

To: Kent Pension Board – 8 June 2023

From: Chairman – Kent Pension Board
Corporate Director of Finance

Subject: Business Plan and Risk Register update

Classification: Unrestricted

Summary:

To provide an update on the Fund Business Plan for 2022/23 and the following two years, including an update on the Fund's budget

Recommendation:

The Board is asked to note and comment upon the Business Plan and budget for the Kent Pension Fund.

FOR INFORMATION

1. Introduction

- 1.1 This report provides an update on progress against the Fund's Business Plan which was agreed by the Pension Fund Committee at their meeting on 29 March 2023, having been reviewed previously by the Board. It also updates on any changes within the Fund's Risk Register.
- 1.2 As previously agreed, these interim updates will only report changes to the Business Plan and Risk Register and not consider the full plan. Copies of the full documents are available on request and were included in the papers for the previous meeting.

2. Fund Business Plan

- 2.1 The Business Plan has been designed to include a number of key aspects in the management of the KPF. The Plan includes the following elements:
 - Background to the Fund
 - Vision and Long-term plan
 - Key aims and objectives.
 - Business as Usual
 - Three Year plan
 - Delivering and monitoring the plan
- 2.2 The Business Plan has been developed for use as a tool for the Pension Board and Committee in managing and monitoring the key areas of work for

the Fund, and the Fund's management team and staff to deliver the business-as-usual work as well as the new projects.

3. Business Plan

3.1 It is pleasing to report that all tasks due for completion in 2022/23 were completed in a timely manner:

- **Investment and Funding – Determine funding strategy with actuary and consult employers.**

The Funding Strategy Statement was finalised, and employers consulted. The final version was approved by the Committee 29 March 2023. This item has now been removed as complete.

- **Administration – Develop and deliver and Administration Strategy.**

The draft Administration Strategy was developed, and employers consulted. The final version was approved by the Committee 29 March 2023. This item has now been removed as complete.

- **Administration – Triennial Actuarial Valuation**

The Fund's Actuary, Barnett Waddingham concluded the analysis of the Fund's liabilities and assets results were presented to Board and Committee in March 2023. The Fund has issued individual employer reports, and the final valuation report and rates and adjustments certificate will be issued at the end of March 2023. This item has now been removed as complete.

3.2 In addition to those areas that are now complete a number of the items marked for 2023/24 are well underway and almost complete, although many will extend across the whole year and into future years.

4. Budget

4.1 The Fund budget for the next two years was agreed at the Pension Fund Committee meeting in March, after discussion at the previous Board meeting. An update will be presented to Board and Committee in September.

5. Risk Register

5.1 Investment and Funding Risk 4 (IF4) relates to the potential failure to maintain appropriate knowledge to establish and maintain the investment strategy. The outstanding action was for the Fund to establish the training plan for the Board and Committee. This plan will be considered elsewhere on today's agenda, and then by the Committee at their meeting on 22 June. As a result, this risk will be considered to be in line with the target level and will be **reduced from an overall score of 6 to 3.**

5.2 Investment and Funding Risk 14 (IF14) relates to the risk of an increased funding deficit. The required action needed for this risk to meet its target level was the conclusion of the Actuarial Valuation with acceptable results. The

Valuation was concluded as at the 31 March 2023, and so this risk can now be marked at target level of 8.

- 5.3 Administration Risks 6, 8 & 9 had target dates of 31 March 2023, and 30 June 2023 to be in line with target risk tolerances, however they all require some additional work for them to be assessed at this level. It is anticipated that they will all be in line in the coming months ahead of the next Board and Committee meetings.
- 5.4 No additional risks have been added to the Risk Register in the quarter, and no other risks have had their scores reassessed.

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