

## Kent Pension Fund Business Plan 2020 - 21

Action No.	Description	Accountable Officer(s)	Plan	Update November 2020
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### 1. Investment Strategy

1.1	Implement the revised asset allocation agreed by Superannuation Fund Committee on 9 February 2018.	Zena Cooke / Alison Mings	Implementation of the equity downside protection programme  Funding of private equity / infrastructure investments	Committee agreed at its June meeting to recommence the establishment of the equity downside protection programme.  The working group appointed a manager in August and this was reported to the 4 September meeting. Work is in hand on contract arrangements and proposed strategy.  Working group recommendations to come to the 13 November meeting for approval.  Further funding anticipated in 2020 – 21 of £66m
1.2	Manage the transition of investments including to the ACCESS pooled funds	Alison Mings / Sangeeta Surana	Global Value Equity fund transition planned June 2020	Timing of GAV sub-fund launch likely November 2020.  Discussions ongoing re set up of M&G Fixed Income sub-fund
1.3	Report to the Superannuation Fund Committee on new investment options.	Zena Cooke / Alison Mings	Ongoing.	Ongoing Mercer's proposals for an allocation framework agreed at September meeting
1.4	Monitoring the performance of investment managers and funds.	Zena Cooke / Alison Mings / Sangeeta Surana	Mercer attending every committee meeting. Providing quarterly manager reviews Quarterly performance reporting to Committee undertaken by officers	Mercer quarterly report for September meeting covered all managers
1.5	Develop enhanced RI / ESG policy / reporting	Alison Mings / Sangeeta Surana / Katherine Gray	Agreement of revised policy and implementation of reporting required	Draft policy agreed by the committee at its March meeting now available on the Fund website and comments requested from stakeholders as well as investment managers. Results of the consultation to be reported to the November committee meeting ahead of the agreement of the final policy
1.6	Investment Consultant procurement	Sangeeta Surana	Undertake procurement for long term contract for investment advice to the committee	Procurement to be undertaken after the completion of the governance review – likely to be late Q4 2020
1.7	Review of asset allocation taking account of results of the 2019 valuation	Zena Cooke / Alison Mings / Sangeeta Surana	Engage investment consultant	Timing revised, see point 1.6
1.8	Update investment strategy statement reflecting CIPFA guidance and best practice	Alison Mings / Sangeeta Surana	ISS to be updated with assistance from the investment consultant	See point 1.6
1.9	Custody contract	Sangeeta Surana / Katherine Gray	Current contract expires 1/11/20, procurement using LGPS frameworks	Contract extended for 9 months with agreement from KCC procurement team

### 2. ACCESS Pool

2.1	Support the Chairman in his role on the Joint Committee.	Alison Mings	Ongoing	Next JC meeting 12 November
2.2	Membership of the Officer working group (OWG) Participate in working groups to set up ACCESS ACS sub-funds and other CIVs as required for pooling alternative assets	Alison Mings / Sangeeta Surana	Selection of fund managers, set up and launch of ACS sub-funds  Finalisation of arrangements for alternative assets platform  Finalisation of reporting framework	Timetable for launch of agreed sub-funds delayed, tranche 5a planned November 2020  Work in hand with bfinance on set up of pooling solution  Work on Reporting framework including cost transparency in progress

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				Work on the IAA review close to completion  Ongoing review of Link and fund managers
2.3	Support the role of host authority and ASU - business planning - budget - ASU technical lead	Alison Mings / Sangeeta Surana	Transfer of clerking role to Essex CC	Kent democratic services continuing to provide clerking services and transfer to Essex deferred to 2021.
2.4	Ensure the Superannuation Fund Committee is kept fully informed on ACCESS issues.	Alison Mings	Ongoing	ongoing

### 3. Governance and employer matters

3.1	Support the Superannuation Fund Committee and the Pension Board members to effectively undertake their roles and ensure that appropriate training is available.	Zena Cooke / Alison Mings	Implementation of revised committee work programme  Planned procurement of external governance training provider	Role of business partner being covered by Alison Mings.  Procurement process completed and Barnett Waddingham appointed to undertake the review  Plan to include a review of Fund governance, KCC finance support, and resources and organisation of the Treasury and Investments team. Also include requirement for provision of training to members and advice as required.
3.2	Prepare the Fund's 2020 accounts and report including compliance with cost transparency requirements and with revised reporting guidelines	Sangeeta Surana / Katherine Gray	Accounts completion planned for July 2020	Accounts completed end June but audit deferred to July and sign off by G&A at its October meeting.  Committee will be asked to approve the publication of the Report and Accounts at its November meeting.
3.3	Implement changes proposed in recent MHCLG consultations including Fair Deal	Alison Mings / Barbara Cheatle	Changes to be implemented as required	Awaiting update on LGPS investment guidance following outcome of the Supreme Court judgement.  Consultation responses regarding Regulation changes to incorporate the Exit payments cap due by 9 November. Restrictions on Public Sector payments legislation passed by Parliament 30 September and subsequently signed off by Treasury Minister.  McCloud consultation response submitted by 8 October.
3.4	Complete the March 2019 LGPS triennial valuation and communicate revised employer contribution rates	Barnett Waddingham Alison Mings / Steve Tagg / Barbara Cheatle	Revised employer rates to be implemented 1 April 2020	Employers paying contributions based on new rates – action completed
3.5	Update Funding strategy statement	Alison Mings / Steve Tagg	Update FSS with assistance from Barnett Waddingham taking account of the valuation results	Drafting of revised FSS in hand, to be reviewed by governance consultant
3.6	Fund actuary contract	Alison Mings / Steve Tagg	Procurement of the fund actuary using the LGPS framework	Procurement deferred to Q4 2020
3.7	Review governance arrangements considering internal audit recommendations, SAB good governance recommendation and TPR guidance	Zena Cooke / Alison Mings	Procure governance advice using LGPS framework. Consultant to review fund policies, current role of the board and provide training to board and committee members	See point 3.1 re scope of governance consultancy procurement  Procurement launched end July. Responses due end August for evaluation September.
3.8	Undertake review of finance resources considering internal audit recommendations, tPR guidance	Zena Cooke / Alison Mings	Complete review and create new team / structure / recruitment	Include in governance review, see above point 3.1

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	and good governance review recommendations			
3.9	Review and update finance procedures and documentation considering internal audit recommendations	Treasury and Investments team	Complete review and update	completed

#### 4. Administration

4.1	Roll out i-Connect employer self service	Barbara Cheatle	Further roll out to large payrolls, including KCC and Medway. Presentation to other large employers, such as district councils, colleges etc in preparation for extension of roll out	Progress delayed due to COVID-19 – will look to introduce employers to i-connect via webinars rather than presentations.  Looking to progress with the data cleansing part of project and possible use of dedicated resource
4.2	Preparation of annual benefit illustrations for despatch to members by the statutory deadline	Barbara Cheatle	Ongoing	Although year end process delayed due to COVID-19 ABIs issued by the statutory deadline 31 August
4.3	Reduce the backlog of unprocessed leaver cases	Barbara Cheatle	Procurement of a company using the LGPS framework in order to further reduce backlog cases.	Contract signed with ITM 04/08/20 and work has commenced
4.4	Follow up GMP reconciliation exercise	Barbara Cheatle	Stage 2 of reconciliation to be completed. Stage 3 of project will require Procurement of a company using the LGPS framework	HMRC have confirmed errors in previous information supplied for GMP reconciliation and so rework required by external company
4.5	Develop plan for introducing member Self Service (MSS)	Barbara Cheatle	MSS available and communicated to various categories of scheme members throughout the year	Work is progressing well. Instruction webinars provided and MSS now in UAT environment
4.6	Development of workflow system	Barbara Cheatle	Review	Revision of workflow introduced to staff via webinars from Heywood and internal staff. Internal processes changed and auto allocation of tasks introduced at beginning of June.
4.7	McCloud project - changes to LGPS following the McCloud judgement	Barbara Cheatle	see action 3.3 above  Set up project for requesting data from employers and recalculation of benefits where necessary, changes to processes, communications etc	
4.8	Exit payments £95k cap	Barbara Cheatle	see action 3.3 above.  Will require a significant communication exercise and changes to processes etc Effective date to be advised but we can expect an influx of retirements involving employer costs before this date	