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| **To:** | **Pension Board – 31 March 2026** |
| **From:** | **Chairman Kent Pension Board**<br>**Corporate Director Finance** |
| **Subject:** | **Governance Review by Barnett Waddingham** |
| **Classification:** | **Not restricted** |


**Summary:**

Barnett Waddingham have undertaken a Governance Review to assist the Fund. The report is to help the Fund prepare for the regulatory changes impacting LGPS governance, proposed by MHCLG in 2026.

At their meeting on 26 March the Committee will be asked to accept the recommendations contained in the Appendix of the Barnett Waddingham report, repeated in Paragraph 1.3 below, and ask officers to implement and update the Committee and Board on progress made at future meetings.


**Recommendation:**

The Board is recommended to note the report.

**FOR INFORMATION**

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## 1. Governance Review completed

1.1 As part of the Government's Fit for the Future review of the LGPS a number of changes to Fund Governance have been proposed. The Fund commissioned Barnett Waddingham to review and make recommendations to the Committee. Their review, report, and recommendations are attached at **Appendix 1.**

1.2 Barnett Waddingham will be attending Pension Board on 31 March 2026 to present the report to Members and to highlight the key findings.

1.3 The key findings and recommendations are contained in a checklist in the appendix of the Barnett Waddingham report, and it is recommended that this schedule of actions is accepted and work commences on implementing. This checklist of recommendations is repeated on the following page:

## Barnett Waddingham Recommendations checklist:

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| **1. New strategies and policies** | |
| 1 (a) | Schedule review of the existing policies and approval of the new policies taking into account the timing of Board and Committee meetings in the next 6-9 months |
| 1 (b) | Wait and see if the new Governance Strategy will replace the current Governance Compliance Statement for the 2025/26 report and accounts |
| **2. Constitution changes - needed for the senior LGPS officer and independent person** | |
| 2 (a) | Check the process for approving changes to the Constitution, Terms of Reference, Scheme of Delegation and raise with senior officers e.g. the Section 151 Officer, Monitoring Officer, Chief Executive and possibly the HR Director. Timetable the process to take to full Council and Selection and Member Services Committee |
| **3. Senior LGPS Officer** | |
| 3 (a) | Review the current role of Head and Pensions and Treasury and either amend it reflect the new requirements or create a new senior LGPS officer role |
| 3 (b) | Review the Constitution, Scheme of delegation and Pension Fund Committee's Terms of Reference to allow for the role |
| 3 (c) | Review any sub-scheme of delegation to allow for the role |
| 3 (d) | Ensure the senior LGPS officer represents the Fund on any officer working group of Border to Coast Pensions Partnership, as shareholder representative |
| 3 (e) | Consider what the appointment process will be, which may depend on whether a new role is created or an existing officer role is designated to this role. |
| 3 (f) | Consider the appropriate level of remuneration |
| 3 (g) | Appoint to the new role within 6 months of the regulations coming into force |
| **4. Independent Person** | |
| 4 (a) | Review the Constitution and Pension Fund Committee's Terms of Reference to allow for the role - noting the current expectation that it is a non-voting committee member |
| 4 (b) | Review the scheme of Delegation, sub-scheme of delegation and possibly the Administering Authority's discretions policy, to identify where the independent person's support could or should be included |
| 4 (c) | Consider what the appointment process will be, and consider starting the recruitment process early to navigate HR processes |
| 4 (d) | Consider the appropriate level of remuneration |
| 4 (e) | Appoint to the new role within 6 months of the regulations coming into force |
| **5. Knowledge and Understanding** | |
| 5 (a) | Build on the Fund's existing approach, keep records of all training and ensure the new training plan is adhered to |
| 5 (b) | Encourage Committee and Board members to feed in thoughts on the existing approach |
| 5 (c) | The senior LGPS officer should ensure training logs are reviewed regularly and identify any non-compliance |
| 5 (d) | Put the new training strategy on the agenda for the Pensions Board and Pensions Committee March meetings |
| 5 (e) | Review and amend the Board and Committee's terms of reference to reflect the new knowledge and understanding requirements |
| **6. Independent Goverance Reviews** | |
| 6 (a) | Consider the previous governance review and if any additional actions should be carried out before the Independent Governance Review |
| 6 (b) | Decide who will carry out the independent governance review |
| 6 (c) | Decide on the scope of the review i.e. whether to include additional areas not required in the final guidance which would nevertheless add value for the Fund |
| 6 (d) | Decide when the first independent governance review will be carried out before 31 March 2028 |
| 6 (e) | Consider when the subsequent IGRs will be carried out |
| 6 (f) | Consider if Kent County Council want to enter the LGPS peer support process (this is not just for funds which require active support) |

1.4 Further details will be presented to Pension Board and Committee in the future, as and when additional information about LGPS Fund Governance is announced by MHCLG.

1.5 Officers will report on progress against these recommendations at future meetings.

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**March 2026**

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**Appendix 1**: Barnett Waddingham's 2026 Governance Review