

Kent County Council Superannuation Fund

Governance Policy and Compliance Statement

March 2022



Introduction and Legal Requirements

Kent County Council is the Administering Authority for maintaining and managing the Kent County Council Superannuation Fund (the Fund) on behalf of its stakeholders; the Scheme Members and Employers participating in the Fund. These responsibilities are primarily set out in the Local Government Pension Scheme (LGPS) Regulations.

[Regulation 55 of The Local Government Pension Scheme Regulations 2013](#) requires the administering authority to prepare and maintain a Governance Compliance Statement setting out whether the authority delegates its functions, or part of its functions to a committee, a sub-committee, or an officer of the authority, and if it does so:

- a. the terms, structure, and operational procedures of the delegation.
- b. the frequency of any committee or sub-committee meetings.
- c. whether such a committee or sub-committee includes representatives of Scheme Employers or Members, and if so, whether those representatives have voting rights.
- d. the extent to which a delegation, or the absence of a delegation, complies with guidance given by the Secretary of State and, to the extent that it does not comply, the reasons for not complying; and
- e. details of the terms, structure and operational procedures relating to the local pension board

An administering authority must keep a statement under review and make such revisions as are appropriate, following a material change to any of the matters mentioned in the statement.

Before preparing or revising a statement under this regulation, an administering authority must consult such persons as it considers appropriate.

An administering authority must publish its statement under this regulation, and any revised statement.

This document is the Governance Policy and Compliance Statement for Kent County Council Superannuation Fund that has been prepared to meet the requirement of the LGPS Regulations. The Governance Compliance Statement noted in point d. above is included as Appendix 1.

About the Kent County Council Superannuation Fund (“the Fund”)

Under the regulations, Kent County Council is required to maintain a pension fund (the Fund) for its employees and those of other scheme employers within its area.

The Fund Summary Report provides an update on the Fund’s position at the end of each financial year and references the number of members & employers in the scheme.

Aims and Objectives

In relation to the governance of the Fund we will aim to:

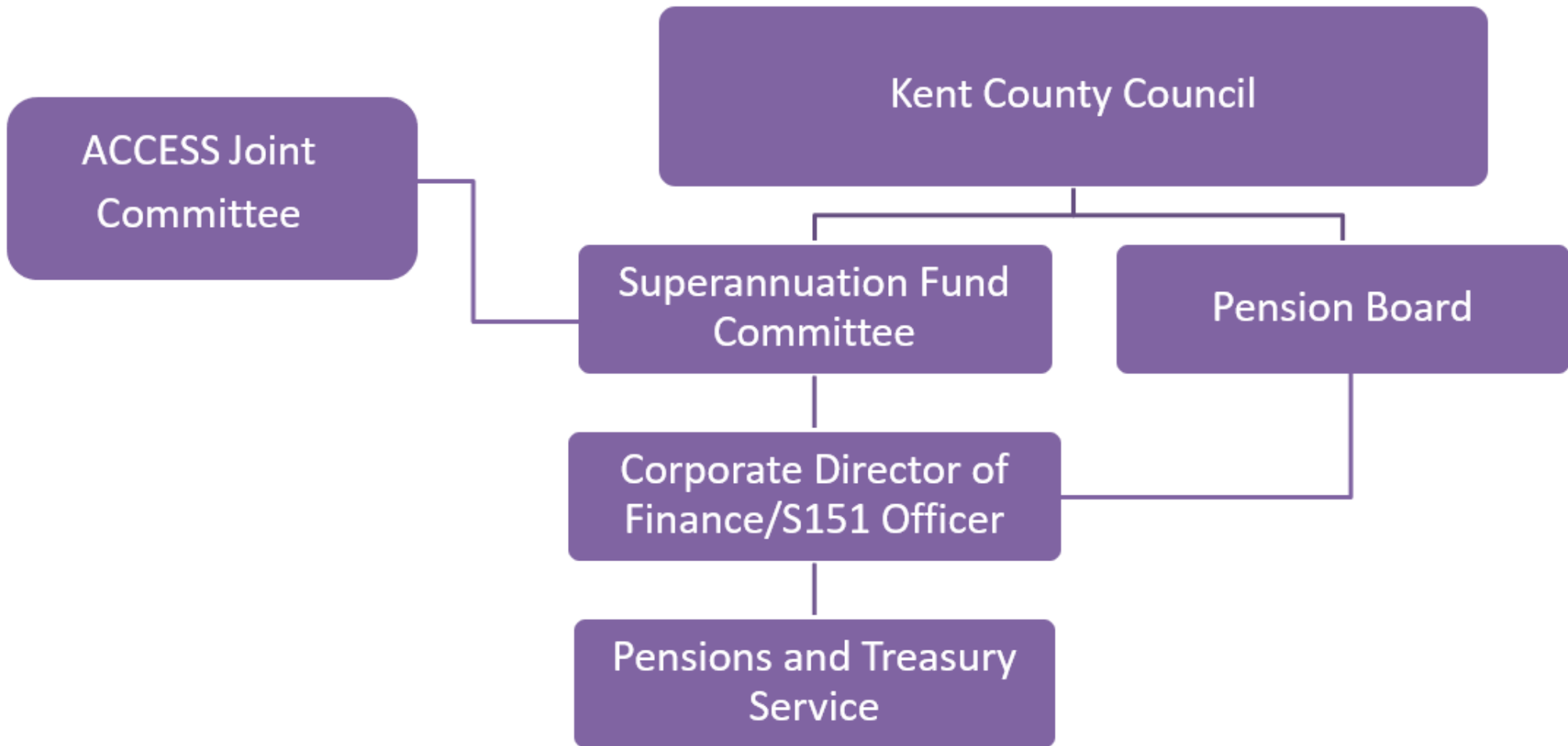
- Provide a high-quality service whilst maintaining value for money
- ensure compliance with the LGPS regulations, other relevant legislation, and the Pension Regulator’s Codes of Practice
- ensure the Fund is managed, and its services delivered by people who have the appropriate knowledge and expertise
- evolve and look for new opportunities, ensuring efficiency at all times
- act with integrity and be accountable to our stakeholders
- understand and monitor risk and compliance
- continually measure and monitor success against our objectives
- ensure the confidentiality, integrity and accessibility of the Fund’s data, systems and services is protected and preserved

Kent County Council Superannuation Fund Governance Structure

The Fund’s governance structure relates to the Administering Authority’s responsibilities only. Kent County Council is also an Employer within the Fund, and a separate governance structure and Scheme of Delegation is in place in relation to Kent County Council’s employer pension responsibilities.

Full details of the delegations from Kent County Council as Administering authority are set out in the council’s [constitution](#).

The following is a summary of the structure.



The role and membership of the Committee is covered on the following pages.

The Role of Officers

The chief officers of Kent County Council have certain statutory and formal responsibilities. Executive powers are delegated to named chief officers under the council's [constitution](#) which sets the parameters within which the officers can implement the Committee decisions and operate the day-to-day business of the Pension Fund.

Superannuation Fund Committee

Role and Function

The Superannuation Fund Committee applies all the powers and duties of Kent County Council (KCC) as the administering authority for the Fund. The committee is responsible for:

- monitoring the administration of the Fund, including compliance with Local Government Pension Scheme (LGPS) and other legislation, ensuring that it delivers best value and compliance with statutory and non-statutory best practise guidance where considered appropriate
- determining pension fund policy regarding employer admission and cessation arrangements
- determining, reviewing, and monitoring the Fund's aims, objectives, strategies, compliance statements and procedures relating to the funding strategy, including approving its Funding Strategy Statement
- determining, reviewing, and monitoring the Fund's other aims, objectives, policies, strategies, compliance statements and procedures for the overall management of the Fund, including but not limited to administration, communication, and governance
- setting investment strategy, carrying out regular reviews, and monitoring the Fund's investments
- appointing the Fund's advisers, including actuaries, governance advisers and specialist lawyers (where required) and to periodically review those arrangements
- appointing professional fund managers relating to the investments of the Fund
- considering the Fund's financial statements
- approving an Annual Report on the activities of the Fund in line with legislation and guidance

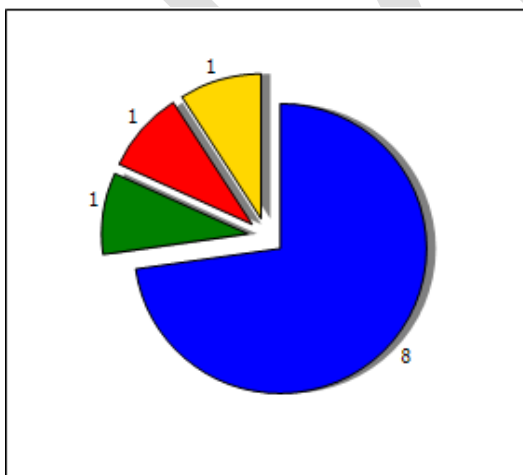
Membership

Voting Members	Members Breakdown	How Nominated or Appointed	Term of office
15 Employer Representatives	11 Members of the County Council (Including Chair)	Appointed by the Council	4 years as appointed at the annual meeting of the Council or as changed from time to time by the

			Constitution
	3 representatives from the 12 district / borough Councils	Appointed by Kent Leaders Group	4 years from the relevant borough and district elections
	1 Medway Council representative	Nominated	4 years from the relevant Unitary Council elections
Non-voting Members			
4 Member Representatives	2 Kent Active Retirement Fellowship (KARF) Representatives	Nominated by KARF and must be a member of the Fund	4 years from date of appointment
	1 County Council Staff Representative	Nominated by panel of KCC Finance and HR officers who advise the Board Chairman. Must be a member of the Fund	4 years from date of appointment
	1 Trade Union Representative	Nominated by Unison and must be a member of the Fund	4 years from date of appointment

The Chair of the Committee is one of the 11 County Council representatives and elected by these members only.

The political balance of the 11 appointed County Council Representatives is as follows:



- 8 Conservative
- 1 Green
- 1 Labour
- 1 Liberal Democrat



The Committee will meet 5 or 6 times a year with secretarial support provided by KCC Democratic Services.

Quorum and Substitutes

The quorum for a meeting is one third of its total voting membership.

If a Member cannot attend a meeting of the Committee, a nominated spokesperson of their political group or authority may nominate a substitute by written notice to the Clerk.

Pension Board

A local pension board (the Board) was established in 2015 in accordance with regulation 106 of the LGPS 2013 regulations. Its purpose is to assist Kent County Council as the Administering Authority for the Kent Fund to secure compliance with the 2013 regulations and to ensure the effective and efficient governance and administration of the scheme.

Membership

Members	Members Breakdown	How Nominated or Appointed
4 Employer representatives from each of the following groups in the Fund:	2 drawn from the County Council (including the chair)	Appointed (not members of Superannuation Fund Committee)
	1 Member representing the 12 district, borough and Medway Councils	Nominated
	1 Member representing other employing bodies (Police/Fire)	Nominated
4 Scheme member representatives from each of the following groups:	1 Trade Union representative	Nominated by Unison
	1 KCC Staff representative	Chosen by panel of KCC Finance and HR officers who advise the Board Chairman.
	1 representative from non KCC (Medway and District) Councils	Chosen by panel of Finance and HR officers from employers who advise the Board Chairman.
	1 representative from the Kent Active Retirement Fellowship	Nominated by Kent Active Retirement Fellowship

The Chair of the Board is appointed by the County Council and the Vice Chair is elected by the Board.

Terms of Office

Membership will be for 4-year renewable periods with a maximum of 8 years.

A member will cease their office where:

- They have a conflict of interest which cannot be managed in accordance with the Board's conflicts policy
- A member dies or becomes incapable of acting
- A member who is a councillor of the Administering Authority is appointed to the Superannuation Fund Committee
- A member is appointed to the role of an officer of the Administering Authority with responsibility for the discharge of functions under the Regulations
- A member resigns
- A representative member ceases to represent his constituency, for example if an employer representative leaves the employment of his employer and therefore ceases to have the capacity to represent the Fund's employers; and
- A member fails to attend 2 consecutive meetings or otherwise comply with the requirements of being a Board member, for example fails to attend the necessary knowledge and understanding training.

The Board will meet quarterly. The KCC Corporate Director of Finance will be responsible for providing professional advice to the board and secretarial support will be provided by KCC Democratic Services.

Quorum

A minimum of 4 members will need to be present for the board to be quorate.

Substitutes

Substitutes will be allowed for the Kent Active Retirement and Unison members of the Board but they must be a named individual who will undertake the necessary training and development.

All representatives receive appropriate training and development and all costs of attending meetings and additional costs of attending training courses are reimbursed from the Fund.

ACCESS (A Collaboration of Central, Eastern and Southern Shires) is made up of eleven Local Government Pension Schemes (LGPS) Administering Authorities:

- Cambridgeshire County Council
- East Sussex County Council
- Kent County Council
- Norfolk County Council
- Essex County Council
- Northamptonshire County Council
- Hampshire County Council
- Hertfordshire County Council
- Suffolk County Council
- Isle of Wight Council
- West Sussex County Council

Strategic oversight and scrutiny responsibilities remain with the Administering Authorities as do all decision making on their individual Fund asset allocations and the timing of transfers of assets from each Fund into the arrangements developed by the ACCESS Pool.

ACCESS Joint Committee

The Joint Committee (JC) within the ACCESS pool is made up of the 11 Chairs of the pension committees of the 11 participating LGPS funds. The JC has been appointed by the eleven Administering Authorities under s102 of the Local Government Act 1972, to exercise specific functions in relation to the pooling of LGPS assets. The JC's functions include the specification, procurement, recommendation of appointment of pool Operators (for active asset management) and pool-aligned asset providers (for passive asset management), to the Administering Authorities. The Joint Committee also reviews ongoing performance.

The Section 151 Officers of the ACCESS Authorities provide advice to the Joint Committee to ensure appropriate resourcing and support is available to implement the Committee's decisions and to run the ACCESS Pool.

The Joint Committee is further supported by the Officer Working Group (OWG) and the ACCESS Support Unit (ASU).

The Officer Working Group consists of officers identified by each of the ACCESS Authorities whose role is to provide a central resource for advice, assistance, guidance and support for the Joint Committee.

The ACCESS Support Unit (ASU) provides the day-to-day support for running the ACCESS Pool and has responsibility for programme management, contract management, administration, and technical support services. There are five full time ASU roles, hosted by Essex County Council. These roles are also supplemented with additional technical support from Officers within the ACCESS Authorities.

Governance Compliance Statement

As can be seen from the table below, the Fund's governance arrangements in respect of the Superannuation Fund Committee are fully or partially compliant with the most recent guidance issued by the Secretary of State for Housing, Communities and Local Government (issued in 2008):

Principle	Kent County Council Superannuation Fund's position	Compliance
Structure		
<p>The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing Council.</p>	<p>The Superannuation Fund Committee is a delegated committee of Kent County Council and exercises all the powers and duties of Kent County Council as the Administering Authority for the Kent County Council Superannuation Fund.</p> <p>The matters the Committee is responsible for include:</p> <ul style="list-style-type: none"> • setting investment strategy • appointing professional fund managers • carrying out regular reviews • monitoring of investments • monitoring the administration of the pension scheme • determining pension fund policy in regard to employer admission arrangements. 	Fully Compliant
<p>That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.</p>	<p>Membership of the Committee is drawn from the County Council as well as other scheme employers and member representatives. All representatives receive appropriate training and development.</p>	Fully Compliant
Committee Membership and Representation		
That all key stakeholders are	Committee members serve for a	Partially compliant

<p>afforded the opportunity to be represented within the main or secondary committee structure.</p> <p>These include:</p> <ul style="list-style-type: none"> • employing authorities (including non-scheme employers, e.g., admitted bodies) • scheme members (including deferred and pensioner scheme members) • independent professional observers • expert advisers (on an ad hoc basis) 	<p>4-year term.</p> <p>The Committee consists of 19 members: 15 employer representatives and 4 member representatives.</p> <p>Of the employer representatives 11 are drawn from the County Council, 3 are nominated by the 12 district councils and Medway Council has 1 representative.</p> <p>Of the 4 member representatives Unison and County Council staff have 1 representative each and the Kent Active Retirement Fellowship has 2 representatives.</p> <p>The Fund's investment advisors, Mercer Ltd, attend every Committee meeting and facilitate workshops on any significant changes to investment strategy.</p>	
<p>That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision-making process, with or without voting rights.</p>	<p>All members of the Committee are treated equally in terms of access to papers and meetings, as well as training and are given full opportunity to contribute to the decision-making process, with or without voting rights</p>	<p>Fully compliant</p>
<p>Voting</p>		
<p>The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.</p>	<p>All 15 employer representative members have full voting rights in the Committee. The 4 member representatives do not have voting rights but are able to engage in and contribute to decision making.</p> <p>The political balance of the 11 County Council representatives who have voting rights is as follows: 8 Conservative members, 1 Green Party member, 1 Labour member & 1 Liberal Democrat member.</p>	<p>Partially compliant</p>

	The voting rights of Superannuation Fund Committee members are regularly reviewed, the most recent review being October 2017.	
Training / Facility time / expenses		
<p>That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.</p> <p>That where such a policy exists, it applies equally to all members of committees, subcommittees, advisory panels, or any other form of secondary forum.</p>	<p>Arrangements for training, facility time and expenses of Committee and Pensions Board members are described in the Kent County Council constitution. This policy applies equally to all Committee and Pensions Board members.</p> <p>The Fund's training policy was updated in March 2022. This sets out its expectations of the minimum level of knowledge and understanding that Committee members should have.</p> <p>Both Committee and Board members have been provided with a copy of the Pension Fund training plan. This includes training for members to enable them to understand their roles on the committee board.</p> <p>Members' training is regularly reviewed with support from officers.</p> <p>All additional costs of attending training courses are reimbursed from the Fund.</p>	Compliant
Meetings – Frequency		
That an administering authority's main committee or committees meet at least quarterly.	The Superannuation Committee usually meets 5 or 6-times year.	Fully Compliant
That administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.	The Pensions Forum meets twice a year for all employers focussing on administration issues.	Not compliant

Access		
That subject to any rules in the council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee. That subject to any rules in the council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.	All Committee members have access to committee papers, documents and advice that falls to be considered at meetings of the Committee. Meeting papers are also available on the Kent County Council website .	Fully compliant
Scope		
That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.	The Committee monitors the administration of the pension scheme and determines pension fund policy in regard to employer admission arrangements.	Compliant
Publicity		
That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed can express an interest in wanting to be part of those arrangements.	Details of all Committee meetings are available on the Kent County Council website including all unrestricted committee papers. The Fund's Governance Policy Statement is published on the Fund's website	Compliant