

## KENT COUNTY COUNCIL

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### PENSION BOARD

MINUTES of a meeting of the Pension Board held in the Wantsum Room, Sessions House, County Hall, Maidstone on Wednesday, 20 April 2016.

PRESENT: Miss S J Carey (Chairman), Mr D Coupland, Ms A Kilpatrick, Mrs S Lysaght, Cllr D Monk, Mr J Parsons, Mr J Peden and Mr D Smyth

IN ATTENDANCE: Ms B Cheatle (Pensions Manager), Ms D Fitch (Democratic Services Manager (Council)), Ms A Mings (Treasury & Investments Manager) and Mr N Vickers (Head of Financial Services)

### UNRESTRICTED ITEMS

#### **4. Board Membership and Terms of Reference**

*(Item 1)*

(1) Mr Vickers submitted a report which updated the Board on its Membership and reminded it of its previously agreed Terms of Reference.

(2) RESOLVED that the report be noted.

#### **5. Local Government Pension Scheme (LGPS) Pooling**

*(Item 2)*

(1) Mr Vickers introduced a report on the progress of the LGPS pooling work. The proposals published by the Government in November 2015 presented the most radical changes to the management of the LGPS since it was first established. The report contained information on the LGPS investment report criteria and guidance, pooling options and the decision by the Superannuation Fund Committee to join the ACCESS pool and information on this pool. The report also set out the next steps towards the requirement for each fund and pool to submit its proposals by 15 July 2016. The Superannuation Fund Committee would be considering the submission at its meeting on 24 June and Hymans Robertson had been commissioned to provide project and technical support to ACCESS through to the July submission.

(2) Mr Vickers and Ms Mings answered questions of clarification from Members of the Board.

(3) RESOLVED that the report be noted.

#### **6. Internal Audit Reports**

*(Item 3)*

(1) Ms Mings introduced the Internal Audit report on controls over pension contributions to the Kent LGPS, which was circulated with the agenda and answered questions from the Board. The audit opinion was 'substantial' and confirmed that there was an adequate system of control in place to ensure that contributions were being correctly calculated and paid into the Pension Fund. Internal Audit had

assessed prospects for improvement as 'good'. In response to a question, Ms Mings confirmed that she would be working with Ms Cheatle on the possible adaptation of their software to include pension contribution information.

(2) Ms Cheatle introduced the Internal Audit report on pension scheme administration, which was circulated with the agenda, and answered questions from the Board. The audit opinion was that pension scheme administration was 'adequate' with prospects for improvement 'very good'. In relation to the issue raised regarding verification of date of birth, Ms Cheatle answered questions and reassured the Board that the risk of fraud was low.

(3) RESOLVED that the report be noted.

## **7. Pensions Administration**

*(Item 4)*

(1) Ms Cheatle presented a report which provided the Board with a comprehensive update of administration issues which included, workload position, achievements against Key Performance Indicators (KPIs), CIPFA benchmarking survey results 2015, annual benefit illustrations 2014/15, a scheme sanction charge and staffing.

(2) Officers answered questions from the Board which included the following:

- In response to a question on qualitative measurements, Ms Cheatle confirmed that this was assessed via feedback on communications, and that there was an invitation on the website to submit comments. The KARF representative confirmed that he was not aware of any dissatisfaction from his members in relation to the administration of the pension scheme. He stated that written information was appreciated by retired pension scheme members.
- Mr Vickers and Ms Cheatle emphasised that they were only able to provide pension information not advice. It was the responsibility of pension scheme members to seek their own tax advice.
- Regarding the issue of employers not providing information on time in order to enable compliance with regulations in relation to annual benefit illustrations, Ms Cheatle confirmed that by the deadline of 8 April, 54% of employers had submitted their information. As of 15 April 73% of employers had submitted their return. However a third to a half of the returns were incorrect. Ms Cheatle stated that training was being offered to employers. Mr Vickers stated that District Councils were good at submitting their returns on time but KCC, as the largest employer, struggled.
- Mr Vickers undertook to report back to Board Members on the options available to achieve employers' compliance with submitting their return on time, including the possibility of levying a financial sanction on employers who did not meet the deadline and the introduction of a Service Level Agreement.
- It was suggested that the Cabinet Member for Finance and Procurement be requested to write to HMRC to ask for the scheme sanction charge to be discharged.

RESOLVED that the report be noted.

**8. Date of next meeting - 14 October 2016 at 10.00am**  
*(Item 5)*

Noted