

From: Chairman Kent Pension Board
Acting Corporate Director of Finance

To: Pension Fund Committee – 26 March 2024

Subject: Pension Board update

Classification: Unrestricted

Summary:

This report summarises the Board meeting that took place on 12 March 2024.

Recommendation:

The Committee is asked to note the update from Pension Board.

FOR INFORMATION

1. Background

1.1 This briefing note has been prepared as a summary of the discussions at the meeting of the Pension Board on 12 March 2024.

2. Pension Board – 12 March 2024

2.1 At its meeting on 12 March 2024 the Kent Pension Board considered a varied agenda, and a number of the key items are considered below.

3. Detailed update on Pensions administration including a review of the Key Performance Indicators.

3.1. The Pensions Administration manager updated the Board on the key issues that were impacting the Administration team, and the plans for the future development of the service.

3.2. The Pensions Administration manager highlighted the work that the team were doing across all aspects of administration, including communications, working with employers, embedding the “digital by default” approach. She commented on substantial progress that had been made, and the Board asked a number of questions on this. The Board was grateful for the detailed responses received and commended the team for the great work that had been undertaken in the last year. Updates on a number of key projects were received including the work around the McCloud remedy.

4. Update on the work of the Pension Fund Committee

- 4.1. The Chairman of the Pension Fund Committee updated the Board on the work of the Committee in recent meetings. He specifically covered the ongoing review of the Fund's Investment strategy which is being considered by the Committee on today's agenda. He also advised the Board on the work around Responsible Investment, including the recently agreed Net Zero 2050 Carbon emissions target, and the discussions which took place at the Committee away day in London in February. He noted developments within ACCESS and commented on the recent Join Committee meeting, and the work on the independent review of ACCESS's governance.

5. Business Plan, Budget and Governance and Policy updates

- 5.1. The Head of Pensions and Treasury presented the draft Business Plan and high-level budget numbers. The Board were content with the ambition shown in the plan and noted that the budget seemed reasonable. It is understood that the Committee will be considering this for approval elsewhere on today's agenda.

6. Training Policy and Communications Policy

- 6.1 The Board reviewed the revised training and communication policies. The training policy was noted, and the Board re-iterated their desire to ensure that they were able to access appropriate training, which officers fully supported.
- 6.2 The Communication policy covered the Fund's move to a "digital by default" communication approach. Members of the Board were keen to understand more about the new member self-service part of the website and look forward to reviewing when fully available.

7. CEM Benchmarking

- 7.1. The Board received a presentation from representatives from CEM, who the Fund had worked with to benchmark the Pensions Administration service. The benchmarking analysed the service against a bespoke peer group of large funds, including some other LGPS funds.
- 7.2. The analysis included an assessment of costs against the peer group, which showed the Fund was well below the median at a total level. In addition to cost analysis, the benchmarking exercise also assessed a number of qualitative areas of service delivery which gave assurance that Fund was meeting its statutory targets well. It did also confirm that there were a number of areas that the Fund could improve/develop to provide an even better service, in line with the overall vision.
- 7.3. The Board were comfortable that most of these areas for development were items that officers had already identified and, in most cases, work was already underway to improve. This qualitative assessment was particularly important to help the

Fund understand what “good” looks like. The assessment will be undertaken on an annual basis to demonstrate the transformation journey.

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