

KENT COUNTY COUNCIL

PENSION BOARD

MINUTES of a meeting of the Pension Board held in the Council Chamber, Sessions House, County Hall, Maidstone on Thursday, 21 November 2024.

PRESENT: Mr R J Thomas (Chair), Cllr R Carnac, Mr D Jeffrey, Ms A Hartley, Mrs A Mings and Mr J Parsons.

IN ATTENDANCE: Ms S Surana (Investments, Accounting and Pooling Manager), Mr S Tagg (Senior Accountant - Employer Governance and Compliance), Mr J Graham (Pension Fund Treasury and Investments Manager), Mrs C Chambers (Pensions Administration Manager), Mr N Buckland (Head of Pensions and Treasury), Mr J Clapson (Democratic Services Officer) and Mrs E Green (Senior Pensions Programme Manager).

UNRESTRICTED ITEMS

1. Apologies and Substitutes

(Item 1)

Apologies were received from Ms King and Mr Ward.

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

(Item 2)

There were no declarations of interest.

3. Minutes of the meeting held on 3 September 2024

(Item 3)

RESOLVED that the minutes of the meeting held on 3 September 2024 were correctly recorded and that they be signed by the Chair.

4. Future Meeting Dates

(Item 4)

The Board noted that the upcoming meetings were scheduled for 25 February and 3 June 2025.

5. Chairman of the Pension Fund Committee Update

(Item 5)

1. Mr Buckland provided the Board with an update on behalf of the Committee Chairman who was unable to attend the meeting.
2. During consideration of the item the following points were noted:
 - a. The Committee considered the Fund's initial response to the Government's call for evidence as part of the pension review.

- b. They heard about the appointment by the Joint Committee of Waystone Management UK as operator of the ACCESS Authorised Contractual Scheme until 4March 2035.
- c. The Committee considered the investment strategy implementation and heard how changes to the strategy would be implemented. The next meeting would consider recommendations relating to the equity portfolio and the bond portfolio following a review by Mercia, that would be implemented in the 1st quarter of 2025.
- d. The Committee heard how the portfolio performance was positive and was making up for lost ground when compared to the benchmark over a three year period.

3. RESOLVED to note the verbal update.

6. Pensions Administration

(Item 7)

- 1. Mrs Chambers introduced the report noting some of the key areas of progress and highlighted that the report now included a summary of activities at the beginning.
- 2. The following points were noted in response to questions from Members:
 - a. The service level agreement target for death grant payments had been missed by a small number of days, however, there had not been a significant number of complaints, and it remained a high priority activity.
 - b. It was good to see so many fund members signed up to the digital service. Webinars had been used to encourage engagement and there was an item at the next Employers Forum to encourage employers to support the sign up of their employees.
 - c. There were normally 60 or 70 employers at the Employer Forum, and they were usually the employers who tended to engage well with officers. Members of the Board were welcome to attend the next Forum meeting, scheduled for the 4th December.
 - d. Mrs Chambers offered to find out what percentage of Fund members had subscribed to the digital service and would share the information after the meeting.

3. RESOLVED to note the report.

7. Investment Update

(Item 8)

- 1. Mr Graham introduced the report which updated the Board on the investment activities and performance of the Fund since the last meeting.
- 2. During consideration of the item it was noted that:
 - a. The value of the Fund had increased, and the current asset allocation was within acceptable tolerances, therefore no rebalancing was required. Recent performance was positive and had outperformed benchmarks however, when assessed over one and three years, the performance was still below benchmark levels.

- b. The review of the investment strategy considered the historic performance of managers and aimed to have a robust and balanced portfolio.
- c. The Responsible Investment Working Group (RIWG) had been looking at the progress of the Fund's net zero carbon emission commitment. 12 months of data had been gathered and it was encouraging that the results were in-line with the targets set.
- d. Baillie Gifford had recently received some negative publicity regarding some of their investments, however they were reasonably well regarded within the sector, and they offered sustainable products. Assurances were received that they continued to act in line with the Fund's values.
- e. The ACCESS Pool's view of responsible investment aligned with the Fund's values, and the Pool will use the Fund's Responsible Investment Policy when carrying out its functions.

3. RESOLVED to note the report.

8. Annual Report

(Item 9)

- 1. Ms Surana introduced the draft Annual Report that has been prepared in line with the latest guidance from Chartered Institute of Public Finance and Accountancy. The final version would include an ACCESS Report and was planned to be published on 1 December.
- 2. During consideration of the item the following points were noted:
 - a. The Pension Fund Committee considered this Report at their September meeting. Final approval of the Report was delegated to the Committee Chair and Interim Corporate Director – Finance.
 - b. The draft report, presented to the Board, was not expected to change significantly when it becomes finalised for publication.
 - c. There were some additional one-off advice costs included as Oversight Costs for 2023/24 that would not be seen in the 2024/25 year.

3. RESOLVED to note the report.

Motion to Exclude the Press and Public

RESOLVED that 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

(Open access to minutes)

9. Projects Update

(Item 10)

- 1. Ms Green introduced the report that detailed progress on all the key projects being undertaken across the Fund.

2. During consideration of the item the following points were noted:
 - a. The new telephone system allows the categorisation of calls. This has led to calls being more efficiently handled and a reduction in call waiting times.
 - b. Job descriptions were being reviewed across the service and staff were being kept up to date with progress. The review was intended to ensure that job descriptions more accurately reflected the responsibilities of officers undertaking their duties.
 - c. Ms Chambers offered to assess to what extent the number of calls requesting pension estimates had reduced, following the implementation of the online portal. She would share her findings with the Board outside of the meeting.
3. RESOLVED to note the report.

10. Risk Register

(Item 11)

1. Mr Buckland introduced the report noting that the number of risks had reduced by one, as it was felt that risk 23 and 24 were similar in their management and could be combined.
2. During consideration of the item the following points were noted:
 - a. It was good to see that none of the risks had a red rating.
 - b. The Chair of the committee had submitted feedback to the consultation on the Government's Good Governance Review and the Board would be kept up to date with any developments.
 - c. In light of KCC's top tier structure review proposals, Board Members were supportive of the existing arrangements and noted that it was important that senior officers within the service were not undermined by structure changes.
3. RESOLVED to note the report.

11. Employer Governance Matters

(Item 12)

1. Mr Tagg introduced the report that provided an update on Fund employers for the three months ending 30 September 2024; an update on backdated admission agreements and confirmation of employer matters agreed by the Pension Fund Committee at its meeting on 19 September 2024.
2. During consideration of the item it was noted that it was possible for the percentage of contributions received on time to be 100%, while the percentage of contributions received on time by employer was less than 100%. This was because the percentage of contributions received on time was a rounded number and there were some small employers who had not paid on time who's contribution was not large enough to impact upon the overall total percentage.
3. RESOLVED to note the report.

12. ACCESS Update

(Item 13)

1. Mr Graham introduced the report that provided a summary of the activities of the ACCESS pool and an update on the Fund's current position with respect to pooling.
2. During consideration of the item the following points were noted:
 - a. Following a governance review, undertaken last year that recommended increasing the staffing of the ACCESS Support Unit, one of two new posts have been successfully filled.
 - b. The procurement of an operator was a key consideration for the Joint Committee. They approved the appointment of Waystone Management UK, and this appointment has since been agreed by all of the administering authorities.
 - c. The Joint Committee received an update regarding responsible investment and recognised the environment, social and governance priorities that were developed in consultation with the 11 member authorities.
 - d. The next meeting of the Joint Committee was scheduled for 2 December, however following the latest Government announcement regarding the pensions review, this date would be used as a strategy review day.
3. RESOLVED to note the report.

13. Government Pensions Review - Presentation

(Item 14)

1. Mr Buckland provided the Board with a presentation on the Government Pensions Review that have been attached to the minutes for reference.
2. During consideration of the item the following points were noted:
 - a. The review appeared to have three focuses: an increase in pooling, an increase in local investment and improved governance.
 - b. The ACCESS pool did not have an FCA regulated body which was a proposed requirement.
 - c. There appeared to be an assumption that pension scheme members would want investments to be made in their local area, however, localised investments may not provide the best return for the Fund and its members.
 - d. Employers would be required to pay for any financial shortfalls generated through their contributions.
 - e. The target date for implementation of changes was March 2026, this was a very tight timeframe.
 - f. Messages have been posted on the Council's website to provide some reassurance to fund members and employers. There would also be discussions at the upcoming Employers Forum.
 - g. Most of the Government's proposals around governance seemed mainly to be targeting smaller funds, with an aim to provide more consistency across the sector.

- h. The Board would be kept up to date when more information becomes available.

3. RESOLVED to note the update.

- (a) **FIELD**
- (b) **FIELD_TITLE**