

From: Chairperson – Kent Pension Board
Corporate Director of Finance

To: Kent Pension Board – 14 March 2023

Subject: Governance & Policy update

Classification: Unrestricted

Summary:

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

Recommendation:

The Board is recommended to note the report.

FOR DECISION

Introduction

1. As previously agreed, the Board 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. 48 recommendations were made following the review of the Pension Board's role, membership, responsibilities and duties, its relationship with the Pension Fund Committee, and its effectiveness and compliance with LGPS regulations and the Pension Regulator's Code of Practice. 46 of the 48 recommendations have been implemented or are in progress.
4. The Board 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.
5. 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 the Board with regular updates.

Board membership

6. The terms of reference of the Board (as revised recently) include 4 scheme members representing Unison, active and pensioner members. As discussed at the previous meeting Joe Parsons has advised that he will continue on the Board as the Unison representative.
7. As reported to the last meeting of the Board a recruitment exercise was undertaken to recruit to the vacant scheme member positions. All positions were filled, and we formally welcome Kelly King, Grahame Ward and Alison Mings to their first meetings.
8. It is pleasing to report that as a result of this exercise the Board now has no vacancies for the first time in some time. 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

9. The Board's terms of reference do not specifically expect that the Scheme Members representatives are drawn from the different groups, however we are in a fortunate position that the current representatives are able to give diverse perspectives.
10. The terms of reference also allow for up to two independent members which at this stage we have not progressed. It is proposed that officers prepare a paper for discussion at the next meeting of the Board to consider whether the addition of independent members may be appropriate.

Fund policies

11. At the last meeting the Board was presented with an updated draft of the Fund's **Administration Strategy** ahead of a consultation with Fund employers, which was launched in January. This was after approval by the Pension Fund Committee. The consultation has concluded, and this is covered elsewhere on today's agenda. The final draft on the Strategy will be presented to the Pension Fund Committee on 29 March for approval ahead of implementation in April.
12. Several other Fund policies were presented to the last meeting of the Board and were subsequently approved by the Committee at their meeting in December 2022:
 - **A policy for reporting breaches of the law.**
 - **An administering authority discretions policy.**
 - **An abatements policy.**
13. 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, and the Board will be given a verbal update on any responses received. The **FSS** will be presented to the Committee on 29 March for approval.
14. 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

15. 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.
16. At the last Board meeting it was commented that both would be published in the first quarter of 2023, however at the time of writing neither document has been.
17. 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

18. 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.

19. A copy of the results can be found in the appendix.

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March 2023
