

By: Chairman Superannuation Fund Committee
Director of Finance

To: Superannuation Fund Committee – 5 March 2010

Subject: **COMMITTEE STRUCTURE AND MEETINGS**

Classification: Unrestricted

Summary: To propose options for the Committee's structure and meetings.

FOR DECISION

INTRODUCTION

1. Following the last meeting of the Committee in November the Chairman, Vice Chairman and Director of Finance felt it would be useful to have a discussion about the structure of the Committee and the frequency of meetings.

CURRENT POSITION

2. The current arrangement of quarterly meetings is a very long standing arrangement. Prior to 2000 there was an additional meeting in September which just looked at investment performance numbers – this was dropped as the Council tried to reduce the overall number of Committee meetings.
3. As the Fund has expanded the number of investment managers and taken a broader remit to scrutinize all aspects of the Fund's work the agendas have expanded and so has the length of meetings. In a wide range of areas the activities of the Fund are more complex and given the governance structure the Committee is the sole decision making body.
4. The governance arrangements allow for the Chairman and Vice Chairman to meet monthly, but this is not a decision making group. The Committee can also delegate specific decisions to the Director of Finance in consultation with Members.
5. Given the size of the Kent Fund it is important to have a wide representation of interests on the Committee. This is a strength and there is no suggestion that the current membership structure of the Committee should be reviewed.
6. In light of this Officers have been asked to bring forward proposals for how the Committee could address the workload issues.

ADDITIONAL COMMITTEE MEETINGS

7. The frequency of meetings could be increased from 4 to 6. There are currently some long periods between meetings, from mid November to March and early June to early September. More meetings would give more time for the Committee's core business and limit the need for more than 1 external manager to attend each meeting – this is particularly time consuming.
8. The Chairman has asked for the 10 September meeting to be moved because of a clash with the LGC Investment Summit, the premier training event in the year. Officers have discussed this with the Secretariat and it would only be possible by moving from a Friday date or holding the meeting in August.
9. A full move to a 6 meeting structure would only be possible given the constraints of the County Council diary in 2011.

INVESTMENT SUB-COMMITTEE

10. The other alternative would be to focus investment business, in particular monitoring of investment managers, on a Sub-committee. This is a common practice in many local authority Pension Funds.
11. The key issues to resolve would be:
 - Decision making powers
 - Frequency of meetings
 - Membership
12. With a Sub-committee focussed on investment the full Committee would concentrate on:
 - Asset allocation
 - Investment strategy
 - Actuarial issues
 - Risk management
 - External / internal audit reports
 - Governance issues
 - Communication with employers
 - Pensions administration
 - Admissions to the Fund

SUMMARY

13. Given the legal responsibilities the Committee has for the Fund it is timely to consider the way forward. The current arrangement does need to be updated but there is no intention or desire to reduce transparency or disenfranchise any member of the Committee.
14. Over the last few years the profile of pensions as an issue has risen enormously. The continued use of the term "Superannuation" is not easily understandable for all of our members. A more approachable description would be the Kent Pension Fund with the Committee described as the Kent Pension Fund Committee.
- 15 Any changes to the Committee structure or name would have to be agreed by County Council.
- 16 It is intended to apply a consistent branding on this basis across the new Pensions section within the KCC website, for the annual report and other publications.

RECOMMENDATION

17. Members are asked to consider the options set out.

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