

From: Chairman – Pensions Board
To: Superannuation Fund Committee – 13 November 2020
Subject: Report on the Pensions Board meeting on 15 October 2020
Classification: Unrestricted

Summary:

To report on the matters discussed at the board meeting

Recommendation:

The Committee to note the report

FOR INFORMATION

1. Introduction

The Pensions Board met on Thursday 15 October 2020 which was held to provide Members with an update on recent activity and providing them with the opportunity to ask questions of officers. The Chairman welcomed Mr Simkins to the meeting, and he provided an update to the Board on the work of the committee at the end of the meeting. The Board received reports on the following matters.

- Pension Fund Business Plan
- Fund Employer and Governance Matters
- Fund Report and Accounts and External Audit
- Internal Audit Review update (verbal)
- Board Member Training
- ACCESS Pool Update
- Superannuation Fund Committee Update
- Pension Fund Risk Register

Members discussed the reports as follows and noted the updates.

2. Pension Fund Business Plan

Mrs Cheatle and her team were congratulated on getting all ABIs out on time despite Covid-19. The Board was advised of the increased workload concerning the two new areas of work i.e. the McCloud remedy and the £95K cap.

Clarification was given to the Board regarding the accounts. The auditors were looking at a very minor point relating to derivatives and it was not expected that this would stop them from signing off the accounts.

The Board was advised that discussions were ongoing with procurement colleagues regarding the extension of the custody contract beyond its current expiry date of 1 November.

3. Fund Employer and Governance Matters

Mrs Mings introduced this item and Mrs Cheatle explained the background and context regarding the McCloud remedy, and the £95K cap on exit payments. Mrs Cheatle explained the complexity involved in recalculating existing and new pensioners benefits and the impact on the workload of the already stretched team. Extra resource would need to be brought in to assist with the extra work.

Mrs Cheatle responded to comments and questions from the board including clarification on how the cap would apply to LATCOs and staff being transferred under TUPE regulations.

Concern was expressed that some of Kent's academies may decide they could no longer afford to be part of the Kent Scheme.

4. Superannuation Fund Report and Accounts and External Audit

Mrs Mings introduced the report and thanked Mrs Cheatle, Ms Surana and their teams for the immense amount of work they had put into preparing the accounts. Mr Simkins and the board added their thanks which was minuted.

5. Internal Audit Review update (verbal)

The board received a verbal update from Mrs Mings on the progress of the action plan since the last meeting in February. The news that Barnett Waddingham have been appointed as consultants was welcomed by the board.

Mrs Mings advised the board that there are two reviews currently underway of the pension fund governance and resources required to support the fund. Board members would be invited to join the first part of the SFC meeting on 13 November.

6. Board Member Training

Mrs Mings introduced the report and responded to comments and questions from the board. It was noted that several members of the board and committee had taken part in the Hymans survey. The Hymans report on the national picture for training for pensions committees and boards was expected shortly. It was hoped that Barnett Waddingham would be able to deliver this training.

The board took the view that training on offer was welcomed and it was always useful for training to be repeated at regular intervals to refresh their knowledge.

Concern was raised that at election time many newly elected members who potentially did not have any or little knowledge of pension funds would need extensive training and potentially posed a risk. It was suggested that the issue of delivering training to a potentially large number of new members be added to the risk register.

7. ACCESS update

Mrs Mings and Mr Simkins introduced the report and responded to comments and questions.

The board was advised that there had been a brief pause because of Covid-19 restrictions but that work was now continuing.

Approval would be sought at the 22 October County Council to sign the Inter-Authority Agreement to which all 11 local authorities in the pool would be asked to sign up to.

The board was advised that the pooling group was working well, and that Kent had benefitted from its involvement in the pool. The government checked how pools were working but did not seek to steer them in any specific direction.

The meeting then moved in to closed session to discuss exempt items.

8. Superannuation Fund Committee update

Mrs Mings and Mr Simkins introduced the report and responded to questions of detail from the board, including fees and costs and the fund's cashflow.

9. Pension Fund Risk Register

Mrs Mings and Mr Simkins introduced the report and advised the board of work undertaken since last reporting.

Margaret Crabtree
Chairman, Pensions Board