

To:	Kent Pension Board – 4 September 2025
To:	Chairman – Kent Pension Board Interim Corporate Director Finance
Subject:	Governance updates
Classification:	Unrestricted

Summary:

To provide an update on all Governance matters. This includes any updated policies and strategies, and changes in legislation or regulation that will impact on the Fund. The paper considers the latest position in several areas and members are asked to consider and comment on these updates.

Recommendation:

The Board is asked to note and comment upon the report.

FOR INFORMATION

1 Fund Policies

- 1.1 The Fund has an update Communications Policy which is contained in the Administration report elsewhere on this agenda. This is an update on the current policy and does not make significant changes but was due for review.
- 1.2 In future meetings in 2025 the Board and Committee will be asked to review the Funding Strategy Statement and Administration Strategy. These are key documents that govern the operation of the Fund and support the relationship with the Fund's employers. These policies and others due for review will be presented at future meetings.

2 Business Plan and budget

- 2.1 Members will be aware that every year the Fund refreshes its three-year Business Plan and budget, and this usually takes place at the start of the financial year. Due to the cancellation of meetings in recent months this is the first opportunity for members of the board to consider this year's update plans.
- 2.2 The three-year plan remains largely unchanged from previous versions but does recognise the key priorities of the Fund for the coming years. The full

Business Plan and budget is attached as an appendix to this report, and the following paragraphs pick out a couple of the key issues.

Investment and Funding

- 2.3 There are two significant aspects to the Investment and Funding plan for this year. The first is to deliver the Triennial Actuarial Valuation in a timely way. Members will be aware of the importance of this exercise and the outcomes. There is a separate paper of today's agenda, accompanied by a presentation from the Fund's Actuary; Barnett Waddingham to take the Board through progress and update on the current position.
- 2.4 The second key item is delivering on the Committee's decision on the future asset pool for the Kent Fund. Members will be aware of the Government's agenda through recent updates. Officers will give the Board an update on the latest position later on today's agenda.

Governance

- 2.5 The focus on the Governance part of the Business Plan is on supporting the changed membership of the Board and Committee since the recent election. A robust training plan is in place and will be considered in a separate paper.
- 2.6 The Fund will also be ensuring the Good Governance recommendations are implemented once the Government issue regulations later in 2025. As the Fund had a recent review of its governance processes, it is anticipated that very little change will be needed, however we await the final regulations, and will keep Board and Committee updated.

Administration

- 2.7 There are a number of key projects for the Pensions Administration team over the coming period, including concluding the work on the McCloud project. Members will be aware that this has been a long-term piece of work which will be concluded within the next twelve months.
- 2.8 Another key piece of work for the administration team is to continue the development of the service improvement plan identified in previous years. The Fund has made good progress, and the Board will receive regular updates on this and future agendas.
- 2.9 The Business Plan also includes the budget for the Fund over the three-year period. The budget remains broadly unchanged from previous years, with the exception of the additional spend to support the change in pooling arrangements. It is still unclear as to the exact costs of implementing the changes, although at this stage the budget includes an element of contingency. Initial discussions with future pool partners give optimism that the costs may not be so high.
- 2.10 Members will be updated on progress at future meetings, and the final outturn for 2024-25 will be available for the next meeting.

3 Independent Chair of Pension Board

- 3.1 When the terms of reference for the Pension Board were revised in 2023, it included the ability to appoint an Independent Chair. As discussed at the time a number of other LGPS funds have a paid independent expert in place to chair the Pension Board. Anecdotally this has benefitted the Board in terms of supporting members in adding experience and knowledge to help them perform the role even more effectively.
- 3.2 Officers have undertaken research across the LGPS to support a Job Description for this role, and also to ascertain the appropriate level of compensation for the role.
- 3.3 A draft Job Description is attached as an Appendix to this report which will be finalised after the meeting and the role advertised.
- 3.4 It is proposed to involve a members of the Board and Chair of the Pension Committee in the interview process. Officers will request a volunteer at the meeting.
- 3.5 The timetable proposed for the recruitment process is:

Timetable

Deadline for applications: 26 September 2025

Interviews (via Microsoft Teams): week commencing 13 October 2025

Panel to consist of Chair of Pension Fund Committee, member of the Pension Board, Head of Pensions and Treasury and Senior Pensions Programme Manager

First meeting of Pension Board as Chair: 25 November 2025

4. Board Action Log

- 4.1 It has become the practice to record the actions arising from previous meetings of the Board and keep track of the position for future meetings. The list is refreshed every financial year, and as this meeting is the first meeting of the Board in 2025/26, the log is currently blank. After this meeting the log will be resurrected and refreshed to include items arising from this meeting.

Nick Buckland
Head of Pensions and Treasury
Kent Pension Fund

03000 413984
nick.buckland@kent.gov.uk

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