

From: Chairman Superannuation Fund Committee
Corporate Director of Finance

To: Superannuation Fund Committee – 30 March 2022

Subject: Governance Review update

Classification: Unrestricted

Summary:

To advise the Committee of the progress made to date on implementing the recommendations of the review of the Fund's governance.

Recommendation:

The Committee is recommended to note the report, and the proposed name change and resolve to approve:

- i) The Fund Governance Policy and Compliance Statement.
- ii) The Fund Training Strategy
- iii) That should the name change be agreed the word "Superannuation" will be replaced by Pension in each document

FOR DECISION

Introduction

1. At their last meeting members were advised that progress on the implementation of the recommendations of the governance review would be reported to future committee meetings.
2. Since the committee meeting in December 2021 officers have prepared a Governance Policy and Compliance Statement at appendix 1 and training strategy at appendix 2.
3. In addition, a proposal to change the name of the Committee from the "Superannuation Fund Committee" to the "Pension Fund Committee" was also one of the recommendations of the review, and a report is being taken to KCC's Selection and Member Services Committee on 29 March 2022. Subject to this being agreed the change will be recommended to County Council at its next meeting. Report attached at appendix 3

Fund Governance Policy and Compliance Statement

4. The current published Governance Compliance statement dates from November 2020 and Barnett Waddingham were asked to undertake an audit of the statement and review compliance with statutory guidance and good practice.
5. Barnett Waddingham made 17 recommendations noting that the current statement does not fully comply with regulation 55 of the 2013 LGPS regulations.
6. Officers have drafted a governance policy and compliance statement taking account of the Barnett Waddingham recommendations in particular making sure that all references to the Fund and committee within this statement are consistent with other Council published documents, and Barnett Waddingham have confirmed that this version is compliant with the LGPS regulations and good practice.
7. The revised document is more comprehensive than the current compliance statement including the Fund's governance policy.
8. The Governance Policy sets out details of the Fund's aims and objectives in relation to the governance of the Fund as follows:

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
9. The governance policy also sets out a summary of the governance structure of the Fund, and details of the role and function of the Committee as follows:

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
10. The policy also sets out details of the membership of the Committee and the role of the Pension Board as well as details of the governance arrangements of the ACCESS pool and the role of the Joint Committee.
11. The updated Governance Compliance statement is included as an appendix to the Policy.

Training Strategy

12. The Fund Training Strategy was agreed in 2019 and has been updated taking account of the recommendations of the Governance review.
13. Members are reminded that the strategy is intended to assist the Superannuation Fund Committee and Local Pension Board members, as well as officers, in performing and developing personally in their individual roles and to equip them with the necessary skills and knowledge to act effectively in line with their responsibilities.

14. The Strategy reflects the current requirements of frameworks, codes and guidance issued by a range of bodies including CIPFA, the Pensions Regulator and the Scheme Advisory Board.
15. The Fund has delegated responsibility for the implementation of the Strategy to the Corporate Director of Finance.
16. In line with the strategy all new board and committee members receive an initial induction session and where possible existing board, and committee members act as mentors to their new colleagues.
17. Board members are also reminded that they are expected to complete the TPR toolkit shortly after joining the Board. If any member requires help with this activity, they should contact Steve Tagg (steve.tagg@kent.gov.uk)
18. All members are asked to advise officers of what learning they need, and internal and external courses will be arranged accordingly.
19. Members are also reminded that they should keep a log of all training undertaken so that their records can be agreed with officers at least annually, and the Fund will demonstrate compliance with its training strategy on a yearly basis through an annual report to both the Superannuation Fund Committee and Local Pension Board.

20. Name change

21. The Superannuation Fund Committee discharges the functions of the Council in relation to the control and investment of the Pension Fund. It does this in accordance with the Local Government Pension Scheme (LGPS) Regulations and associated legislation.
22. The 1995 LGPS regulations were the first to make reference to 'pension funds' rather than "superannuation funds". The more recent 2016 LGPS Investment Regulations also make several references to "pension fund(s)". The Kent Fund is known as the "pension" fund; however, the name of the Committee still refers to the outdated term in its title and in its terms of reference.
23. A paper has therefore been drafted and will be considered by KCC's Selection and Member Services Committee on 29 March 2022 to change the name to the Pension Fund Committee. Should this be agreed, a recommendation will be taken to the next County Council meeting to formalise the change. A copy of the report is attached as an appendix to this report.
24. Given this proposed change of name, the Committee is asked to approve the Fund Governance Policy and Compliance Statement and the Fund Training Strategy as they are currently drafted. Officers will then reflect the change of name in the documents by replacing the word Superannuation with Pension appropriately.

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