspects of the ACS prospectus that Link will need to submit to the FCA including stock lending, ESG and voting policy, and the Joint Committee has approved these policies. The submission of the application to the FCA was planned for late April 2018 with the launch of the first sub-fund scheduled for end August 2018.
6. It is now anticipated that the initial sub-fund will be the Baillie Gifford Long Term Global Growth Fund. A further 8 sub-funds are proposed for tranche 2 including the Kent Fund's Schroders UK Equities, Baillie Gifford and M&G Global Equities mandates.
7. The principal aim of pooling is to achieve reductions in investment manager fees. Clearly the extent to which this can be achieved depends upon a number of

factors including the starting point of how competitive your fees are currently. The independent benchmarking undertaken previously showed that Kent has the lowest fees in aggregate within ACCESS despite a relatively small proportion of the Fund being passively managed.

8. At its March meeting the Kent Committee confirmed that it will only move funds in to the ACS if the fee reduction negotiated by Link more than offsets the additional costs of the ACS structure. The Committee agreed to delegate to the Corporate Director of Finance in consultation with the Chairman any decisions on moving funds into the ACS depending upon the outcomes achieved by Link on the fees to be paid.

INTERIM ACCESS SUPPORT UNIT (ASU) ARRANGEMENTS

9. The Joint Committee has agreed interim ASU arrangements to support Officers in the Establishment Phase of the project. Officers supported by Hymans Robertson and Squire Paton Boggs are now actively working on progressing actions to implement the establishment of the asset pool.
10. Kent officers are actively participating in the Operator onboarding sub-group and providing secretariat services with KCC being the host authority for the time being.
11. ACCESS officers provided a briefing for Section 151 officers on 9 March on the governance arrangements and resourcing issues.

PASSIVE MANAGER

12. The Kent Fund's UK and Global passive equity mandates transitioned from State Street to UBS on 21 February 2018. It was anticipated that all the ACCESS funds will have transitioned to UBS by the end of March 2018. Whilst this was a straightforward exercise for Kent two ACCESS funds have faced large and unanticipated costs in the transition.

RECOMMENDATION

13. Members are asked to note this report.

Alison Mings

Treasury and Investments Manager

Alison.mings@kent.gov.uk

By: Corporate Director of Finance and Procurement
 To: Pension Board – 15 June 2018
 Subject: **PENSIONS ADMINISTRATION**
 Classification: Unrestricted

Summary: To provide members with a comprehensive update of administration issues including:-

FOR INFORMATION

- Workload position
- Achievements against Key Performance Indicators (KPIs)
- Pension Overpayment
- Monthly submission of employer data
- Staff resource
- General Data Protection Regulations
- The Pensions Regulator – Data Quality

INTRODUCTION

1. This report brings members fully up to date with a range of issues concerning the administration of the Kent Pension Scheme.

WORKLOAD POSITION

2. Appendix 1 shows the year on year comparison of work levels being received in the section.
3. The majority of work categories remain at similar levels when compared to 2016/17.
4. As reported previously the category where there is the most marked increase, when compared to 2013/14, is with regard to communications to the section. Emails and written correspondence seem to be levelling now at around 5300 a year. We encourage members of the scheme to visit our website www.kentpensionfund.co.uk, with 106,328 visits in 2017, to answer as many of their questions as possible however many still require a personal response. These figures do not include telephone calls received in the section, which averages at approximately 1550 each month.
5. The decrease in the number of deferred benefits shown in Appendix I for the years from 2015/16 is partially due to members now requiring 2 years' membership of the scheme before being entitled to a deferred benefit, an increase in the previous requirement of 3 months membership, however the main reason for the difference in the number of deferred benefits when compared to previous years is that due to increased workloads in other areas we have deferred benefit calculations that have not yet been processed.

6. The increase in the number of transfers in of pension rights from previous pension schemes rose in 2017/18, partially due the clearance of a backlog of this category of work following the changes to the scheme in 2014 and the delay in the clarification as to how these cases should be dealt with in the Career Average Earnings Scheme.
7. The increase in the number of transfers out of pension benefits continues to rise as it does throughout the pensions industry mainly due to the 'Freedom and Choice' options announced by the Government, which came into force from April 2015, which allows members with pension rights in a defined contribution scheme options to access their pension rights earlier and in some cases to draw down their pension rights in full.

ACHIEVEMENTS AGAINST KEY PERFORMANCE INDICATORS (KPIs)

8. Appendix 2 shows the achievements of the section in meeting its KPIs for the year 2017/18 compared to the previous 4 years.
9. We are required to complete 95% of the recorded KPI tasks, within the agreed target turnaround times.
10. All 4 categories of work show a continuation or improvement in the KPI percentage when compared to those achieved in 2016/17 however as a result of concentrating efforts on these areas of work and due to the changes to the scheme still impacting, especially with regard to data received from employers, and the requirement in the scheme regulations that annual benefit illustrations and deferred benefit updates have to be issued by 31 August, other areas of work have suffered.

OVERPAYMENT OF PENSION FOR WRITE OFF

11. The case of Mr R was previously reported to the Superannuation Committee in June 2012.
12. Mr R had been receiving a pension since 1982 and in February 2012 was in receipt of a monthly pension of £622.53.
13. In 2012 the National Fraud Initiative, which matches KCC's pension data against the Disclosure of Death Registration Information (DDRI) identified that Mr R had died on the 21 January 2009.
14. After receipt of a copy of the death certificate from the registration service, confirming the date of death, Mr R's pension was suspended. The pension had continued to be paid from January 2009 to February 2012 resulting in an overpayment of pension of £22,060.69 (gross).

15. In March 2012 KCC contacted Lloyds TSB bank who held the account into which the pension payments were made. They confirmed that they were unaware of the death, that the account was still open and that monies were being withdrawn.
16. As a result of this information KCC's Counter Fraud Manager was informed who in turn made Kent Police aware of the circumstances.
17. A relative of Mr R was interviewed regarding the withdrawals and admitted to using the bank account after Mr R's death. There was no money left in the account and it is believed that the money had been used for typical living expenses. The relative was unemployed and on benefits and did not own any substantial assets.
18. The Police, in conjunction with the Crown Prosecution Service were minded to administer a caution for the offence which we understand was administered in August 2012.
19. Although there was not a prosecution for the offence the Counter Fraud Manager, at that time, was of the view that recovery could be sought from the relative however due to the financial position of the relative this was not pursued.
20. Subsequent to this, and other cases where pensions were overpaid for some considerable time, the Fund now utilises a mortality screening service which matches Kent's pension data against the information held on the DDRI which highlights deaths of members of the scheme on a monthly basis.

MONTHLY SUBMISSION OF EMPLOYER DATA

21. At the November 2017 Committee agreement was given to additional funding for the purchase of i-Connect, a product that would allow us to receive electronic submission of data from employers on a monthly rather than annual basis.
22. A project team has been set up within the section with regard to the implementation of the new system and the roll out to employers
23. The current position is that a considerable amount of testing has been taking place internally with regard to the capabilities of the product and the impact on internal procedures.
24. As a result, we are hoping to contact some employers shortly to check that they are still happy to pilot i-Connect with us.
25. Target dates will be dependent on how quickly the pilot employers can produce the file extract but we would hope to have gone live with at least one employer by the end of September.

STAFF RESOURCE

26. At the November 2017 Committee agreement was given to extra staff resource of 4 Pension Support Assistants bringing the Pension Section complement to 61 FTE staff.
27. Subsequently we have run 2 recruitment campaigns with regard to the recruitment of Pension Support Assistants with 4 being appointed in November 2017 and a further 6 in March 2018 (equivalent to 8.4FTE). Unfortunately in the same timespan we have lost some of our existing staff which means that we currently have 9 FTE vacancies within the section. These vacancies range from Pension Support Assistants through to more senior roles.
28. We are carrying out recruitment campaigns with regard to the senior roles. With regard to the less senior roles we are looking to fill some of these throughout the summer with temporary workers in order to tackle some of the backlogs of our work and will look to recruit permanent staff in the autumn.

GENERAL DATA PROTECTION REGULATIONS (GDPR)

29. The General Data Protection Regulations are a new set of European Union regulations which came into force on 25 May 2018.
30. The regulations introduce new and extended rights for individuals in relation to the personal data an organisation holds about them. In addition an organisation will have an obligation for better data management and a new regime of fines will be introduced for use when an organisation is found to be in breach of the GDPR.
31. The GDPR states that personal data must be:
 - processed lawfully, fairly and in a transparent manner
 - collected only for specified, explicit and legitimate purposes
 - adequate, relevant and limited to what is necessary
 - accurate and kept up to date
 - held only for the absolute time necessary and no longer
 - processed in a manner that ensures appropriate security of the personal data
32. The pension section requires various pieces of personal data with regard to members of the scheme and these are provided by both the individual and their employer in order to administer the pension scheme. This data includes, but is not limited to names, addresses, National Insurance numbers, dates of birth and salary details which are required to maintain scheme records and calculate member benefits.
33. Every Local Government Pension Scheme (LGPS) fund is required to have an up to date privacy notice in line with the new requirements setting out amongst other things, why data is held, the reason for processing the data, who they share the data with and the period for which the data will be retained. The notice must also provide members with additional information about their rights under the legislation.

34. Appendix 3 details the Privacy Notice for the Kent Pension Fund which is available on our website at www.kentpensionfund.co.uk/privacy.

THE PENSIONS REGULATOR – DATA QUALITY

35. The Pensions Regulator (TPR) requires each administering authority to complete an annual scheme return. Our understanding is that unlike previous returns which required the administering authority to only measure common data the 2018 return will require the additional reporting of scheme-specific data.
36. To ensure consistency across all administering authorities, the Scheme Advisory Board for LGPS in England and Wales are working closely with Ministry for Housing, Communities and Local Government and Government Actuary Department to develop a standard set of scheme-specific data for administering authorities to use when completing this year's scheme return.
37. When details of the scheme-specific data are known measurements of our current data will be undertaken and a data improvement plan introduced.
38. We understand that TPR will be issuing the scheme return in July and the deadline for submission will be in September

RECOMMENDATION

39. Members are asked to note this report.

Barbara Cheatle
Pensions Manager
03000 415270

Tasks completed in key administration areas
Workload summary

Case Type	2013/14	2014/15	2015/16	2016/17	2017/18
Benefit calculation	1978	1928	1766	2238	2008
Correspondence	1467	3450	4719	5370	5339
Divorce case	312	293	385	381	329
Estimate calculation	2861	2541	2810	3145	3025
Deferred benefit	5244	2475	993*	1357*	1720*
Transfer/Interfunds in	374	189	204	286	422
Transfer/Interfunds out	478	558	651	644	859
Dependants	364	323	377	410	377
Total	13,078	11,757	11,905	13,831	14,079

*These represent the number of leavers that have been identified as deferred benefits and have been processed. It does not include members who have left the scheme where we have still to process the leaver

Achievements against Key Performance Indicators

Case Type	Target Time	13/14		14/15		15/16		16/17		17/18	
		No	% in target	No	% in target	No	% in target	No	% in target	No	% in target
Calculation and payment of retirement benefit	20 days	1978	99%	1928	99%	1766	96%	2238	95%	2008	98%
Calculation and payment of dependant benefit	15 days	364	99%	323	87%	377	86%	410	95%	578	99%
Calculation and provision of benefit estimate	20 days	2861	98%	2541	63%	2810	62%	3145	67%	3025	72%
Reply to correspondence	15 days	1467	99%	3450	98%	4719	98%	5370	99%	5339	99%

NB. All target turnaround times commence when we have all the necessary documentation to complete the particular task.

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Kent Pension Fund Privacy Notice

This notice is for members and beneficiaries of the Kent Pension Fund (the “Fund”). It has been prepared by Kent County Council (the “Administering Authority”, or “we”) in its capacity as the administering authority of the Kent Pension Fund. This privacy notice is also provided at the following link:

www.kentpensionfund.co.uk/privacynotice

Why we are providing this notice to you

As the Administering Authority of the Fund we hold certain information about you (“personal data”) which we use to administer the Fund and to pay benefits from it. This notice is designed to give you information about the data we hold about you, how we use it, your rights in relation to it and the safeguards that are in place to protect it.

The technical bit

The Administering Authority holds personal data about you in its capacity as data controller for the proper handling of all matters relating to the Fund, including its administration and management. This includes the need to process your data to contact you, to calculate, secure and pay your benefits, for statistical and financial modelling and for reference purposes (for example, when we assess how much money is needed to provide members’ benefits and how that money should be invested), and to manage liabilities and administer the Fund generally. Further information about how we use your personal data is provided below.

The legal basis for our use of your personal data will generally be one or more of the following:

- a) we need to process your personal data to satisfy our legal obligations as the Administering Authority of the Fund; and
- b) we need to process your personal data to carry out a task in the public interest or in the exercise of official authority in our capacity as a public body; and
- c) we need to process your personal data for the legitimate interests of administering and managing the Fund and liabilities under it, calculating, securing and paying benefits and performing our obligations and exercising any rights, duties and discretions the Administering Authority has in relation to the Fund; and

- d) because we need to process your personal data to meet our contractual obligations to you in relation to the Fund (for example, under an agreement that you will pay additional voluntary contributions to the Fund), or to take steps, at your request, before entering into a contract.

What personal data we hold, and how we obtain it

The types of personal data we hold and process about you can include:

- Contact details, including name, address, telephone numbers and email address.
- Identifying details, including date of birth, national insurance number and employee and membership numbers.
- Information that is used to calculate and assess eligibility for benefits, for example, length of service or membership and salary information.
- Financial information relevant to the calculation or payment of benefits, for example, bank account and tax details.
- Information about your family, dependents or personal circumstances, for example, marital status and information relevant to the distribution and allocation of benefits payable on death.
- Information about your health, for example, to assess eligibility for benefits payable on ill health, or where your health is relevant to a claim for benefits following the death of a member of the Fund.
- Information about a criminal conviction if this has resulted in you owing money to your employer or the Fund and the employer or Fund may be reimbursed from your benefits.

We obtain some of this personal data directly from you. We may also obtain data (for example, salary information) from your current or past employer(s) or companies that succeeded them in business, from a member of the Fund (where you are or could be a beneficiary of the Fund as a consequence of that person's membership of the Fund) and from a variety of other sources including public databases (such as the Register of Births, Deaths and Marriages), our advisers and government or regulatory bodies, including those in the list of organisations that we may share your personal data with set out below.

Where we obtain information concerning certain "special categories" of particularly sensitive data, such as health information, extra protections apply under the data protection legislation. We will only process your personal data falling within one of the special categories with your consent, unless we can lawfully process this data for another reason. Where consent has been given, you have the right to withdraw your consent to the processing at any time by notifying the Administering Authority in writing. However, if you do not give consent, or subsequently withdraw it, the Administering Authority may not be able to process the relevant information to make decisions based on it, including decisions regarding the payment of your benefits.

Where you have provided us with personal data about other individuals, such as family members, dependants or potential beneficiaries under the Fund, please

ensure that those individuals are aware of the information contained within this notice.

How we will use your personal data

We will use this data to deal with all matters relating to the Fund, including its administration and management. This can include the processing of your personal data for all or any of the following purposes:

- to contact you.
- to assess eligibility for, calculate and provide you (and, if you are a member of the Fund, your beneficiaries upon your death) with benefits.
- to identify your potential or actual benefit options and, where relevant, implement those options.
- for statistical and financial modelling and reference purposes (for example, when we assess how much money is needed to provide members' benefits and how that money should be invested).
- to comply with our legal and regulatory obligations as the administering authority of the Fund.
- to address queries from members and other beneficiaries and to respond to any actual or potential disputes concerning the Fund.
- the management of the Fund's liabilities, including the entering into of insurance arrangements and selection of Fund investments.
- in connection with the sale, merger or corporate reorganisation of or transfer of a business by the employers that participate in the Fund and their group companies.

Organisations that we may share your personal data with

From time to time we will share your personal data with advisers and service providers so that they can help us carry out our duties, rights and discretions in relation to the Fund. Some of those organisations will simply process your personal data on our behalf and in accordance with our instructions. Other organisations will be responsible to you directly for their use of personal data that we share with them. They are referred to as data controllers and we have highlighted them in the table below. The data controllers may be obliged under the data protection legislation to provide you with additional information regarding the personal data they hold about you and how and why they process that data. Further information may be provided to you in a separate notice or may be obtained from the advisers and service providers direct, for example via their websites

These organisations include the Fund's:

Data processors	Data controllers
<ul style="list-style-type: none"> • Tracing bureaus for mortality screening and locating members – (currently Atmos Data Services Limited and Lexis Nexis Risk Solutions (Business Services)) • Overseas payments provider to transmit payments to scheme member with non-UK accounts – (currently Western Union Business Solutions (UK) Limited) • Printing companies – (currently Adare SEC Limited and other third party printing companies based in the EEA) • Pensions software provider – (currently Aquila Heywood and i-Connect) • Provider to aid with GMP reconciliation exercise – (currently Independent Transition Management Ltd) • Suppliers of IT, document production and distribution services 	<ul style="list-style-type: none"> • Additional Voluntary Contribution providers – (currently Equitable Life, Prudential and Standard Life) • Legal adviser – (currently Invicta Law) • Fund Actuary – (currently Barnett Waddingham) • External auditor – (currently Grant Thornton) • Internal auditor – (currently Kent County Council) • LGPS National Insurance database – (South Yorkshire Pensions Authority) • The Department for Work and Pensions • The Government Actuary's Department • The Cabinet Office – for the purposes of the National Fraud Initiative • HMRC • The Courts of England and Wales – for the purpose of processing pension sharing orders on divorce

In each case we will only do this to the extent that we consider the information is reasonably required for these purposes.

From time to time we may provide some of your data to your employer and their relevant subsidiaries (and potential purchasers of their businesses) and advisers for the purposes of enabling your employer to understand its liabilities to the Scheme. Your employer would generally be a controller of the personal data shared with it in those circumstances. For example, where your employment is engaged in providing services subject to an outsourcing arrangement, the Administering Authority may provide information about your pension benefits to your employer and to potential bidders for that contract when it ends or is renewed.

Where requested or if we consider that it is reasonably required, we may also provide your data to government bodies and dispute resolution and law enforcement organisations, including those listed above, the Pensions Regulator, the Pensions

Ombudsman and Her Majesty's Revenue and Customs (HMRC). They may then use the data to carry out their legal functions.

The organisations referred to in the paragraphs above may use the personal data to perform their functions in relation to the Fund as well as for statistical and financial modelling (such as calculating expected average benefit costs and mortality rates) and planning, business administration and regulatory purposes. They may also pass the data to other third parties (for example, insurers may pass personal data to other insurance companies for the purpose of obtaining reinsurance), to the extent they consider the information is reasonably required for a legitimate purpose.

In some cases recipients of your personal data may be outside the UK. This means your personal data may be transferred outside the European Economic Area (EEA) to a jurisdiction that may not offer an equivalent level of protection as is required by EEA countries. If this occurs, we are obliged to verify that appropriate safeguards are implemented with a view to protecting your data in accordance with applicable laws. Please use the contact details below if you want more information about the safeguards that are currently in place.

We do not use your personal data for marketing purposes and will not share this data with anyone for the purpose of marketing to you or any beneficiary.

How long we keep your personal data

We will only keep your personal data for as long as we need to in order to fulfil the purpose(s) for which it was collected and for so long afterwards as we consider may be required to deal with any questions or complaints that we may receive about our administration of the Fund, unless we elect to retain your data for a longer period to comply with our legal and regulatory obligations. In practice, this means that your personal data will be retained for such period as you (or any beneficiary who receives benefits after your death) are entitled to benefits from the Fund and for a period of 100 years after those benefits stop being paid. For the same reason, your personal data may also need to be retained where you have received a transfer, or refund, from the Fund in respect of your benefit entitlement.

Your rights

You have a right to access and obtain a copy of the personal data that the Administering Authority holds about you and to ask the Administering Authority to correct your personal data if there are any errors or it is out of date or incomplete. In some circumstances you have the right to object to the processing of your personal data; for example, you have the right to object to processing of your personal data which is based on the public interest or legitimate interests identified in the section above headed '*The Technical Bit*', or where processing is for direct marketing purposes. In some cases you may also have a right to ask the Administering Authority to restrict the processing of your personal data until any errors are corrected, or to transfer or (in very limited circumstances) erase your personal data. You can obtain further information about these rights from the Information

Commissioner's Office at: www.ico.org.uk or via their telephone helpline (0303 123 1113).

If you wish to exercise any of these rights or have any queries or concerns regarding the processing of your personal data, please contact the Fund Administrator as indicated below. You also have the right to lodge a complaint in relation to this privacy notice or the Administering Authority's processing activities with the Information Commissioner's Office which you can do through the website above or their telephone helpline.

As explained in the section above headed '*How we will use your personal data*' one of the reasons we collect and hold your personal data is to administer your Fund benefits. If you do not provide the information we request, or ask that the personal data we already hold is deleted or that the processing of the personal data be restricted, this may affect our ability to administer your benefits, including the payment of benefits from the Fund. In some cases it could mean the Administering Authority is unable to put your pension into payment or has to stop your pension (if already in payment).

Updates

We may update this notice periodically. Where we do this we will inform members of the changes and the date on which the changes take effect.

Keeping your personal information secure

We have appropriate security measures in place to prevent personal information from being accidentally lost, or used or accessed in an unauthorised way. We limit access to your personal information to those who have a genuine business need to know it. Those processing your information will do so only in an authorised manner and are subject to a duty of confidentiality.

We also have procedures in place to deal with any suspected data security breach. We will notify you and any applicable regulator of a suspected data security breach where we are legally required to do so.

Who to Contact

Please contact the Fund administrator Kent County Council for further information about the Kent Pension Fund either by post to Pensions Section, Kent County Council, Invicta House, County Square, Maidstone, Kent ME14 1XX, by completion of an online enquiry form available at www.kentpensionfund.co.uk or by telephone 03000 413488.

Please contact the Information Resilience and Transparency Team at data.protection@kent.gov.uk to exercise any of your rights, or if you have a complaint about why your information has been collected, how it has been used or how long we have kept it for.

You can contact our Data Protection Officer, Benjamin Watts, at dpo@kent.gov.uk or write to the Data Protection Officer, Sessions House, County Hall, Maidstone Kent ME14 1XQ.

The General Data Protection Regulation also gives you the right to lodge a complaint with a supervisory authority. The supervisory authority in the UK is the Information Commissioner who may be contacted at <https://ico.org.uk/concerns> or telephone 03031 231113.

For further information visit <https://www.kent.gov.uk/about-the-council/about-the-website/privacy-statement>

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By: Corporate Director of Finance
 To: Pensions Board – 15 June 2018
 Subject: **Fund Employer Matters**
 Classification: Unrestricted

Summary: To report on information on employers for the twelve months to 31 March 2018, employer related matters, an appeal to the Pensions Ombudsman and a change to the LGPS regulations.

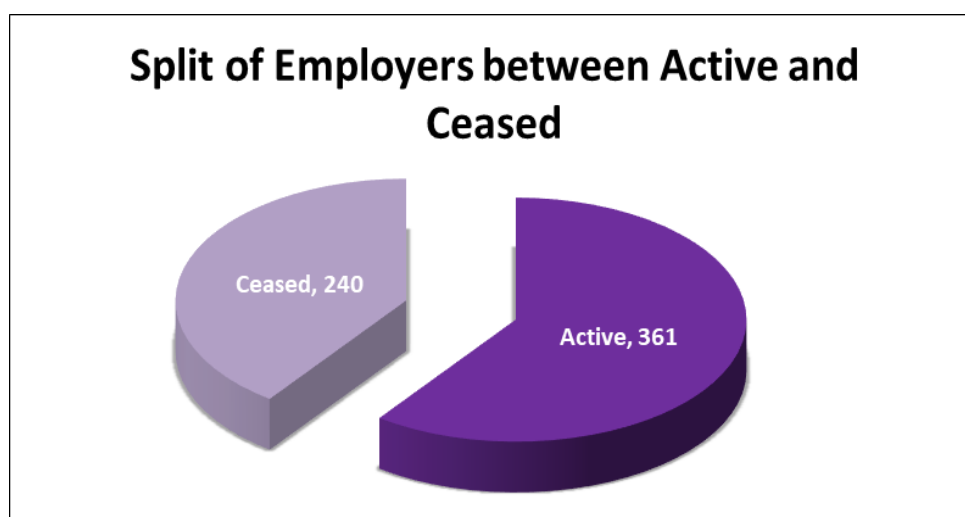
**FOR
INFORMATION**

INTRODUCTION

1. This report sets out information on employer related matters for the twelve months to 31 March 2018, matters relating to admission bodies since the Board last met on 27 October 2017, the outcome of an appeal to the Pensions Ombudsman and a change in the LGPS regulations

EMPLOYERS IN THE FUND AT 31 MARCH 2018

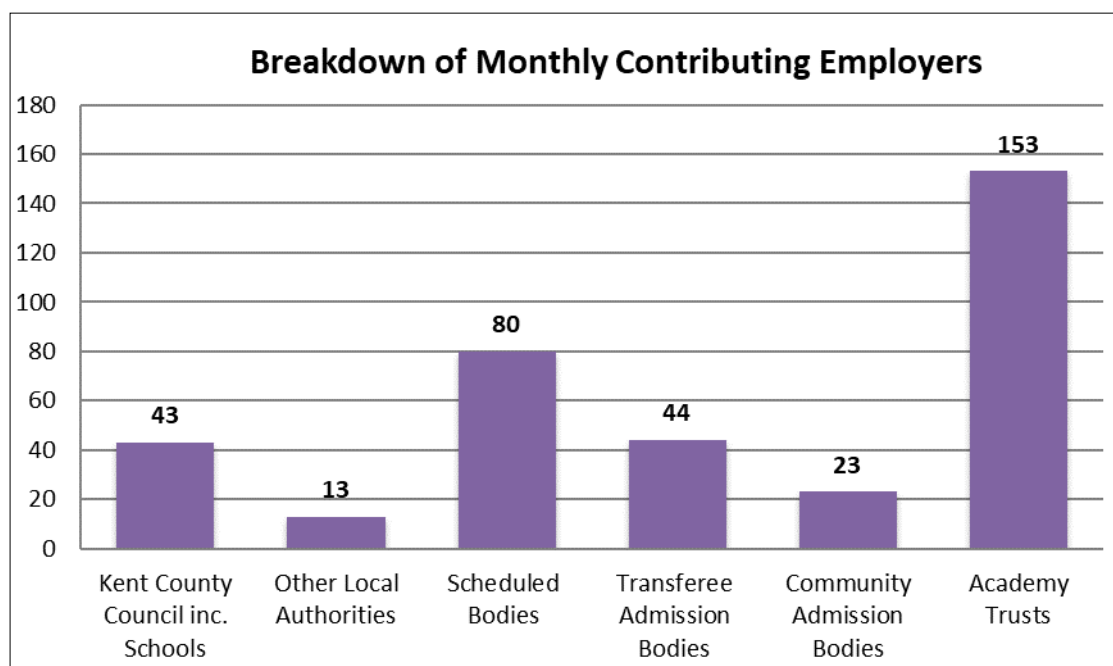
2. There were a total of 601 employers in the Kent Pension Fund, an increase of 12 overall during 2017-18.



3. Active employers have at least one member contributing to the LGPS. Ceased employers no longer have active members in the scheme but the Fund has an existing liability to pay pensions.
4. The following table lists employers who either joined or ceased to have active members in the Fund during 2017-18

New Employers	Effective date
<i>Scheduled Bodies</i>	
Walmer Parish Council	1 April 2017
Barham Parish Council	1 April 2017
Invicta Law Ltd	1 June 2017
Hever Parish Council	1 April 2017
<i>Academy Trusts</i>	
The Areté Trust	1 June 2017
Aletheia Anglican Academies Trust	1 April 2017
Barnsole Primary Trust	1 May 2017
The Inspiring Change Multi Academy Trust	1 June 2017
Endeavour Academy Trust	1 April 2017
Potential in Everyone Academy Trust	1 August 2017
Maritime Academy Trust	1 September 2017
University of Kent Academies Trust	1 September 2017
Education for the 21st Century (E21C	1 January 2018
Inspire Partnership Academy Trust	1 January 2018
<i>Admitted Bodies</i>	
Cater Link re Dover Grammar School for Boys	1 October 2017
Pabulum Limited	1 March 2018
Civica UK Limited	2 February 2018
Ceased Employers	Effective date
<i>Academy joined a Multi-Academy Trust</i>	
Brompton Academy	1 September 2017
Chatham Grammar School for Girls (Academy)	1 September 2017
West Malling CEP School (Academy)	1 September 2017
Folkstone Academy Merged into The Turner Trust	1 November 2017
Wilmington Boys School Academy	1 April 2017
Wilmington Girls School Academy	1 April 2017
Shorne CEP School Academy	1 September 2017
St Botolphs CEP School Academy (AAT)	1 September 2017
Saint George's Church of England School (Academy)	1 September 2017
Spires Academy	1 January 2018
<i>Community Admission Body</i>	
Kent College Pembury	1 April 2017
<i>Scheduled Bodies</i>	
Canterbury College (Merged with East Kent College)	1 February 2018

5. The following chart shows the Employers from whom the Fund receives monthly contributions, by Employer Group. Note the KCC figures reflect the County's and schools' relationships with a number of payroll providers.

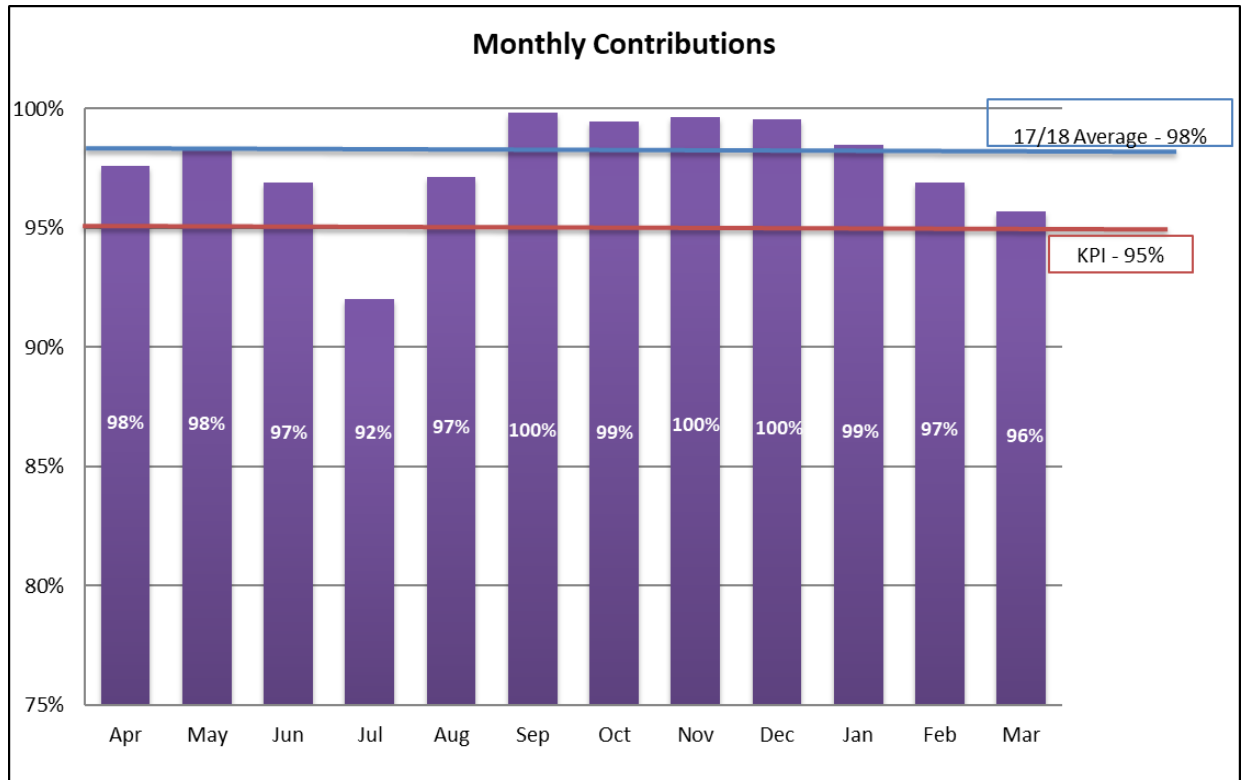


CONTRIBUTIONS FROM EMPLOYERS

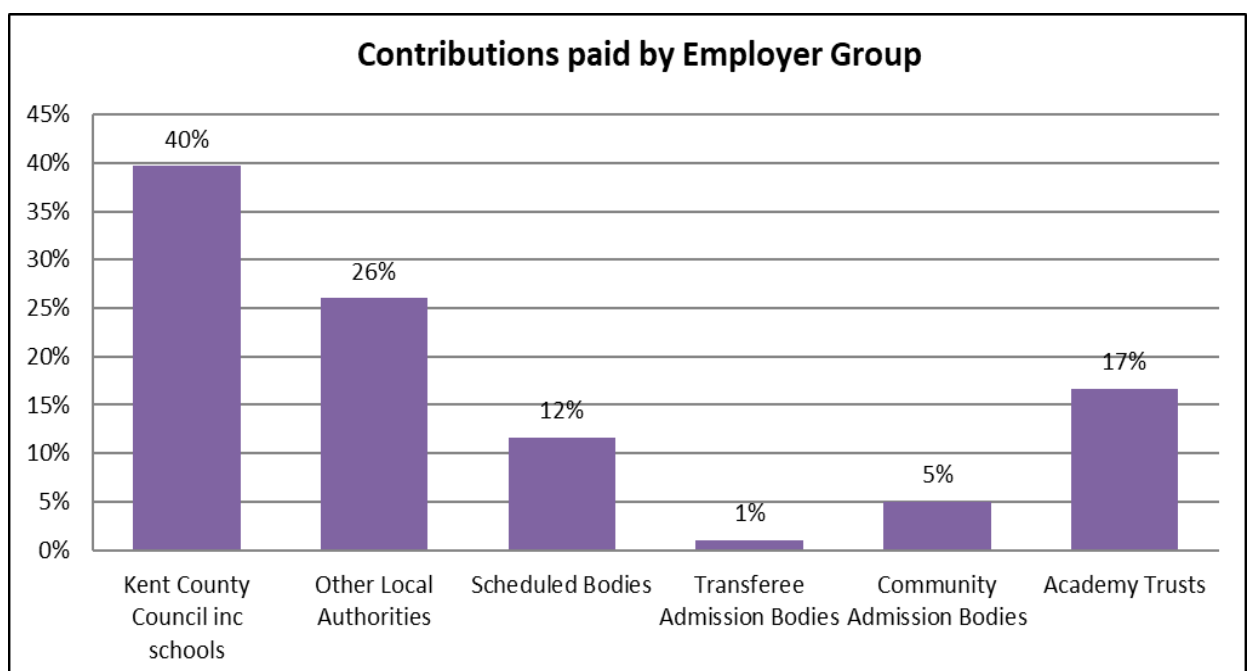
6. In the 12 months to 31 March 2018, the Fund received £222m from Employers in respect of their monthly contributions (employer and employee) as follows:

	Received Early	Cash on 19th	Received Late	Total
	£	£	£	£
April	9,229,792	8,995,087	451,570	18,676,449
May	9,567,508	8,485,886	217,665	18,271,059
June	9,329,874	8,456,378	533,514	18,319,766
July	9,763,338	7,131,768	1,461,061	18,356,167
August	9,624,425	8,197,452	524,565	18,346,442
September	9,720,014	8,451,367	31,184	18,202,565
October	9,661,277	8,954,944	102,704	18,718,925
November	9,807,829	8,535,097	60,513	18,403,439
December	10,313,657	8,384,840	81,990	18,780,487
January	9,923,005	8,576,605	127,914	18,627,525
February	9,617,811	8,584,091	465,358	18,667,260
March	9,569,859	8,405,322	607,583	18,582,764
Total	116,128,389	101,158,837	4,665,621	221,952,847

7. KCC monitors the timing of receipt of these contributions compared to a KPI of 95%. As shown in the following table during the period the KPI was exceeded in 11 of the 12 months, the exception being July when contributions received on or before the due date dropped to 92% due to one local authority paying a day late as the 19th fell on the weekend. The average for the year for contributions received was 98%.



8. The following table shows the proportion paid by KCC and other employers of contributions received.



EMPLOYER RELATED MATTERS

9. The following matters relating to admission bodies have been agreed by the Superannuation Fund Committee since the Pensions Board last met on 27 October 2017.

Date of meeting	Matter agreed
17 November 2017	Admission to the Fund of Nourish Contract Catering Ltd (re Swale Academy Trust).
17 November 2017	Admission to the Fund of Compass Care Homes Wayfarers Ltd.
17 November 2017	Admission to the Fund of Civica UK Ltd.
17 November 2017	That a Deed of modification can be entered into with Clarion Housing Association.
9 February 2018	Admission to the Fund of Nourish Contract Catering Ltd (re Stour Academy Trust).
9 February 2018	Admission to the Fund of Kingdom Services Group Ltd.
9 February 2018	That a Deed of modification can be entered into with APCOA UK Parking Ltd.
9 February 2018	That a termination agreement may be entered into with Principal Catering Consultants Ltd (re our Lady of Hartley).
9 February 2018	That a termination agreement may be entered into with Mitie Security Ltd.
23 March 2018	Admission to the Fund of The Marlowe Trust.
23 March 2018	Admission to the Fund of Cater Link Ltd (re Halling Primary School).

PENSIONS OMBUDSMAN APPEAL

10. At their meeting on 4 July 2017 the Board was advised of an LGPS member's complaint to the Pensions Ombudsman as a result of delays and problems arising from the transfer of the member and her colleagues from Fort Pitt Robert Napier Academy on 22 April 2014 to Compass Contract Services (UK) Limited.
11. At their meeting on 27 October 2017 the Board was advised that the final decision on this complaint was still outstanding.
12. KCC was advised of the Ombudsman's decision by way of a letter dated 12 January 2018. The Ombudsman found that the complaint should be upheld against the Academy and that the Academy should pay the complainant £1,000 to recognise the significant distress and inconvenience she suffered as a result of its maladministration.

CHANGES IN LOCAL GOVERNMENT PENSION SCHEME REGULATIONS

13. The LGPS (Amendment) Regulations 2018 [SI2018/493] were laid before Parliament on 19 April 2018 with most of the changes taking effect from 14 May 2018 although some of the changes have retrospective effect to 1 April 2014.
14. The main changes in terms of the employers' membership of the Kent Fund are:
 - The Fund may at its discretion backdate admission agreements. It is no longer required to provide details of agreements to the Secretary of State but is now required to publish a list of existing admission agreements by 14 May 2019.
 - Employers exiting the LGPS with a surplus will be entitled to receive that surplus. This is a significant change and officers will be having discussions with the fund Actuary to understand how employers in the Kent Fund may be affected.
15. It is expected that there will be a further Fair Deal consultation by the end of 2018.

RECOMMENDATION

16. The Board is asked to note this employer report.

Alison Mings
Treasury and Investments Manager
03000 416488