

From: Chairman Pension Fund Committee
Corporate Director of Finance

To: Pension Fund Committee – 29 March 2023

Subject: Committee work programme and Action Log

Classification: Unrestricted

Summary:

To report on the updated Committee work programme for 2023/24, and note the action log from previous meetings.

Recommendation:

The Committee is recommended to note the work programme for 2023/24 and the updated action log.

FOR INFORMATION

1. Committee Work Programme

- 1.1 Members will be aware that the established meeting pattern is 4 quarterly meetings plus 1 extra to allow for training.
- 1.2 Appendix 1 shows the plans for the formal Committee meetings in 2023/24.
- 1.3 This work programme is intended to inform the Committee of the key items that will be considered at those meetings. This programme will be subject to change as issues arise, and updates will be brought to every meeting.
- 1.4 The Committee agenda has been too full to allow for attendance by investment managers for the last three meetings, and officers have been working on a plan with the Chairman and Vice Chairman to formalise the manager monitoring and oversight arrangements. The proposed approach was discussed at the Committee away day at the start of March and a paper will be presented to the Committee later on today's agenda.

2. Committee Action Log

- 2.1 Since the start of 2022 Officers have kept a log of actions arising from the Committee meetings. This log enables the team to ensure that everything

raised at meetings and actions arising from this are not missed and followed up in a timely fashion.

- 2.2 Appendix 2 contains the log of actions for the meetings in 2022/23 with notes showing progress against these. This is shown in addition to the formal minutes as a way of the Committee monitoring progress.
- 2.3 Actions that are complete, that relate to a meeting before the previous one has been struck through and highlighted as such. The log will be updated after each meeting and run for each financial year, when it will reset, with any outstanding actions added to the start of the following year.

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March 2023

Draft Committee workplan

| | 22 June 2023 | 26 September 2023 | 12 December 2023 | 26 March 2024 |
|---|--------------------|-------------------------|------------------------|---------------------|
| Work programme update | Y | Y | Y | Y |
| Governance update including Fund policies due for review | Y | Y | Y | Y |
| Update from the Pensions Board meeting | Y | Y | Y | Y |
| Pension Fund Business plan and budget update | Y | Y | Y | Y |
| ACCESS update | Y | Y | Y | Y |
| Fund Employer matters | Y | Y | Y | Y |
| Administration update <ul style="list-style-type: none"> • McCloud • KPI reporting | Y | Y | Y | Y |
| Training update | Y | - | Y | - |
| Fund Position Statement | Y | Y | Y | Y |
| Risk register update | Y | Y | Y | Y |
| Investment Strategy <ul style="list-style-type: none"> • Rebalancing • Manager monitoring | Y | Y | Y | Y |
| Review of Investment Strategy (b) | Y | Y | | |
| Investment Strategy Statement | Y | - | - | - |
| Investment Strategy Implementation | - | Y | Y | Y |
| Responsible Investment (b) | Y | Y | Y | Y |

Notes

- (a) Investment Strategy will be presented to Committee for approval in June 2023. This was originally planned for March but due to the away day being moved, this has been moved to June. Further work on Equity protection and implementation will take place at future meetings.
- (b) RI working group to meet monthly.

Appendix 2

Pension Fund Committee Action Log – 2022-23

| Date of Meeting | Agenda Item | Action/Question | Outcome | Complete (Y/N) |
|-----------------|-------------------------------------|---|--|------------------------------------|
| 03/02/2022 | LAPFF Membership | Membership agreed | KPF joined LAPFF | Y |
| 03/02/2022 | RI Training | RI working group has progressed workplan | RI integration and review of RI Policy considered in 2023. Workplan for 2023 agreed by RI working group in February 2023 | Remains ongoing |
| 22/06/2022 | Fund Employer and Governance matter | How does Kent compare to other Funds in Funding level and contribution rates? | 2019 position shared as part of Valuation exercise. This will be updated when 2022 results are known | N |
| 22/06/2022 | 6 - Pensions Administration | Pensions Administration Strategy - can one be put in place ASAP including penalties if employers do not provide information in a timely manner as agreed. | Draft Administration Strategy agreed by Committee in September. Employers consulted, final version to be presented to Committee for approval 29 March 2023, for implementation 1 April 2023. | Due to be complete by 1 April 2023 |
| 22/06/2022 | 12 - Risk Register | Should we add in Geopolitical risk to the risk register | Has been added as part of investment risk in updated RR | Y |
| 22/06/2022 | 15 - Investment Strategy | Should we limit our exposure to a single manager? | To be considered as part of implementation of the Strategy | N |

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|------------|-------------------------------------|---|--|-----------------|
| | | | review | |
| 28/09/2022 | 6 – Employer and Governance matters | Admission of Apleona UK and Cater Link agreed | Admission documents agreed. | ✓ |
| 28/09/2022 | 6 - Employer and Governance matters | Concern re impact of inflation on pension payments. Potential for 10% increase from April 2023. | Cashflow regularly monitored. This will have a negative impact, but overall Fund remains cashflow positive. Will be monitored on an ongoing basis. | Remains ongoing |
| 28/09/2022 | 8 - Pensions Admin | Plans for review of workload of administration team ahead of significant workload. | Team has been reviewed, and recruitment plans commenced. Committee to be updated regularly. | Remains ongoing |
| 28/09/2022 | 9 - Training update | National Knowledge Assessment launched | Results of Hymans Robertson assessment to be presented to March 2023 Committee with plan developed ahead of June 2023 meeting. | Ongoing |
| 28/09/2022 | 11 - report from the Pension Board | Board to agree terms of conduct at next meeting | Board agreed updates at meeting in November | ✓ |
| 28/09/2022 | 12 – ACCESS update | Kent reps to attend March 2023 ACCESS JC meeting | Reps agreed by Board at meeting in November | ✓ |
| 28/09/2022 | 14 – Governance review update | Governance policy and compliance statement agreed | Updated document published on website | ✓ |
| 28/09/2022 | 17 – Investment Strategy | Commitment of £20m to YFM and delegation to Corp FD to implement | Commitment progressed with YFM | ✓ |

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|------------|-------------------------------------|---|--|---------|
| 28/09/2022 | 17 - Investment Strategy | Delegation to Chair and Corp FD re appointment of investment consultant | Appointment of Mercer confirmed | Y |
| 28/09/2022 | 18 - Actuarial valuation | Delegation to Chair and Corp FD - whole Fund results | Agreed at meeting 3 November | Y |
| 28/09/2022 | 19 - RI update | Delegation to RI working group re submission to climate change risk consultation | Submission drafted and submitted 24 November | Y |
| 8/12/2022 | 1 - Membership update | Mr Eden-Green resigned his membership of the Committee | NB to contact district councils, via KFOs and Kent Leaders to request replacements for Mr Eden-Green and Mr Clokie. Will make additional contact after the elections in May 2023 | Ongoing |
| 8/12/2022 | 6 - Employer and Governance matters | Admission of Skanska agreed | Admission documents agreed. | Y |
| 8/12/2022 | 6 - Employer and Governance matters | Deed of novation be entered into with Southern Housing in relation to Optivo | Legal agreement agreed | Y |
| 8/12/2022 | 12 - ACCESS update | Training/briefing note on pooling and ACCESS requested | Committee away day would cover pooling, and briefing paper and separate training session to be arranged/prepared | Ongoing |
| 8/12/2022 | 14 - Governance | Conflicts of Interest policy, breaches of law policy and Administering authority discretions policy agreed. | Policies agreed and published on website | Y |

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|-----------|-----------------|--------------------|---|---------|
| 8/12/2022 | 14 - Governance | Policies presented | Abatements Policy agreed subject to more clarity – Further explanation given in March 2023. | Ongoing |
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