

From: Chairman – Kent Pension Board  
Interim Corporate Director of Finance

To: Kent Pension Board – 13 September 2022

Subject: Governance review - update

Classification: Unrestricted

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**Summary:**

To report to the Board on the progress made with the implementation of the recommendations arising from the Barnett Waddingham review. This report also covers the Board's revised terms of reference and proposed adoption of the Code of Conduct and Conflict of Interest Policy as well as the updated Governance Policy and Compliance Statement.

**Recommendation:**

The Board is recommended to note the report and to resolve to agree to adopt the Code of Conduct and Conflicts of Interest Policy.

**FOR DECISION**

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**Introduction**

1. As previously agreed, the Board will be updated at each meeting on the progress made on the implementation of the Barnett Waddingham recommendations.
2. Since the publication of the Barnett Waddingham review of the Governance of the Pension Fund in Q4 2021 work has been undertaken on the proposals for the Pensions Board as well as the Committee's terms of reference, their meeting arrangements and documentation of committee decision making procedures.
3. The change of name of the Fund and Committee to Pension Fund and Pension Fund Committee was approved by County Council on 26 May 2022.
4. The review of the Pension Board in particular recommended changes to the Board's terms of reference and following consideration by the informal meeting of the Board on 7 June when members were generally supportive, the revised terms were agreed by County Council on 14 July 2022.
5. The Barnett Waddingham review also covered the Fund's training arrangements and a revised training strategy taking account of the

recommendations was agreed by the Pension Fund Committee in March 2022. This is referred to in the training update.

6. The review also recommended revising the Fund's Governance policy and compliance statement and the updated policy and statement is due to be considered by the Committee on 28 September.

### **Board Revised Terms of Reference**

7. County Council agreed the original version of the Pension Board's terms of reference on 26 March 2015 prior to the establishment of the Board on 1 April 2015 in accordance with Section 5 of the Public Service Act 2013 and under Regulation 106 of the Local Government Pension Scheme (LGPS) Regulations 2013 (as amended).
8. The revised terms of reference agreed by County Council at their meeting on 14 July 2022 are at appendix 1 and these more fully describe the role of the Board as laid out in the regulations. They have also been updated to reflect best practice and to take account of guidance from the LGPS Scheme Advisory Board (SAB) as well as the Pensions Regulator (TPR).
9. The revised terms of reference have been published on the Fund website.
10. The main changes to the terms of reference are:
  - Increase the total number of members from eight to ten to allow for the appointment of independent members including an independent Chair
  - Replace the two employer representatives of the districts / boroughs/ Medway Councils and Fire/Police, with representatives of any non KCC employers including academies and admitted bodies
  - The staff and pensioner categories represented by three of the four scheme member representatives to include all members with at least one staff and one pensioner representative desirable
  - Dual membership of the board and committee to be disallowed
  - The board will meet four times a year and meetings to be held online as well as in person
  - The meeting quorum to be a third of the voting membership (3) which should always include the Chair or Vice Chair
  - A new policy document to be adopted by the Board covering the Board's code of conduct and conflict of interest.
11. It is intended that the terms of reference will be reviewed every three years and when significant changes to the LGPS regulations occur.

12. Having agreed the revised membership of the Board arrangements will be made to recruit the new scheme member representatives.
13. Consideration of the appointment of an independent Chair of the Board will be brought to a future meeting for discussion.

### **Code of Conduct and Conflict of Interest Policy**

14. The code of conduct and conflict of interest of policy is at appendix 1 to the terms of reference and members are recommended to adopt this policy. Members will be required to provide any information the Scheme Manager reasonably requires from time to time to ensure that they do not have a conflict of interest.

### **Revised Governance Policy and Compliance Statement**

15. A copy of the revised policy and statement is at appendix 2. This has been updated to take account of the changes to the name of the Fund and Committee, the changes to the Board's terms of reference and the changes to the non-voting membership of the Committee which now comprises 1 representative of non-local council employers and 3 member representatives: – 1 active, 1 pensioner and 1 union representative, as agreed at the Committee meeting in June 2022.
16. The Committee will be asked to approve the revised policy and statement at its meeting on 28 September prior to its publication on the website.

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Alison Mings, Pensions and Treasury Strategic Advisor

**T: 03000 416488**

**E: [Alison.mings@kent.gov.uk](mailto:Alison.mings@kent.gov.uk)**

**September 2022**

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