

KENT COUNTY COUNCIL

PENSION BOARD

MINUTES of a meeting of the Pension Board held in the Wantsum Room, Sessions House, County Hall, Maidstone on Monday, 11 November 2019.

PRESENT: Mrs M E Crabtree (Chairman), Mr J Parsons (Vice-Chairman), Mrs R Binks, Cllr D Monk and Ms L Shah

IN ATTENDANCE: Mr N Vickers (Business Partner (Pension Fund)), Mrs B Cheatle (Pensions Manager), Ms S Surana (Principal Accountant - Investments), Mr S Tagg (Senior Accountant - Pension Fund) and Miss T A Grayell (Democratic Services Officer)

UNRESTRICTED ITEMS

1. Apologies and Substitutes

(Item 1)

Apologies for absence had been received from Alison Kilpatrick and David Coupland.

There were no substitutes.

2. Declarations of Interest by Board members on items on the agenda for this meeting

(Item 2)

Mrs Crabtree declared that she had recently become aware that part of her personal pension fund was invested in a Woodford fund.

3. Minutes of the meeting held on 14 June 2019

(Item 3)

It was RESOLVED that the minutes of the meeting held on 14 June 2019 are correctly recorded and they be signed by the Chairman.

4. Motion to exclude the press and public for exempt items

The Board resolved 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.

SUMMARY OF EXEMPT ITEM

(where access to minute remains restricted)

5. Woodford update

(Item 4)

1. Mr Vickers updated the Board on developments relating to the Woodford Extra Income Fund, following media reports that the fund would not reopen and would wind

down from 17 January 2020. Mr Vickers advised the Board that the way in which the winding up of the fund was being managed was encouraging in terms of the Council's chances of recovering most of its investment, and set out the expected timetable for this, as communicated by Link in their letter to the investors. He referred also to the advice given by the General Counsel and Monitoring Officer, which was set out in the report and which committed to giving the Superannuation Fund Committee ongoing legal advice and support.

2. Mr Vickers responded to questions of detail from the Board about the likely redemption value, fees payable, the recent history of the Council's investment with Woodford and the advice and decisions around it, and the sequence of events which led to the current situation. The Board also discussed the relative roles of the Superannuation Fund Committee and the Board and how the latter could achieve greater engagement with the work of the former. It was suggested that the Board review its meeting pattern and increase the frequency so its meetings mirrored those of the Superannuation Fund Committee.

3. It was RESOLVED that the information set out in the report and given in response to questions be noted, with thanks.

UNRESTRICTED ITEMS

(meeting re-opens to press and public)

6. ACCESS pooling update

(Item 5)

1. Ms Surana introduced the report, which was welcomed.
2. It was RESOLVED that the information set out in the report be noted, with thanks.

7. Superannuation Fund Report and Accounts and External Audit

(Item 6)

1. Ms Surana introduced the report and Mr Vickers advised the Board that a vital part of its role was to receive and consider the Annual Report and Accounts. He advised the Board that the audit report had raised no areas for concern.
2. It was RESOLVED that the information set out in the report be noted, with thanks.

8. 2019-20 Pension Fund Business Plan

(Item 7)

1. Ms Surana introduced the report and explained that a quarterly update report would be submitted to both the Superannuation Fund Committee and the Pension Board. Mr Vickers highlighted the addition to this year's report of the management costs relating to the pension fund.
2. In response to a question about the increase in administrative costs, Mrs Cheatle explained that this reflected the costs of the recruitment campaign, the re-design of the Pensions section to increase recruitment, the engagement of external

companies to help clear the backlog of work and the costs of the i-connect technology to support data processing and produce monthly rather than annual monitoring information.

3. It was RESOLVED that the 2019-20 Business Plan and the information set out in the report be noted, with thanks.

9. Training

(Item 8)

1. Mr Vickers explained that a survey would shortly be undertaken of the experience, qualifications and knowledge of each member of the Superannuation Fund Committee and the Pension Board, from which individual training needs would be identified. E-learning courses were available and had been completed effectively by staff and some Members. The Chairman recommended a good 3-day course run by the LGA which she had attended, and some online training provided by the Pensions Regulator. The Vice-Chairman referred to the Local Government Pension Scheme autumn seminar he had attended recently, which had been run by Barnett Waddingham and CIPFA and had covered the need to assess and record individuals' training needs. *He undertook to share information and notes from the seminar with other Board members.*

2. Ms Surana explained that progress on training would need to be reported regularly to both the Superannuation Fund Committee and the Board, and more frequent meetings of the Board would make this easier.

3. The Board discussed meeting at least quarterly, preceding Superannuation Fund Committee meetings, inviting the Superannuation Fund Committee Chairman to Board meetings on a regular basis, to update the Board on the work of the Committee, and recommending to the Superannuation Fund Committee that it have a standing item on its agenda to consider feedback from the Board. The Board agreed that these changes would be built into its future work programme.

4. It was RESOLVED that:-

- a) the training strategy be noted, ahead of it being submitted for approval by the Superannuation Fund Committee at its meeting on 15 November 2019;
- b) the need to complete an assessment of Board members' training needs be noted;
- c) the Board meet in future at least four times a year, each of its meetings preceding a Superannuation Fund Committee meeting;
- d) the Chairman of the SFC be invited to attend future Board meetings on a regular basis, to update the Board on the work of the SFC; and
- e) the Board recommend to the Superannuation Fund Committee that it have a standing item on its agenda to consider feedback from the Pension Board.

10. Fund Employer Matters

(Item 9)

1. Mr Tagg introduced the report and responded to comments and questions from the Board, including the following:-

- a) the promptness of payments from employers was welcomed. Mr Tagg explained that the key performance indicator of 95% of monthly payments being made on time was set many years ago. He advised that it was not expected that a target of 100% would ever be achievable, but he undertook to look into the possibility of raising the target to 96%; and
- b) asked if the Education Administration Orders in place for Hadlow and West Kent and Ashford Colleges and their impact on staff employed there would have any effect on the pension fund, Mr Tagg explained that alternative arrangements would be sought for the workload and staff of those two colleges to be taken on by other local colleges.

2. It was RESOLVED that the information set out in the report and given in response to questions be noted, with thanks.

11. The Pensions Regulator Governance and Administration Survey

(Item 10)

1. Mr Vickers introduced the report and related this to the earlier discussion around the Board reviewing its role relative to the Superannuation Fund Committee.

2. It was RESOLVED that the information set out in the report be noted, with thanks.

12. Nick Vickers

The Chairman paid tribute to Mr Vickers, who was shortly to leave the County Council, and thanked him for the support he had given Members of the Superannuation Fund Committee and the Pension Board and serving the pension fund for 22 years. His advice and guidance had been very much appreciated.

13. Date of next meeting

(Item 11)

The next meeting date listed on the agenda was 12 June 2020 but, following the discussion about more frequent meetings, this was brought forward to Wednesday 26 February 2020, at 10.00 am.

The meeting dates thereafter are as follows:

Friday 12 June 2020
Thursday 27 August 2020
Friday 23 October 2020
Tuesday 26 January 2021
Tuesday 2 March 2021

Friday 11 June 2021

All meetings will start at 10.00 am at Sessions House, Maidstone.