

KENT COUNTY COUNCIL

PENSION BOARD

MINUTES of a meeting of the Pension Board held online on Thursday, 24 November 2022.

PRESENT: Mr R J Thomas (Chair), Cllr R Carnac, Mr D Jeffrey and Mr J Parsons

ALSO PRESENT: Mr C Simkins, Ms K King and Mr G Ward

IN ATTENDANCE: Mr N Buckland (Head of Pensions and Treasury), Mrs C Chambers (Pensions Administration Manager), Mr J Graham (Pension Fund Treasury and Investments Manager), Mrs A Mings (Treasury and Pensions Strategic Advisor), Mr S Tagg (Senior Accountant - Employer Governance and Compliance), Ms L Savage (Pensions Administration Performance and Operations Manager), Ms S Surana (Investments, Accounting and Pooling Manager), Miss T A Grayell (Democratic Services Officer) and Mr M Dentten (Democratic Services Officer)

UNRESTRICTED ITEMS

1. Membership

(Item 1)

It was noted that Cllr Rachel Carnac from Canterbury City Council had joined the board. Cllr Carnac was welcomed to her first meeting.

Two potential new board members – Kelly King and Grahame Ward – were joining the meeting as observers before joining formally.

2. Apologies and Substitutes

(Item 2)

Apologies for absence had been received from Ms A Kilpatrick.

3. Declarations of Interest by board members on items on the agenda for this meeting

(Item 3)

There were no declarations of interest.

4. Minutes of the meeting held on 18 November 2021

(Item 4)

It was RESOLVED that the minutes of the meeting held on 18 November 2021 are correctly recorded and that they be signed by the Chair. There were no matters arising.

5. Future Meeting Dates

(Item 5)

It was noted that the next meetings of the board would take place on:

Tuesday 14 March 2023 at 2.00 pm

Thursday 8 June 2023 at 10.00 am

6. Verbal update on the Pension Fund Committee

1. Mr C Simkins gave a verbal update on the work of the Pension Fund Committee and its most recent meeting on 28 September 2022 and highlighted the following:

- Mercer Ltd had been re-appointed as the fund's investment consultant for another three years, with a possibility of a two-year extension;
- Barnett Waddingham had undertaken the fund's triennial valuation and the fund was now 102% funded, which was excellent news;
- all the recommendations arising from Barnett Waddingham's governance review had now been actioned, the business plan reviewed and the membership of both the committee and the board updated, as recommended by Barnett Waddingham;
- the fund's performance was currently very good; and
- the fund's property portfolio had recently won two awards.

He also gave updates on the strategy review, responsible investment and pensions administration.

2. In response to a question, Mr Buckland confirmed that a report by Barnett Waddingham on the actuarial valuation would be made to the committee at its 8 December meeting and the valuation would be signed off finally in March 2023, at which time a similar presentation could be made to the board.

3. The verbal update was noted, with thanks.

7. Fund Business Plan - 2022/23 - 2024-25

(Item 6)

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

- a) targets had been set to be challenging, for example, in clearing the backlog of pensions administration work. The aim was to clear this backlog by the end of 2023. Mrs Chambers added that the pensions dashboard was due to go live in 2024, so the backlog would need to be cleared by then and all data correct and available to allow scheme members to access it; and
- b) in response to a question about resourcing, Mr Buckland advised that resources were not yet available to address the backlog but he was confident that suitable staff would shortly be recruited.

2. It was RESOLVED that the Business Plan for the Kent be noted, with thanks.

8. Pensions Administration

(Item 7)

1. Mrs C Chambers introduced the report and highlighted key challenges and areas of progress:-

- a new reporting system was now in use, and performance against key performance indicators (KPIs) was generally around 84%;
- staff recruitment was proceeding well, attracting candidates of a good standard;
- a new way of working to support scheme members and employers was being established. Work on employers was now largely complete and the new year would focus on engagement with scheme members; and
- development of the online self-service system had continued.

2. The Chairman thanked Mrs Chambers for the great amount of improvement and design work she had led since joining the County Council in summer 2022 and emphasised how aware members were of the importance and complexity of the pensions administration role.

3. Mrs Chambers then responded to comments and questions from the committee, including the following:-

- a) Members welcomed the report and commented that the service seemed to be in good shape and well placed to meet future demands successfully;
- b) more detail and figures relating to the take-up of the online self-service tool, and what impact this was having on the general workload of pensions administration staff, could be included in future reports. The system was still relatively new, and project work would seek to identify patterns of usage to make it as user-friendly as possible;
- c) the employers forum would take place on 9 December to start the consultation on the Administration Strategy and it was hoped that the new strategy would be ready to be implemented on 1 April 2023. Mr Buckland added that a report on the new Administration Strategy would be presented to the committee's March meeting; and
- d) improvements in the telephony system were expected to be completed by Christmas and it was hoped that this would result in a much better service to customers.

4. It was RESOLVED that the update on work being undertaken by the pensions administration team be noted, and that the board's thanks and appreciation be passed on to all staff.

9. Pension Fund Annual Report and Accounts and External Audit (Item 8)

1. Ms Surana introduced the report, about which there were no questions.

2. It was RESOLVED that the Annual Report and Accounts of the Kent Pension Fund and Audit Findings Report from the external auditor be noted, with thanks.

10. Fund Employer and Governance Matters (Item 9)

1. Mr Tagg introduced the report and emphasised the large amount of work going on since last reporting to the board. He responded to questions about specific companies and advised that all admissions to, and departures from, the pensions fund were reported to the Pension Fund Committee.

2. It was RESOLVED that the report be noted, with thanks.

11. Governance review - update

(Item 10)

1. Mrs Mings introduced the report and updated the board on the work undertaken to implement the recommendations made by Barnett Waddingham's review of governance. Out of the 139 recommendations, 48 applied specifically to the board and, of these, 46 had so far been implemented. There were no questions.

2. The board placed on record its thanks to Mrs Mings for the great amount of work she had put it into commissioning the governance review and actioning its recommendations.

3. It was RESOLVED that the report be noted, with thanks, the Code of Conduct and Conflicts of Interest Policy be adopted and that training for board members be continued to ensure that knowledge was kept up to date.

12. Fund Position September 2022

(Item 11)

1. Mr Graham introduced the report and advised that the fund's returns in 2022 had been good, despite it having been a very difficult year. He advised that the investment strategy would be reviewed after the actuarial valuation. There were no questions.

2. The Chair emphasised the importance of achieving a good level of funding and emphasised that the fund was now 102% funded, which was excellent.

3. It was RESOLVED that the fund's asset allocation and performance, as of 30 September 2022, be noted, with thanks.

13. ACCESS update

(Item 12)

1. Mr Graham introduced the report and advised that members of pensions boards and committees were now permitted to attend Access meetings as observers. It was agreed that, at the March meeting, at which Kent had its allocated turn to send observers, the Kent fund would be represented by the Chair and Vice-Chair of the Pension Board. Mr Buckland noted that being able to do this was very helpful.

2. It was RESOLVED that the report be noted, with thanks, and the Chair and Vice-Chair of the board be nominated to observe the ACCESS Joint Committee meeting on 6 March 2023.

14. Motion to exclude the press and public for exempt business

The committee 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.

EXEMPT BUSINESS

Open access to minute

15. Pension Fund Risk Register

(Item 13)

1. Mr Buckland introduced the report, about which there were no questions.
2. It was RESOLVED that the report be noted, with thanks.