

Kent Pension Fund Committee decision making procedures

1. LGPS 2016 regulations
 - 1.1 The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 includes expectations around decision making as follows:

When making investment decisions, administering authorities must take proper advice and act prudently. In the context of the local government pension scheme, a prudent approach to investment can be described as a duty to discharge statutory responsibilities with care, skill, prudence and diligence. This approach is the standard that those responsible for making investment decisions must operate.

Administering authorities are expected to be able to demonstrate that those responsible for making investment decisions have taken and acted on proper advice and that diversification decisions have been taken in the best long term interest of scheme beneficiaries.

2. All decisions of the Committee must be taken in accordance with the decision-making procedures set out in the [Council's Constitution](#).
3. The Committee should follow the procedures as set out below when making decisions for the Fund:

Kent Pension Fund Committee investment decision making procedure

- Identify / clarify the issue.
- Conflicts of interest have been declared and recorded in the minutes. ⁽¹⁾

Committee members may have other roles and responsibilities which cause them to have other personal, business, or other interests which could affect their fiduciary duty to act in the best interest of the Fund. By declaring these conflicts and recording them in the minutes of the meeting, it provides an accurate record and clarity around who was involved in the decision.

- Viewed all available information and supporting papers from officers relevant to the decision which needs to be made. ⁽¹⁾

The Council's Constitution requires that decisions are made based on *all* relevant information/evidence. By reviewing supporting papers from the finance function, the committee is ensuring that it follows procedure and continues to represent good practice. This also allows for decisions to be made using

accurate, up-to-date, unbiased information, ensuring the Committee is acting in the best interests of the Fund.

Guidance given in weekly meetings with the Chair should be passed on to other Committee members.

- The Fund's independent investment advisors (Mercer) attend each meeting. Advice is commissioned prior to making any investment decisions.

Mercer are expert advisors who can provide advice on a range of issues, including how to manage risks, responsible investment, investment strategy and much more. By commissioning advice from Mercer, the Committee can ensure it is well informed prior to making any decisions. They provide an objective view of the Fund and any risks to it and may pick up on information which may have been missed elsewhere.

- Guidance received from Officers regarding exit strategies and segregated mandates.

Segregated mandates are run exclusively for clients and so they will be customised to the investment objectives of each Fund. This means that the Officers of the Fund may be better placed to provide guidance/advice surrounding issues of these mandates.

- Members have the opportunity to speak and ask questions. ⁽¹⁾

- Risk register has been reviewed and updated to show current risks and/or changes to the Fund.

The fundamental responsibility of the Fund is to ensure it has adequate monies available to pay pensions as they fall due. To fulfil this responsibility, it is important to ensure that all risks are managed effectively and kept up to date. The risk register helps to identify potential risks and to stay on top of any potential issues which could prevent the Fund from being able to meet its duties.

- Decisions have been recorded in the minutes of the meeting. ⁽¹⁾

- Minutes signed and non-exempt minutes published on the website. ⁽¹⁾

⁽¹⁾ Procedure set out in the Council's constitution

Kent Pension Fund Committee Non - Investment decision making procedure

Identify / clarify the issue.

Conflicts of interest have been declared and recorded in the minutes. ⁽¹⁾

Committee members may have other roles and responsibilities which cause them to have other personal, business, or other interests which could affect their fiduciary duty to act in the best interest of the Fund. By declaring these conflicts and recording them in the minutes of the meeting, it provides an accurate record and clarity around who was involved in the decision.

Viewed all available information and supporting papers from officers relevant to the decision which needs to be made. ⁽¹⁾

The Council's Constitution requires that decisions are made based on *all* relevant information/evidence. By reviewing supporting papers from the finance function, the committee is ensuring that it follows procedure and continues to represent good practice. This also allows for decisions to be made using accurate, up-to-date, unbiased information, ensuring the Committee is acting in the best interests of the Fund.

Guidance given in weekly meetings with the Chair should be passed on to other Committee members.

Admission matters: advice received from the Fund's actuary (Barnett Waddingham)

To carry out their role effectively the committee must have access to expert professional advisers

Admission and other legal matters: advice received from the Fund's legal advisors (Invicta Law) or other appropriate advisor

To carry out their role effectively the committee must have access to expert professional advisers

Members have the opportunity to speak and ask questions. ⁽¹⁾

Risk register has been reviewed and updated to show current risks and/or changes to the Fund.

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Decisions have been recorded in the minutes of the meeting. ⁽¹⁾

Minutes signed and non-exempt minutes published on the website. ⁽¹⁾

⁽²⁾ Procedure set out in the Council's constitution