

From: Chairperson – Pension Fund Committee
Corporate Director of Finance

To: Pension Fund Committee – 29 March 2023

Subject: Governance & Policy update

Classification: Unrestricted

Summary:

To report to the Committee on the progress made with the implementation of the recommendations arising from the Barnett Waddingham review. This report also advises the Committee on the current position of the Fund policies in line with LGPS regulations and tPR code of practice.

Recommendation:

The Committee is recommended to note the report and to resolve to approve the Fund's Administration Strategy for publication and implementation from 1 April 2023.

FOR DECISION

Introduction

1. As previously agreed, the Committee will be updated at each meeting on the progress made on the implementation of the Barnett Waddingham recommendations.
2. Members are reminded that Barnett Waddingham made 139 Recommendations and some 116 have been implemented or are in progress.
3. The Committee will be aware that Alison Mings had been supporting the Head of Treasury and Pensions in project managing the review of the Fund's governance prior to her retiring in December 2022.
4. As part of a wider review of the Fund's structure and governance arrangements Emma Green has been appointed to the role of Senior Pensions Programme Manager. Emma's role is a broad one across all aspect of the Fund and will be specifically focussed on programme managing the range of projects that we have planned in the coming months and years. Emma started with the Pensions and Treasury service on 1st March and is a member of the Senior Management team for the Service. Emma will also lead for the Fund on Governance, and will, amongst other things, manage progress on the Barnett Waddingham recommendations, and will provide members with regular updates.

Pension Board membership

5. One of the areas that the Barnett Waddingham review focussed on was the effectiveness of the Local Pension Board. As part of the implementation of the review's recommendations, the terms of reference of the Board were revised and now include 4 scheme members representing Unison, active and pensioner members. As discussed at the previous meeting Joe Parsons has left his role on the Committee to focus on the work of the Board.

6. As previously reported a recruitment exercise was undertaken to recruit to the vacant scheme member positions on the Board. It is pleasing to report that all positions are now filled, and the revised membership is shown in the table below:

Kent Pension Fund - Local Board	
Membership - March 2023	
Employer Representatives	
Robert Thomas	Kent County Council - Chairperson
Dylan Jeffrey	Kent County Council
Rachel Carnac	Canterbury City Council - Representing Non KCC employers
Alison Kilpatrick	Kent and Medway Fire - Representing non KCC employers
Scehe Member Representatives	
Joe Parsons	Representing Unions
Kelly King	Representing scheme members - Active
Alison Mings	Representing scheme members - Deferred
Grahame Ward	Representing scheme members - Retired

7. The revised Board membership met for the first time on 14 March 2023, and the Chairman will update the Committee on the meeting, elsewhere on today's agenda.

Fund policies

8. Administration Strategy

- 8.1 At the meeting of the Committee in September 2022, the draft Administration Strategy was presented and approved as a basis for consultation with Scheme Employers. As a reminder, the document has been created to bring together the employer and pensions team performance expectations in one document.
- 8.2 At the Employer Forum on 9 December 2022 the draft Administration Strategy was presented to those employers in attendance. On 22 December 2022 this was followed up with an e-mail to all scheme employers with the Draft Administration Strategy. Employers were asked to review the new strategy and to provide any comments and feedback by 31 January 2023.
- 8.2 Responses were received from Kent County Council and Folkestone & Hythe District Council. These responses have been reviewed, and any necessary alterations made to the strategy. There are not any fundamental changes made but certain points have been clarified in our response to the feedback from these employers.
- 8.3 The Committee are asked to approve this final version of the strategy, with a view to implementing from 1 April 2023. The Strategy is attached as **Appendix 1**.
- 8.4 Planning is underway to consider how the strategy will be monitored, managed and reported on which will involve some form of an Employers Escalation Policy.

9. Funding Strategy Statement

- 9.1 The **Funding Strategy Statement (FSS)** has been prepared as part of the actuarial valuation exercise and Fund employers have been consulted on its content. The consultation closed on 28 February 2023, and the final version of the **FSS** is presented elsewhere on today's agenda for approval.

9. The following table sets out the current status of the Fund’s policies:

Policy	Last reviewed by the Committee	Next update and review due	Responsibility
Funding Strategy Statement	September 2022	March 2023 as part of the 2022 actuarial valuation exercise	Nick Buckland
Investment Strategy Statement	September 2022	June 2023 after review of Investment Strategy	Nick Buckland
Governance policy and compliance statement	September 2022	September 2023	James Graham
Responsible Investment policy	September 2022	June 2023 – linked to Investment Strategy review	James Graham
Communications policy	March 2018	June 2023	Clare Chambers
Administration Strategy	Draft, ahead of consultation - December 2022	Final version for approval - March 2023	Clare Chambers
Conflicts of Interests Policy	December 2022	December 2024	Nick Buckland
Breaches of the Law policy	December 2022	December 2024	Nick Buckland
Discretions policy	December 2022	December 2024	Clare Chambers
Abatements policy	December 2022	December 2024	Clare Chambers
Training Strategy	March 2022	March 2024	James Graham
Personal Data Retention policy	December 2019	June 2023	Clare Chambers
Data Quality policy	n/a	New policy, tbc	Clare Chambers
Escalations policy	n/a	New policy, tbc	Clare Chambers
Privacy Notice	n/a	New policy, tbc	Clare Chambers

Kent Pension Fund compliance with the Pensions Regulator’s (tPR’s) code of practice and Scheme Advisory Board Good Governance recommendations

10. When Barnett Waddingham published their report in October 2021 it was anticipated that a final version of the tPR single code of practice published in draft in March 2021, would shortly be published, and the good governance recommendations published in February 2021 would also be finalised in early 2022.
11. At the last meeting of the Committee it was reported that it was expected that both would be published in the first quarter of 2023, however at the time of writing neither document has been.

12. Officers will continue to monitor the situation and will review the Fund's position when guidance/regulation/codes of practice are published.

Board and Committee Knowledge - National Knowledge Assessment

13. The results of the National Knowledge Assessment were received in December 2022 and officers are currently in the process of designing a refreshed training plan for Board and Committee members, taking into account the outcomes of the assessment. This revised plan will be presented to the Committee for approval at the meeting in June 2023.
14. A copy of the results can be found in **Appendix 2**.

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March 2023
