

To: Kent Pension Board – 3 September 2024

To: Chairman – Kent Pension Board
Interim Corporate Director Finance

Subject: Governance updates

Classification: Unrestricted

Summary:

To provide an update 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 table below shows the latest position with the Fund's key policies and strategies. The only policy that needed reviewing this quarter is the Governance policy and compliance statement. This document only formally needs reviewing every three years, however as good practice officers review every year. This review did not require any formal update and so this will be brought back to Committee and Board in 2025 for a formal update and review. The latest version can be found on the Fund's website - [Governance Policy and Compliance Statement \(kentpensionfund.co.uk\)](https://kentpensionfund.co.uk).

| Policy | Last reviewed by the Committee | Next update and review due | Responsibility |
|--|--------------------------------|----------------------------|----------------|
| Funding Strategy Statement (FSS) | March 2023 | March 2025 | Nick Buckland |
| Investment Strategy Statement (ISS) | December 2023 | December 2026 | James Graham |
| Governance policy and compliance statement | September 2022 | September 2024 | Nick Buckland |

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|---|---------------|-----------------|----------------|
| Responsible Investment policy (RI Policy) | June 2024 | June 2026 | James Graham |
| Communications policy | March 2024 | March 2025 | Clare Chambers |
| Administration Strategy | March 2023 | March 2025 | 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 2024 | March 2026 | Emma Green |
| Cyber Security policy | June 2024 | June 2026 | Nick Buckland |
| Data Quality policy | June 2023 | June 2025 | Clare Chambers |
| Overpayments and Write-offs policy | June 2024 | June 2026 | Clare Chambers |
| Escalations policy | n/a | New policy, tbc | Clare Chambers |
| Privacy Notice | n/a | New policy, tbc | Clare Chambers |

2 Action Log

- 2.1 In line with the Pension Fund Committee procedure, an Action Log has been added to Board papers to reflect any questions or actions from previous meetings. The table in **Appendix 1** shows any actions noted, and an update on progress made. An updated log will be brought to every meeting to ensure any actions are not lost.

3 The Pensions Regulators General Code

- 3.1 At the last meeting of the Board officers updated on the Pensions Regulators new General Code and the work that was being planned to assess the Kent Pension Fund's compliance with it, where appropriate. Barnett Waddingham have been commissioned to undertake an assessment and this is reported elsewhere on today's agenda.

4 National matters affecting the LGPS

Efficiencies in the LGPS – letter from Local Government Minister

- 4.1 At the last meeting of the Board it was reported that on 15 May 2024, then Local Government Minister Simon Hoare wrote to all LGPS Administering Authorities asking Funds to set out their approach to efficiencies in the management, governance and administration of the LGPS. The response from Kent Pension Fund is attached as **Appendix 2**.

Government - Pensions Review

- 4.2 On 20 July 2024 the Government issued a press release titled: Chancellor vows 'big bang on growth' to boost investment and savings - Landmark pensions review part of Government's mission to 'boost growth and make every part of Britain better off':
<https://www.gov.uk/government/news/chancellor-vows-big-bang-on-growth-to-boost-investment-and-savings>
- 4.3 Following on from this press release on 16 August 2024 it was announced that the Chancellor of the Exchequer had launched the review to "boost investment, increase saver returns and tackle waste in the pensions system." The Government published the Terms of Reference of the review:
<https://www.gov.uk/government/publications/pensions-review-terms-of-reference-phase-one/terms-of-reference>
- 4.4 It is very early in the process to draw any conclusions on the potential impact of this review on the LGPS and the Kent Fund, although it is encouraging that review states that "it is looking for 'co-creation with industry and the Local Government Pension Scheme' as 'an essential part of the review process'", so it is hoped that input from the LGPS will be considered.
- 4.5 It would appear that this review and associated work is likely to progress quickly, and therefore officers will ensure that Board and Committee are updated on a regular basis.

Nick Buckland
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September 2024

Appendix 1

Kent Pension Board Action Log

| Date of Meeting | Agenda Item | Action/Question | Outcome | Complete (Y/N) |
|------------------------|--------------------|--|---|-----------------------|
| 28/11/2023 | General | Board access to all Committee papers | Nick Buckland confirmed that Democratic services had agreed that the Board would receive all papers as a matter of course in the future | Y |
| 28/11/2023 | Administration | More detail about the overpayments | Clare Chambers circulated analysis of overpayments to Board 13/12/2023 | Y |
| 28/11/2023 | Administration | Can we work with employers to trace frozen refunds | Clare Chambers to investigate and take forward | N |
| 28/11/2023 | Administration | Board to support the introduction of new Member Self Service | Clare Chambers to take this forward when needed later in 2024 | N |
| 28/11/2023 | Investment Update | Request for Board members to join RI Working group | Terms of reference for RIWG agreed and includes one Board observer | Y |
| 28/11/2023 | Investment Update | Will the Investment Strategy Statement (ISS) be available soon | ISS was agreed by Committee in December, and is on agenda for Board at March meetings | Y |
| 12/03/2024 | Governance | Business Plan – update membership numbers | Updated ahead of presentation to Committee | Y |
| 12/03/2024 | Governance | Business Plan – include structure charts? | Updated ahead of presentation to Committee | Y |

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|------------|--------------------------------------|---|--|---------|
| 12/03/2024 | Comms Policy | How to promote the LGPS | Working with employers and nationally to develop approach. Video has been produced by LGPS pool. | Ongoing |
| 12/03/2024 | Training policy | Induction plans for new members after elections in 2025 | Working on training plans ahead of election | Ongoing |
| 12/03/2024 | Training Policy | LGA Fundamentals and other external training availability | Relevant training will be offered to members | Y |
| 12/03/2024 | Employer Governance | Provide detail of backdated Admission Agreements | Report presented to June meeting | Y |
| 12/03/2024 | CEM Benchmarking | Ensure planning for 2024 reports starts early to include missing data | Planning has started | Y |
| 11/06/2024 | Pensions Administration | Include update on i-connect employer progress to future Board meetings | This will now be included as a standing item in future reporting | Y |
| 11/06/2024 | Investment update – RI Working group | Confirmation of whether a substitute can attend RIWG meetings if Joe Parsons unavailable | This has been agreed | Y |
| 11/06/2024 | Investment update – RI Working group | Dates of future meetings to be circulated to Board | Meetings have now been agreed and will be circulated | N |
| 11/06/2024 | Cyber Security | Concern of security of non KCC email addresses for Board and Committee members | Officers to investigate with KCC colleagues | N |
| 11/06/2024 | Cyber Security | Query over ability of pensioner payroll to be able to operate in the case of a cyber attack | Response received and emailed to Board members in June 2024 | Y |
| 11/06/2024 | Access update | Feedback from Chair and Vice Chair on format of Access Join Committee meetings | Officers fed back to Access Support Unit and informed a paper to be | Y |

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| | | | presented to Joint Committee in September. | |
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