

From: Chairman Superannuation Fund Committee  
Corporate Director of Finance

To: Superannuation Fund Committee – 13 November 2020

Subject: Pension Fund Business Plan

Classification: Unrestricted

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**Summary:**

To advise the Committee of the progress made to date on the 2020-21 business plan and related forecast outturn for 2020-21

**Recommendation:**

The Committee to note the updated Business Plan and the related budget for 2020-21.

**FOR INFORMATION**

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**1. Introduction**

1.1 The Committee is asked to note the updated business plan and forecast costs required to deliver the plan in 2020-21.

**2. 2020-21 business plan**

2.1 The Fund's business plan has been updated to reflect progress made to date, see attached at appendix 1.

2.2 Members are asked to particularly note the following:

- i) work completed on the implementation of the investment strategy in particular in relation to an equity protection programme
- ii) the Fund's annual accounts have been approved by the Governance and Audit Committee at its meeting on 8 October
- iii) Barnett Waddingham have been appointed to deliver the governance consultancy project
- iv) A response has been provided to the consultation on McCloud and a project will be established to manage its impact.
- v) Legislation has been passed but further guidance is awaited on the £95k exit cap following which their impact will need to be managed

### 3. 2020-21 forecast

3.1 At its March meeting the Committee approved a budget of £4.693m to support the 2020-21 business plan. Details are included in the table below.

3.2 At the current time it is anticipated that additional costs will be incurred in relation to investment consultancy provided by Mercer in support of the Committee's work on the investment strategy. Members have already been advised of the additional spend on the establishment of an equity protection programme. We are also forecasting higher audit costs due to the additional work requiring to be undertaken in relation to the annual audit of the Fund and assurance provided to other authorities in the Fund.

3.3 Total forecast costs are now £4.83m.

#### Pension Fund Management Costs

Nature of Costs	Agreed Budget £	Forecast Costs £	Over/ (Under) spend £
Pensions Administration	3,411,900	3,411,900	-
Pension Payroll Services	225,973	225,973	-
Payment services	17,340	17,340	-
Financial Services	68,340	68,340	-
<b>Administration expenses</b>	<b>3,723,553</b>	<b>3,723,553</b>	-
Actuarial Fee including cost of valuation	260,000	260,000	-
Legal Fees	125,000	125,000	-
Direct recovery of actuary, legal fees and admin costs	(225,000)	(225,000)	-
Subscriptions	46,000	46,000	-
ACCESS pooling costs	100,000	100,000	-
Investment Accounting and Oversight costs	400,000	400,000	-
Performance Measurement Fees	10,000	10,000	-
Investment Consultancy	160,000	160,000	-
Equity Protection consultancy		120,000	(120,000)
Governance consultancy	50,000	50,000	-
Other professional advice	20,000	20,000	-
<b>Governance and oversight expenses</b>	<b>946,000</b>	<b>1,066,000</b>	<b>(120,000)</b>
Audit fee	24,000	40,000	(16,000)
<b>Total</b>	<b>4,693,553</b>	<b>4,829,553</b>	<b>(136,000)</b>

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**November 2020**

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