

PENSION FUND COMMITTEE

Tuesday, 26th March, 2024

10.00 am

**Council Chamber, Sessions House,
County Hall, Maidstone**





AGENDA

PENSION FUND COMMITTEE

Tuesday, 26th March, 2024 at 10.00 am
Council Chamber, Sessions House,
County Hall, Maidstone

Ask for: **Matt Dentten**
Telephone: **03000 418381**

Membership

Conservative (8):	Mr C Simkins (Chairman), Mr N J D Chard (Vice-Chairman), Mr P Bartlett, Mr P C Cooper, Mr P M Hill, OBE, Mr J P McInroy, Mrs S Prendergast and Mr J Wright
Labour (1):	Ms M Dawkins
Liberal Democrat (1):	Mr C Passmore
Green and Independent (1):	Mr P Stepto
District Council (3):	Cllr S Beer, Cllr J Burden and Cllr R Yates
Medway Council (1):	Cllr M Prenter
Pensioner Representative:	Mr P Doust
Active Member Representative:	Mr S Sim
UNISON:	Vacancy

UNRESTRICTED ITEMS

(During these items the meeting is likely to be open to the public)

- 1 Membership
To note that Mrs Shellina Prendergast has replaced Mr Harry Rayner on the Committee.
- 2 Apologies and Substitutes
- 3 Declarations of Interest
- 4 Minutes of the meeting held on 12 December 2023 (Pages 1 - 8)
- 5 Work Programme and Action Log (Pages 9 - 14)
- 6 Employer Governance (Pages 15 - 22)
- 7 Pensions Administration (Pages 23 - 28)
- 8 Pension Board Update (Pages 29 - 32)
- 9 Member Training (Pages 33 - 46)
- 10 Communication Policy (Pages 47 - 58)
- 11 Investment Performance and Asset Allocation (Pages 59 - 80)

Motion to exclude the press and public for exempt business

That, under Section 100A of the Local Government Act 1972, the press and public be excluded from the meeting for the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of part 1 of Schedule 12A of the Act.

Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information)

EXEMPT ITEMS

(During these items the meeting is likely NOT to be open to the press and public)

- 12 Exempt minutes of the meeting held on 12 December 2023 (Pages 81 - 84)
- 13 Governance, Business Plan and Budget (Pages 85 - 106)
- 14 Funding Update (Pages 107 - 116)
- 15 Investment Strategy Implementation (Pages 117 - 194)
- 16 Responsible Investment (Pages 195 - 204)
- 17 McCloud (Pages 205 - 208)
- 18 ACCESS (Pages 209 - 212)
- 19 Cyber Security (Pages 213 - 216)

20 Future meeting dates

To note that meetings of the Committee will take place at 10:00 am on the following dates:

- 27 June 2024
- 19 September 2024
- 3 December 2024
- 6 February 2025
- 11 March 2025
- 18 June 2025

Benjamin Watts
General Counsel
03000 416814

Monday, 18 March 2024

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KENT COUNTY COUNCIL

PENSION FUND COMMITTEE

MINUTES of a meeting of the Pension Fund Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Tuesday, 12 December 2023.

PRESENT: Mr C Simkins (Chairman), Mr N J D Chard (Vice-Chairman), Mr P Bartlett, Mrs C Bell, Cllr J Burden, Mr P C Cooper, Ms M Dawkins, Mr P M Hill, OBE, Mr J P McInroy, Mr C Passmore, Mr P Stepto, Mr J Wright and Cllr R Yates.

IN ATTENDANCE: Ms Z Cooke (Corporate Director of Finance), Mr N Buckland (Head of Pensions and Treasury), Mr J Graham (Pension Fund Treasury and Investments Manager), Mrs C Chambers (Pensions Administration Manager), Ms S Surana (Investments, Accounting and Pooling Manager), Mrs E Green (Senior Pensions Programme Manager), Mr S Tagg (Senior Accountant – Employer Governance and Compliance) and Mr M Dentten (Democratic Services Officer).

IN ATTENDANCE VIRTUALLY: Mr P Doust.

UNRESTRICTED ITEMS**170. Apologies and Substitutes**

(Item 1)

Apologies for absence were received from Mr Doust, Cllr Beer who was substituted by Cllr Blair, Cllr Prenter who was substituted by Cllr Jones and Mr Rayner who was substituted by Mrs Bell.

171. Declarations of Interest

(Item 2)

The following declarations were made:

1. Mr Bartlett declared that he was employed by the Bank of New York Mellon and would not participate in discussion related to Insight Investment who were an affiliate.
2. Mr Passmore declared in relation to Item 12 (Responsible Investment) that he ran a company involved in environmental, social, and corporate governance, which had no dealings with the Fund.

172. Minutes of the meeting held on 26 September 2023

(Item 3)

RESOLVED that the minutes of the meeting held on 26 September 2023 are correctly recorded and that they be signed by the Chairman.

173. Work Programme and Action Log

(Item 4)

1. Mr Buckland introduced the Committee's work programme to September 2024 and action log for 2023/24, following the decisions taken by the Committee at its previous meetings. Members were reminded of the 22 February 2024 informal investment training day.

RESOLVED to note the work programme and updated action log.

174. Employer Governance

(Item 5)

1. Mr Tagg introduced the report which updated the Committee on Fund employers for the 3 months ending 30 September 2023, deemed employer status, the actuary procurement project and proposed 3 admissions. He highlighted the Fund's strong contribution collection performance, over the previous 3 months. Regarding deemed employers, in respect of contractors applying to join the Fund, he noted that it would simplify the employer admissions process by reducing costs and delays by removing the need for a separate legal admission agreement and associated security.
2. In relation to the admission of Suez Recycling and Recovery UK following Ashford, Maidstone and Swale Borough Councils' award of an 8-year contract for waste collection and street cleansing, Mr Bartlett and Mrs Bell declared that they were members of Ashford Borough Council and Mr Cooper declared that he was a member and Deputy Leader of Maidstone Borough Council.

RESOLVED to note the report and agree:

- a) to the admission to the Kent Pension Fund of Suez Recycling and Recovery UK Ltd;
- b) to the admission to the Kent Pension Fund of Caterlink Ltd (re Briary School/EKC Schools Trust);
- c) to the admission to the Kent Pension Fund of Independent Catering Management Ltd (re Gravesend Grammar School/Decus Trust);
- d) the Compass Contract Services UK Ltd net cessation surplus is allocated to Kent Catholic Schools Partnership share of the Kent Pension Fund being the funding pool for Kent and Medway academies; and
- e) that once legal agreements have been prepared for matter a) to c) the Kent County Council seal can be affixed to the legal documents.

175. Pensions Administration

(Item 6)

1. Mrs Chambers introduced the report which updated the Committee on the administration of the Kent Pension Fund from 1 August to 31 October 2023, including: performance; recruitment; breaches of law; complaints, compliments and comments; project updates; overpayment recovery and write off limits;

communications and support; technical developments; training; and development. She noted that work to update KPIs was ongoing and incorporated CIPFA guidance, regulations and best practice from across the sector. She confirmed that the Fund had created a LinkedIn page to raise awareness of its work. She advised the Committee that despite good progress, SCAPE factor changes continued to impact the workload of the Pensions Administration team. Concerning the new self-service system, she advised that tests were underway with a launch planned for January 2024.

RESOLVED to note the report.

176. Pension Board update
(Item 7)

1. The Chairman gave thanks to the Chairman of the Pension Board, Mr Thomas, for his report.

RESOLVED to note the update from the Board.

177. Business Plan, Budget and Governance
(Item 8)

1. Mr Buckland introduced the report which updated the Board on the Fund's 2023/24 and 2024/25 business plans, budget, governance and policy matters. He highlighted the items successfully completed in the business plan since the last meeting and noted that delays to regulation and government guidance were the main factors which had impacted completion of the outstanding actions. Budget variances were addressed, with it noted that the greater than expected IT spending was in connection to the costs of implementing and maintaining software for the GMP reconciliation project.

RESOLVED to note and comment on the report.

178. Member Training
(Item 9)

1. Mrs Green introduced the report which updated the Committee on the responses to the November 2023 training survey, as well as the training programme for 2023/24 and 2024/25. She noted that the results confirmed that members had continued to undertake a wide range of training and that the majority had now taken part in training.
2. The Chairman emphasised importance of training and noted benefit of recent sessions held for Members.

RESOLVED to note the report.

179. Investment Performance and Asset Allocation
(Item 10)

1. Mr English (Mercer) provided a verbal market update. He noted that bond yields had been volatile for the last 18 months, had come off recent highs and were still

elevated after the pricing in of interest rate cuts. He highlighted index linked gilts as a strong asset class and recognised that equity markets were trading in range.

2. Mrs Surana introduced the report which provided the Committee with an update on the Fund's investment activity and performance since the Committee's last meeting. She confirmed that as of 30 September 2023, the Fund's value was £7.83bn, an increase of £91m over the quarter, a return of 1.56% against a benchmark of 1.08%, despite a fall in global equities. The impact of a decline in the value of the pound sterling was highlighted. She noted that fixed income markets continued to struggle, though the Fund's two multi asset credit managers exceeded the 1.37% benchmark with returns of 2.76% and 2.56%.
3. Mr Graham addressed the proposed Investment Strategy Statement, noting its requirement as a key Fund governance document under LGPS regulations, and the changes made to reflect the Fund's new investment strategy.
4. The Vice Chairman gave his thanks to Mrs Surana and Mr Graham for their work developing the performance report and updated Investment Strategy Statement.

RESOLVED to:

- a) note the report;
- b) agree that no rebalancing is undertaken; and
- c) agree to adopt the updated Investment Strategy Statement, including the revised rebalancing policy set out within the statement.

Motion to Exclude the Press and Public

RESOLVED that the Press and Public be excluded from the meeting for the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of part 1 of Schedule 12A of the Act.

EXEMPT ITEMS

(Open access to minutes)

180. Investment Strategy Implementation

(Item 11)

1. Mr Graham introduced the report which addressed implementation of the Fund's newly approved investment strategy and actions needed to bring into effect the new strategic asset allocation.
2. Members asked questions on impact investing and fees which were answered by officers.

RESOLVED to note the report and:

- a) agree to implement the emerging market equities allocation via the ACCESS pool and that officers develop a proposal for the optimum allocation structure using products available on the pool for consideration by the Committee at its meeting in March 2024;

- b) agree to terminate the current UK equities total return swap contracts as they expire;
- c) agree to redeem sufficient assets from the WS ACCESS UK Equity Fund (managed by Schroders) to bring the UK equities allocation towards the 10% target weight (indicatively £370m) and to delegate a decision on the final amount and management of associated transition arrangements to the Head of Pensions and Treasury, in consultation with the Chairman;
- d) agree to delegate the decision on whether to increase the synthetic global equity to bring the Equity allocation to target pending a full review of the equity portfolio construction to the Head of Pensions and Treasury, in consultation with the Chairman and the Risk Management Group;
- e) agree to amend the guidelines of the Insight Mandate to incorporate the use of index-linked gilts as collateral, and to delegate all necessary powers to update the guidelines in accordance with this decision to the Head of Pensions and Treasury, in consultation with the Chairman;
- f) agree to delegate all required decisions on the design and construction of the index-linked gilts portfolio and other collateral portfolio to the Head of Pensions and Treasury, in consultation with the Chairman and the Risk Management Group;
- g) agree to delegate authority to the Head of Pensions and Treasury, in consultation with the Chairman, to create the index linked gilts portfolio in accordance with recommendation f) to bring the allocation towards the 7% target weight (indicatively £540m with final amount subject to change) from the sale of other collateral assets, as well as all associated transition management;
- h) agree to redeem in full the investment with Pyrford; to invest a sufficient amount of the proceeds in the WS ACCESS Absolute Return Fund (managed by Ruffer) to bring the Absolute Return allocation to target weight (indicatively £210m with final amount subject to change); to invest the residual proceeds in cash within the Risk Management Framework in the short term and to delegate the management of all associated transition arrangements to the Head of Pensions and Treasury, in consultation with the Chairman; and
- i) agree the changes to DTZ's mandate outlined in section 6 above and delegate the signing of documentation giving effect to the above arrangements to the Head of Pensions and Treasury, subject to the satisfactory outcome of a legal review.

181. Responsible Investment

(Item 12)

1. Mr Graham introduced the report which updated the Committee on the work of the Responsible Investment Working Group, voting activity of the Fund's investment managers, their engagement with the companies in which they are invested on the Fund's behalf, securities lending activity and the proposal to set a formal net zero ambition for the Kent Pension Fund.
2. Mr English presented the climate transition analysis produced by Mercer for the Fund as its Investment Consultant.

3. The Committee discussed the merits of a Fund Net Zero target.
4. Cllr Yates moved and Ms Dawkins second an amendment “that the Committee agree to:
 - a) adopt a Net Zero target of 2045;
 - b) adopt equity portfolio decarbonisation targets of a 50% reduction by 2030 and a 75% reduction by 2040 ahead of the 2022 IPCC Curve;
 - c) engage with fixed income managers to understand feasibility of climate targets, working towards target setting for this allocation; and
 - d) adopt a 15% target in sustainable assets by 2030 (including climate solutions).”
5. The Committee debated the amendment.
6. The Committee voted on the amendment. The amendment failed.
7. The Committee voted on the motion. The motion passed unanimously.

RESOLVED to note the report and agree to:

- a) adopt a Net Zero target of 2050;
- b) adopt the IPCC decarbonisation curve;
 - a. Adopt equity portfolio decarbonisation targets of a 43% reduction by 2030 and a 69% reduction by 2040 in line with the 2022 IPCC Curve
 - b. Engage with fixed income managers to understand feasibility of climate targets, working towards target setting for this allocation; and
- c) adopt a 15% target in sustainable assets by 2030 (including climate solutions).

182. Cyber Security

(Item 13)

1. Mrs Green introduced the report which provided the Committee with an update on the cyber security work being undertaken by the Fund.

RESOLVED to note the report.

183. McCloud

(Item 14)

1. Mrs Green introduced the report which updated the Committee on the measures in place and progress made by the Kent Pension Fund in obtaining data from scheme employers, following the McCloud Remedy Regulations which came into effect on 1 October 2023.

RESOLVED to note the report, in particular the resource implications and progress to-date.

184. ACCESS

(Item 15)

1. Mr Graham introduced the report and highlighted the decisions taken at the December meeting of the ACCESS Joint Committee.
2. The Chairman noted that the Chairman and Vice Chairman of Pension Board had attended the Joint Committee as observers.

RESOLVED to note the report.

185. LGPS: Next steps on investments consultation - Presentation

(Item 16)

1. Mr Buckland gave a presentation on the government response, issued on 22 November, to the LGPS: Next steps on investments consultation.

RESOLVED that the content of the presentation be noted.

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From: Chairman Pension Fund Committee
Acting Corporate Director of Finance

To: Pension Fund Committee – 26 March 2024

Subject: Committee work programme and Action Log

Classification: Unrestricted

Summary:

To report on the updated Committee work programme for the next four meetings and note the action log from previous meetings.

Recommendation:

The Committee is asked to note the work programme 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 next four formal Committee meetings.
- 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 Members will now be familiar with the manager monitoring meetings that are happening outside of the formal Committee meetings. In addition, the Risk Management Group meets when needed to consider activity in this area. The Responsible Investment working group meets monthly to develop thinking in this area. These groups are chaired by the Chairman and Vice Chairman respectively. Updated Terms of Reference for each of these groups will be formulated in the next couple of months and brought to the Committee for agreement at the Juen meeting.

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 2023/24 with notes showing progress against these. In addition, it includes any outstanding actions from 2022/23. This is shown in addition to the formal minutes as a way of the Committee monitoring progress.
- 2.3 Actions that have been completed since the last meeting are struck through and shaded to show that action has been taken, and they will be removed from the log for the next meeting. 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.

Nick Buckland, Head of Pensions and Treasury

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March 2024

Draft Committee workplan

	26 March 2024	27 June 2024	19 September 2024	3 December 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	-
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	Y	Y
Investment Performance	Y	Y	Y	Y
Risk register update	-	Y	Y	Y
Investment Strategy <ul style="list-style-type: none"> • Rebalancing • Manager monitoring • Implementation update 	Y	Y	Y	Y
Investment Strategy Statement	-	-	-	-
Responsible Investment <ul style="list-style-type: none"> • RI Policy update • Net Zero ambition • Impact investments 	Y	Y	Y	Y

Pension Fund Committee Action Log – 2023-24

Date of Meeting	Agenda Item	Action/Question	Outcome	Complete (Y/N)
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	15 - Investment Strategy	Should we limit our exposure to a single manager?	To be considered as part of implementation of the Strategy	N
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.	Ongoing
29/03/2023	20 - Employer Matters	Provide an update on Sevenoaks leisure	Update on today's agenda	Ongoing
29/03/2023	20 - Employer Matters	Provide a list of employers in the fund where there is no bond or guarantee, and /or not scheme employer	Update on September's meeting to be linked with Actuary review of employer covenant – update in March 2024	Ongoing

29/03/2023	22 - Risk Register	Address font size issue on Risk Register	Wider review of RR underway, including consulting KCC risk officer to ensure consistency of approach	N
12/12/2023	9 – Training	Request that presentations for all training sessions be circulated to all	Officers have done so, and will do so in the future	Y
12/12/2023	10 – Investment Performance	Add the date of Committee to the Investment Strategy Statement for version control	Completed in December 2023	Y
12/12/2023	11 – Investment Strategy	Request for assurance that we are not charged fees on fees in new Property management arrangements	Confirmed verbally at meeting and note circulated by email post meeting to confirm.	Y
12/12/2023	12 – Responsible Investment	Advice to Committee members when the news on the net zero target can be shared	Members advised by email of Fund publicity	Y

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From: Chairman Pension Fund Committee
Acting Corporate Director of Finance

To: Kent Pension Fund Committee – 26 March 2024

Subject: Funding and Employer Governance

Classification: Unrestricted

Summary:

This report provides information on Fund employers; proposes four admission applications and provides an update on the actuarial procurement project.

Recommendations:

The Committee is asked to note the report and agree:

- a) to the admission to the Kent Pension Fund of Compass Contract Services UK Ltd (re The Thinking Schools Academy Trust);
- b) to the admission to the Kent Pension Fund of Kent Gurkha Company Ltd (re Valley Invicta Academies Trust);
- c) to the admission to the Kent Pension Fund of Principal Catering Consultants Ltd (re KCC schools);
- d) to the continued admission to the Kent Pension Fund of Fusion Lifestyle on the basis of a guarantee from Tunbridge Wells Borough Council;
- e) that once legal agreements have been prepared for matters a) to d) the Kent County Council seal can be affixed to the legal documents.

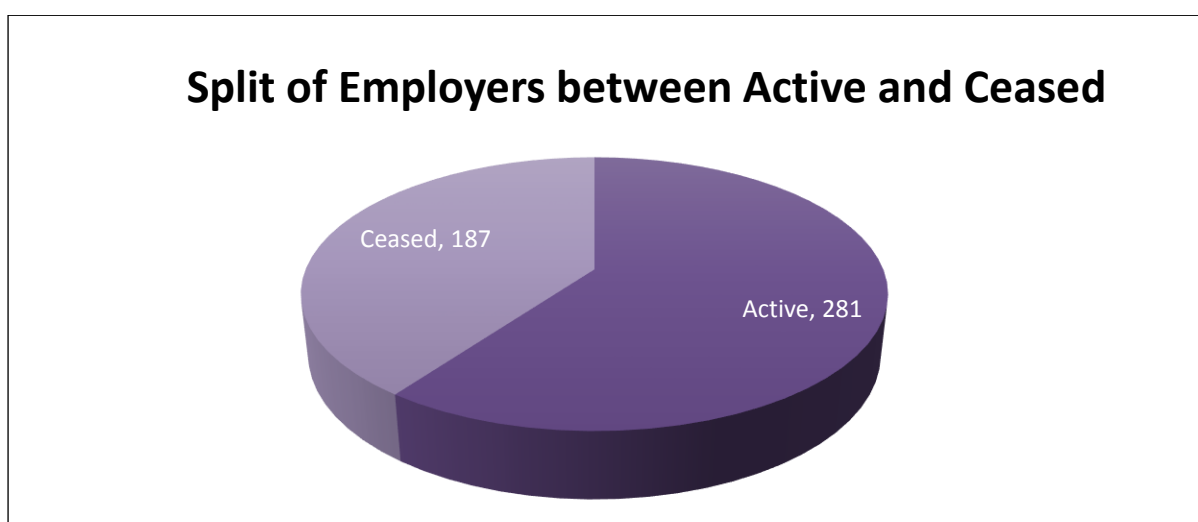
FOR DECISION

Summary:**1. Introduction**

This report provides information on Fund employers for the 3 months ending 31 December 2023; proposes four employer admissions and provides an update on the actuarial procurement project.

2. Employer update for the 3 months to 31 December 2023

- 2.1 At its last meeting the Committee received an update on employer numbers as at 30 September 2023, when there were 465 employers in the Fund. This number increased by 3 over the final quarter of 2023 and therefore there were 468 employers in the Fund on 31 December 2023.
- 2.2 During this quarter, 1 new academy and 2 new admitted body employers joined the Fund.
- 2.3 Also during this quarter, 2 scheduled body employers, 1 community admission body and 2 transferee admitted bodies became ceased employers who still have liabilities in the Fund, although this does not affect the overall number of employers in the Fund.



- 2.4 The following table lists employers who joined the Fund as well as those who ceased to have active members in the Fund during the 3 months to 31 December 2023:

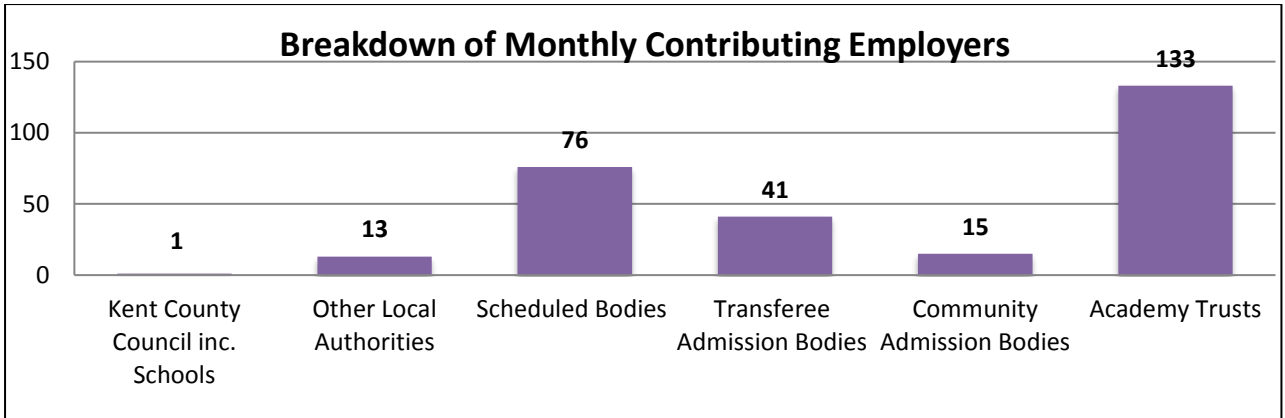
Type	New Employers	Effective Date
Admission Body	The PCS Group Ltd (re The Primary First Trust)	1 June 2021 (backdated admission)
Admission Body	Purgo Supply Services Ltd (re Leigh Academies Trust)	1 August 2023 (backdated admission)
Academy Trust	Royal Harbour Academy	1 April 2023 (backdated)

Type	Ceased Employers	Cessation Date
Admission Body	Town & Country Cleaners Ltd	9 October 2023
Admission Body	Mytime Active	30 September 2023
Schedule Body	Leybourne Parish Council	30 September 2023
Schedule Body	The Mayor and Charter Trustees of Margate	31 March 2023
Community Admission Body	Clarion Housing Association Ltd	30 November 2023

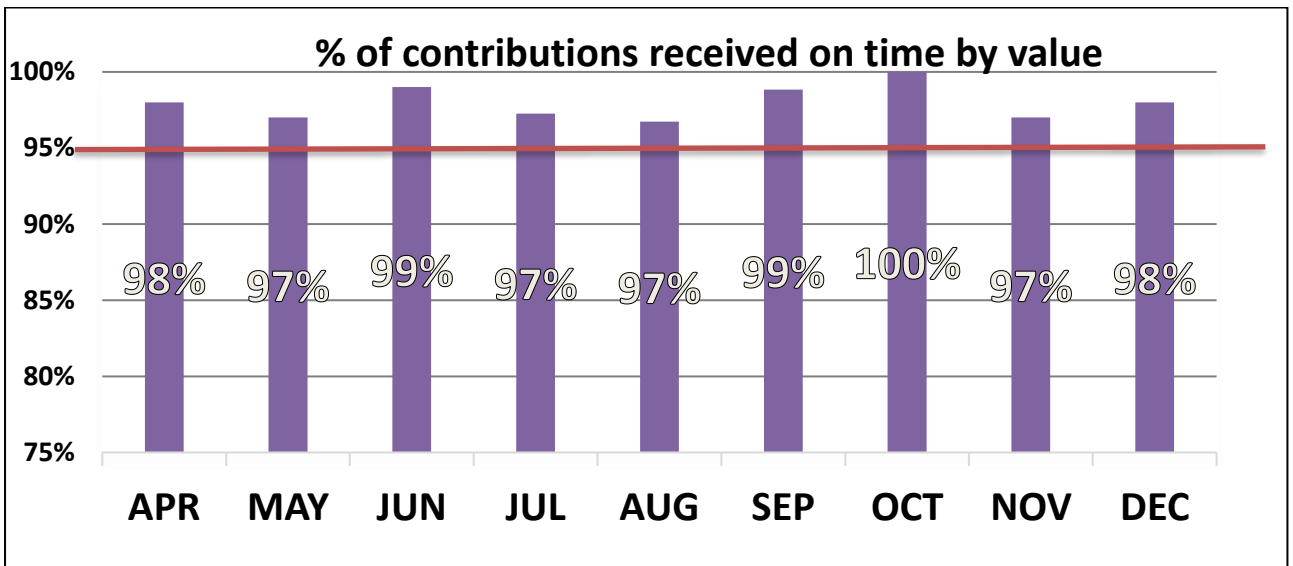
2.5 In the 9 months to 31 December 2023 the Fund received £232.0m from employers in respect of their monthly contributions (employer and employee) as follows:

	Received Early	Cash on 19th	Received Late	Total
	£	£	£	£
April	15,168,449.07	9,528,643.02	549,123.33	25,246,215
May	14,999,534.67	9,562,699.78	783,050.06	25,345,285
June	15,435,765.43	10,006,609.06	201,590.82	25,643,965
July	13,949,474.52	10,874,794.53	703,727.70	25,527,997
August	15,683,358.94	8,906,384.41	842,779.31	25,432,523
September	15,555,923.91	9,629,553.00	308,294.16	25,493,771
October	15,211,575.15	10,574,083.14	41,322.55	25,826,981
November	15,953,106.31	9,707,319.94	849,984.40	26,510,411
December	15,487,752.66	10,969,050.57	478,381.35	26,935,185
Total	137,444,940.66	89,759,137.45	4,758,253.68	231,962,332

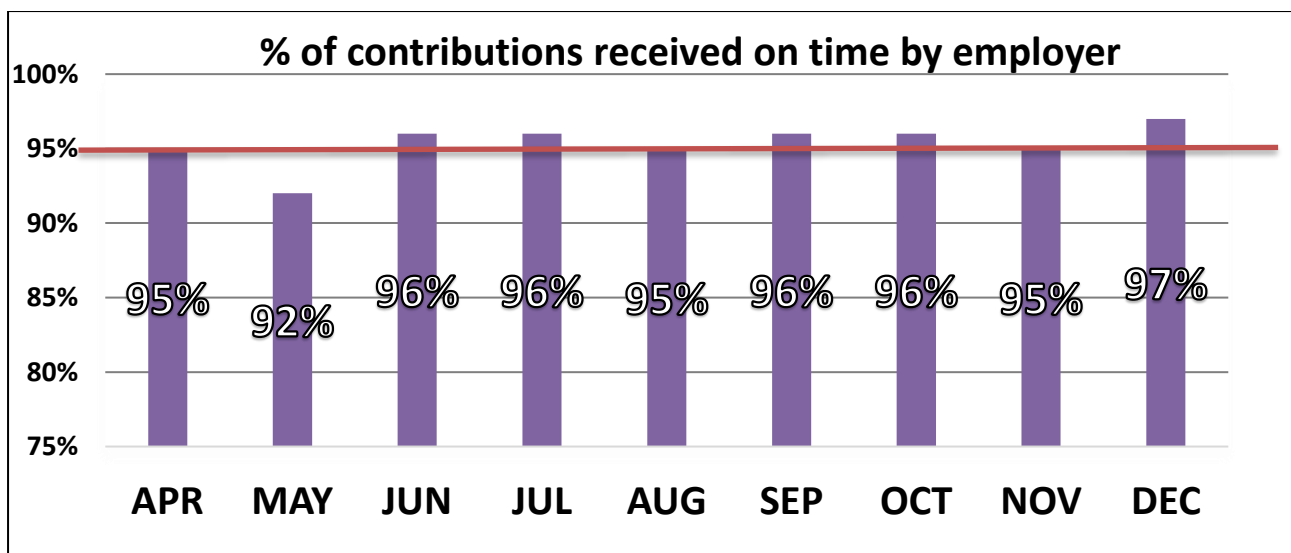
2.6 The following table shows employers from whom the Fund receives monthly contributions by Employer Group:



2.7 The Key Performance Indicator (KPI) of 95% for % of contributions received on time by value was met every month April to December.



2.8 The Key Performance Indicator (KPI) of 95% for % of contributions received on time by employers was met every month April to December 2023 bar May 2023. The full explanation for this was given in the December paper. It related to a single payroll provider (Cintra) who did not make the May payment in time.



3. Compass Contract Services UK Ltd (re The Thinking Schools Academy Trust)

- 3.1 The Thinking Schools Academy Trust has awarded a 5-year catering contract to Compass Contract Services UK Ltd from 1 September 2019. This involved the transfer of 3 eligible LGPS members to Compass Contract Services UK Ltd.
- 3.2 A retrospective admission application has been made under Schedule 2 Part 3 1(d) (i) of the LGPS Regulations 2013, as amended, and under this regulation the admitted body is required to provide some form of security.
- 3.3 The Fund Actuary has assessed the employer contribution rate as 22.8% for a closed agreement and the bond for the first year as £24,000.
- 3.4 The completed questionnaires and supporting documents provided by Compass Contract Services UK Ltd have been examined by officers to ensure compliance with the LGPS regulations, and Invicta Law has given a favourable opinion.
- 3.5 The Committee is asked to agree that Compass Contract Services UK Ltd be admitted to the Fund.

4. Kent Gurkha Company Ltd (re Valley Invicta Academies Trust)

- 4.1 Valley Invicta Academies Trust has awarded a 3-year cleaning contract to Kent Gurkha Company Ltd from 1 April 2024. This involved the transfer of 3 eligible LGPS members to Kent Gurkha Company Ltd.
- 4.2 A retrospective admission application has been made under Schedule 2 Part 3 1(d) (i) of the LGPS Regulations 2013, as amended, and under this regulation the admitted body is required to provide some form of security.
- 4.3 The Fund Actuary has assessed the employer contribution rate as 20.5% for a closed agreement and the bond for the first year as £9,000.

- 4.4 The completed questionnaires and supporting documents provided by Kent Gurka Company Ltd have been examined by officers to ensure compliance with the LGPS regulations, and Invicta Law has given a favourable opinion.
- 4.5 The Committee is asked to agree that Kent Gurka Company Ltd be admitted to the Fund.

5. Principal Catering Consultants Ltd (re KCC schools)

- 5.1 Principal Catering Consultants Ltd is an admission body in the Fund following a transfer of KCC staff on 1 August 2016 related to an associated underlying commercial contract with KCC and Kier Facilities Services Ltd who is scheme employer party to the admission agreement.
- 5.2 It has now transpired that the 2016 underlying commercial contract ended in 2019 and a new 4-year commercial contract with one year extension was awarded by KCC to Principal Catering Consultants Ltd in 2019 that does not include Kier Facilities Services Ltd. KCC will be the scheme employer where the schools involved have not subsequently converted to academy status.

The schools involved in this matter are;

- a) Eastchurch CEP Primary School;
 - b) Chartham Primary School;
 - c) St Stephens Infant School;
 - d) Wingham Primary School; and
 - e) Meadowfield Primary School.
- 5.3 Eastchurch Primary School joined Aquilla Academy Trust on 1 September 2020 and Chartham Primary School and St Stephens Infant School joined Inspira Academy Trust on 1 April 2021.
- 5.4 Further admission applications are in hand in respect of these academies who will be scheme employer from these dates and these admission applications will be presented to Committee at future meetings.
- 5.5 A retrospective admission application has been made under Schedule 2 Part 3 1(d) (i) of the LGPS Regulations 2013, as amended, and under this regulation the admitted body is required to provide some form of security.
- 5.6 The Fund actuary has assessed the employer contribution rate as 24.7% for a closed agreement and the bond for the first year as £36,000.

- 5.7 The completed questionnaires and supporting documents provided by Principal Catering Consultants Ltd have been examined by officers to ensure compliance with the LGPS regulations and Invicta Law has given a favourable opinion.
- 5.8 The Committee is asked to agree that Principal Catering Consultants Ltd (re KCC schools) be admitted to the Fund.

6. Fusion Lifestyle

- 6.1 Fusion Lifestyle (Fusion) is an admission body who joined the Fund on 29 September 2006 further to a transfer of staff from Tunbridge Wells Borough Council (TWBC) who is scheme employer.
- 6.2 The original admission application was approved by Committee at their meeting on 15 September 2006 on the basis there was a bond as per the LGPS regulations at the time.
- 6.3 Fusion has maintained its bond since 2006 as per the actuary's 3 yearly review although their bond lapsed on 30 September 2021. Officers have been in regular contact with Fusion although it has not been possible for them to renew their Bond which they cite as being due to challenging market conditions.
- 6.4 In September 2021 the Committee agreed a new Funding Strategy Statement (FSS) which allows for a guarantee to be put in place by a scheme employer as an alternative to a bond. This flexibility remains available in the current FSS (approved March 2023).
- 6.5 Officers have been liaising with TWBC who has agreed to give a guarantee which will be at the same level as the bond.
- 6.6 The Committee is asked to agree the Fund may enter into a new admission agreement and a guarantee with Fusion and TWBC.

7. Actuary Procurement

- 7.1 As reported to the Committee at its meetings on 26 September and 12 December 2023, the Fund has carried out a routine re-procurement exercise for the ongoing provision of actuarial advice, using a competitive process under the Actuarial, Benefits and Governance Consultancy Services Framework established by the National LGPS Frameworks.
- 7.2 After a competitive tender process the outcome is the reappointment of the current incumbent Barnett Waddingham who has been the Fund actuary since 2009.
- 7.3 The new contract started on 1 February 2024 and is operative for 6 years with a possible 3-year extension.

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March 2024

From: Chairman – Kent Pension Fund Committee
Acting Corporate Director of Finance

To: Kent Pension Fund Committee – 26 March 2024

Subject: Pensions Administration

Classification: Unrestricted

Summary:

This report brings Members up to date with a range of matters concerning the administration of the Kent Local Government Pension Scheme for the period 1 November 2023 to 31 January 2024.

Recommendations:

The Committee is asked to note the report.

REPORT SUMMARY

1. Performance
2. Recruitment
3. Project Updates
4. Overpayment Recovery and Write Off Limits
5. Communications and Support Update
6. Technical Updates
7. Training and Development

FOR INFORMATION

1. Performance Update

- 1.1 During the period 1 November 2023 to 31 January 2024 a total of 14,731 new cases were received by the Pensions team. This is a slight increase of 88 from the previous period. 14,026 cases were completed during the period November to January. An increase of 527 compared to the previous period. This can be attributed in the main to the creation of the 5th administration team – the Focus Team – who have been able to dedicate their time to focussing on clearing historic cases or carrying out housekeeping of cases that were open unnecessarily.
- 1.2 The average performance across all casework has increased from 62% to 79%, and the number of outstanding cases at the end of the period reduced from 19,079 to 18,991. This can be attributed in part to newer members of the team increasing and improving their knowledge which increases their confidence and results in them being more productive and effective in their roles.

	Feb to Apr 2023	May to July 2023	Aug to Oct 2023	Nov 2023 to Jan 2024
Cases Open	14,364	16,029	19,308	19,321
Cases Received	16,041	15,526	14,643	14,731
Cases Completed	13,792	11,423	13,499	14,026
Cases Outstanding	15,741	19,085	19,079	18,991
Overall SLA Performance	79%	82%	62%	79%

2. Recruitment

2.1 A summary of the recruitment activity over the period (including those due to start in new roles after 31 January) is show below:

Position	Team	Start Date	Number	External/Internal
Communications & Support Officer	Communications & Support Team	01/11/2023	1	External
Deputy Team Manager	Administration Team	01/12/2023	1	Internal Promotion
Pensions Assistant	Communications & Support Team	04/12/2023	1	External
Pensions Assistant	Administration Team	04/12/2023	3	External
Pensions Administrator	Administration Team	01/01/2024	3	Internal Promotion
Pensions Assistant	Administration Team	08/01/2024	1	External
Communications & Support Officer	Communications & Support Team	01/02/2024	1	Internal Promotion
Deputy Team Manager	Administration Team	01/02/2024	1	Internal Secondment
Pensions Project Manager – Continuous Service Improvement	Projects Team	01/03/2024	1	Internal Promotion
Team Manager	Administration Team	01/03/2024	1	Internal Promotion

3. Project Updates

- 3.1 Projects now successfully concluded include: CEM Benchmarking, Guaranteed Minimum Pension (GMP) Rectification, and the Police Pension Scheme administration exit.
- 3.2 **CEM Administration Benchmarking** – CEM were commissioned to undertake a benchmarking assessment of Kent Pension Fund’s administration services as at 31 March 2023. The Fund was grouped with 14 other pension providers to enable comparison with peers.
- 3.3 The assessment results were shared with the Pension Board at their meeting of 12 March 2024, and gave a wide range of service comparisons. In summary, Kent’s overall administration cost per member (£23.06) was notably less than the adjusted peer average (£31.05). The assessment outlined some good areas of service provision and some areas to consider development consideration. The findings reflected Officers’ own perception of the Fund that much continuous improvement work to do, but that the administration service was operating as per statutory requirements.
- 3.4 Since 31 March 2023, several service improvements have been made. It is proposed that the benchmarking assessment is repeated in 2024, to provide further narrative on the Fund’s improvement journey.
- 3.2 **Overseas Existence Checks** - Crown Agents Bank (CAB) have been assisting the Fund with this process since November 2023, as part of a pilot exercise. Kent Pension Fund is trialling the use of CAB’s digital technology solution to verify proof of life existence amongst overseas pensioners. Since the project began, 500+ overseas scheme members have used the biometric service to verify their proof of life. A further 100+ scheme members have registered to use the new online portal but have not completed the process yet. The option of completion by paper form (and counter signature) is still being offered to scheme members. However, the uptake for paper form completion has been low, with a clear preference for the digital option so far. Chaser emails and letters have been sent to scheme members that have not responded yet. The deadline set is 22 March 2024, after which pension payments will be suspended from April 2024, if no response received. It is expected that a sizable cohort of scheme members will take action to use the online portal and provide proof of life existence after pensions are suspended in April 2024. A helpline number and email has been setup to assist overseas members.
- 3.3 **Telephony** - the Fund’s work to be KCC’s early adopters has continued. The set-up of technological infrastructure to enable User Acceptance Testing (UAT) is planned for March, whereby a digital test environment will be created. A small project testing team has been established to carry out the UAT. If all goes well with the UAT phase work, implementation of the new telephony system is expected later this year. The telephony solution will enable easier data monitoring and a better call experience for scheme

members (i.e. the provision of updates on call queue position, the option for call backs and the provision of signposting for online self-service).

4. Overpayment Recovery and Write Off Limits

- 4.1 The number of pension overpayment write offs for the period 1 November 2023 to 31 January 2024 are set out below:

	November 2023		December 2023		January 2024	
	Number	Total	Number	Total	Number	Total
£200-£5,000	36	£17,809.79	15	£6,175.22	26	£10,480.12
£5,000-£50,000	-	-	-	-	-	-
£50,000+	-	-	-	-	-	-

5. Communications and Support (C&S) Update

- 5.1 All of the **McCloud** data collected from employers has been transferred to ITM, together with the details of the employers who have not provided data. ITM will now validate the information and continue to work with the employers who have yet to provide the data.
- 5.2 The team have commenced the testing phase of a project to transition from the current **member self-service** platform to a new and improved platform which will streamline member registrations and account access, provide more robust security, and allow the team to automate more processes.
- 5.3 Member registrations to the current platform are still steadily increasing and the team will progress at speed with the promotional plans once onboarded to the new platform.

	30 Nov 2023	31 Dec 2023	31 Jan 2024
Active	4,813	4,886	5,055
Deferred	2,936	2,993	3,149
Pensioner	3,378	3,479	3,647

- 5.4 A member mailing was sent to all members, advising them of the changes to the regulations due to the **McCloud** ruling. The letter reminded active and deferred members that the Fund will be changing to **digital methods** as default for communication in the future. The final notification to active members will be issued in March, with the 2024 Annual Benefit Illustrations (ABIs) being issued electronically. The final notification to deferred members will be issued with the 2024 ABI. All members have been reminded that they can request to remain receiving paper communications, if they wish to do so.
- 5.5 The team started preparation for the **Year End** exercise, the updated training videos were recorded, and all website information was updated in preparation.

5.6 **i-Connect** onboarding of Kent Schools is going well, and the team are assisting other employers with their ongoing queries. Discussions are continuing with employers with the aim to onboard them onto i-Connect in April 2024.

6. Technical Updates

6.1 **McCloud Ruling and the remedy in the LGPS** - The main focus of the Technical Team over the period has been the implementation of the McCloud remedy.

6.2 Since November 2023 there has been further guidance issued by the Local Government Association (LGA) in the form of administrator guides and online workshops. The Technical Team have also engaged with Heywood to learn about the progress with software updates.

6.3 On the 8 February the full administration team attended a training day in Maidstone to learn more about how the remedy will impact scheme members and to look at how the administration software will deal with calculating member benefits.

6.4 The day was led by the Technical Team and comprised two parts; the morning was spent listening to a presentation on the McCloud remedy by Aon. The team then spent the afternoon working through practice scenarios on the pensions database to understand the calculations and output that the software will use to deliver the remedy.

6.5 In preparation for this day a significant amount of work had to be done by the Technical Team to configure and understand the software updates.

6.6 **Lifetime Allowance** - In the Spring Budget 2023 the government announced its intention to abolish the Lifetime Allowance from 6 April 2024.

6.7 Legislation to fully abolish the Lifetime Allowance passed through Parliament as part of the Finance Bill 2023-24 on 22 February 2024.

6.8 The Technical Team are currently reviewing the legislation and preparing for the changes from April 2024, which includes updating letters and forms as well as staff training.

7. Training and Development

7.1 Four members of the team have commenced the **CIPP- Certificate in Pensions Administration**. This is a 9-month course consisting of 7 modules with 6 assignments and 1 exam using an online learning platform. The course covers an overview of UK pension schemes, providing pension scheme information, creating and maintaining pension scheme member records, transferring into and out of pension schemes, handling changes in members' circumstances, payment of scheme benefits to pensioners, working as a member of a pension team.

7.2 Training figures for the period 1 November 2023 to 31 January 2024:

In house training sessions	41
Sessions led by Training Officers	28
External LGA training	6 members of staff

7.3 The numbers appear lower than for last period due to the seasonal break, and priority had to be given for the following areas:

- Pension Assistants appointed on secondment to Pension Administrator roles commenced from 1 January 2024.
- External appointments to Pension Assistant roles; 4 commenced in December and 1 in January 2024.

7.4 **National LGPS qualification led by the LGA** - Following the working groups attended by the Technical Team last year, a first cohort are due to start the Level 2 'Award in Pensions Essentials' qualification in April 2024. The qualification is being delivered by Barnet Waddingham, and the Fund has two staff members who are joining the first cohort. As this is a pilot group, the Technical Team will be monitoring and feeding back to the LGA during the course of the year on the progress our staff make with this.

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March 2024

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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March 2024

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From: Chairman Pension Fund Committee
Acting Corporate Director of Finance

To: Pension Fund Committee – 26 March 2024

Subject: Member Training update

Classification: Unrestricted

Summary:

The Training Strategy has been updated. The updates include formalising current practice and incorporating them into the new Training Strategy; providing clarity on the training expectations of Members of Pension Board and Pension Fund Committee; outlining potential consequences of persistent non-compliance; and clarifying the approach for reporting individual training attendance.

This paper also provides an update on recently completed training events.

Recommendation:

The Committee is asked to consider and approve the updated Training Strategy.

FOR APPROVAL

1. Introduction

- 1.1 The Fund's Training Strategy has been updated (**Appendix 1**). It has been prepared to supersede the current 2022 Training Strategy. This paper outlines the key changes made to the Training Strategy.
- 1.2 Since the Training Strategy was last updated in 2022, there have been significant changes to Kent Pension Fund's approach, leadership and vision for the Fund. It should also be remembered that in 2022 the Fund did not have the fully quorate Pensions Board that it does now. The updated Training Strategy therefore aims to formalise current practices and the changes made since the Strategy's last update in 2022.
- 1.3 The terminology of 'Pension Fund Superannuation Committee' has been replaced by 'Pension Fund Committee'. Formatting edits have been made. Adjustments have been made to expand, clarify or remove what is no longer relevant. These are not detailed below as are considered minor in nature.
- 1.4 References have been made to legislative and policy changes since 2022 (such as the introduction of tPR's new General Code). It is proposed that the training plan will be regularly reviewed to incorporate new learning requirements.

1.5 The updated Training Strategy was presented to the Fund's Board on 12 March 2024. The Board supported the proposals in the updated strategy.

2. Change - Formal recognition of practices already undertaken at Pension Board and Pension Fund Committee

2.1 Over the last year, a training update paper has regularly been presented to Members at both Pension Board and Pension Fund Committee. As such, the Training Strategy now references that regular updates shall be given at Pension Board and Committee meetings to assist with monitoring, give awareness to training opportunities and to alert on training progress made.

3. Change – Agreement to the Training Strategy and Compliance

3.1 The updated Training Strategy makes clear that by approving the Training Strategy, all Members are implicitly committing to participate in training and to abide by the training requirements.

3.2 The Fund needs well-informed and suitably skilled Members in order to operate effectively. Therefore, the Training Strategy now states that persistent non-compliance with the Training Strategy may result in Members being removed from Pension Board or Pension Fund Committee. No individual Member is expected to have expert knowledge of LGPS investments or administrative operations, but Officers (and the Fund's advisers) provide technical expertise and recommendation as required.

4. Change – Training Support Offered to Members by Officers

4.1 The updated Training Strategy formalises Officer's commitment to support, assist and help Members with their training needs. The Strategy now includes what has been made available to Members, such as 1:1 basics for new Members after appointment, office visits to see work being delivered and the preparation of a training plan.

4.2 The updated Training Strategy makes it clear that participation in relevant training is encouraged, with Officers able to assist with bookings for training events and travel upon request.

5. Change – Monitoring & Reporting

5.1 The Strategy confirms that the Fund will maintain a record of all training undertaken by Committee and Board members, who will be asked to confirm this record every 6 months via survey.

5.2 Information on training completed by individual Members will be included in the Kent Pension Fund Annual Report and Accounts. Information will be recorded on training session attendance in line with best practice.

6. Review

6.1 The Training Strategy is intended to be appropriate for the long-term, but it will continue to be regularly reviewed, at least formally every 2 years or as required, to ensure it remains accurate and relevant.

7. Training Undertaken Since November 2023

- 7.1 The updated Training Plan is attached at **Appendix 2**. Since the previous Pension Fund Committee meeting, there are a few notable training events to report.
- 7.2 On 7 December 2023, all Members were invited to an interactive session on Pensions Accounting & Audit Standards. The presentation was delivered by Barnett Waddingham in collaboration with senior officers involved with Kent Pension Fund Investments. The event was well attended. There was a high level of engagement throughout from Members, where questions were asked about the Fund's performance in previous audits and about the annual statement of accounts.
- 7.3 On 5 March 2024, Members received structured training on Pensions Administration. A slide deck was prepared and delivered by Pensions specialists from Barnett Waddingham. During the presentation, the Fund's Officers provided local context to give a flavour of pensions administration processes and hot topics. There was an opportunity for questions throughout the session and at the end. The two-hour workshop built awareness and knowledge amongst Members, to enable effective scrutiny of the Fund's pensions administration work at Pension Board and Pension Fund Committee.
- 7.4 Monitoring data suggests that not all Members have completed their tPR e-toolkit (public service pensions) online training yet. Members who advised in November that they had not yet completed their tPR's e-toolkit were reminded to do so in January 2024. A link was given to the free training portal, with instructions on how to complete.
- 7.5 Members will be contacted again in April 2024 to complete the next training monitoring survey and to check availability for the next proposed training dates (training presentations). The survey will check training completed October 2023 – March 2024. The results will be presented in the Fund's 23/24 Annual Report in line with best practice.

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March 2024

Appendix 1: Updated Training Strategy (2024)

Appendix 2: Structured Training Programme with Training Plan

Subject to change if training need identified which requires prioritization due to governance purposes.

Indicative time frame	Core Topic
2023 – 2024 <i>addressed on a topic specific basis</i>	<i>Financial Markets & Product Knowledge</i> <i>To provide a general understanding of the financial context of the Fund, and the products relating to the Fund.</i>
<i>Completed 25th September 2023</i>	Cybercrime <i>Awareness training and proposed approach on new strategy.</i>
<i>Completed 7th December 2023</i>	Pensions Accounting & Audit Standards <i>To provide a general understanding of the Accounts and Audit Regulations, and the role of internal and external audit</i>
<i>To Be Completed 5th March 2024</i>	Pensions Administration <i>To provide a general understanding of best practice in pensions administration, together with Fund polices, resource and discretionary powers.</i>
<i>2nd July 2024</i>	Committee and Board Role & Pensions Legislation <i>To provide an overview of the Committee’s and Board’s role and a general understanding of the legislative framework as it applies to the LGPS, in line with the CIPFA Knowledge & Skills Framework.</i> <i>This subject area has been brough forward due to ‘Investment Performance & Risk Management’ being moved to 2025 to benefit any potential new members at that time.</i> <i>This subject topic has been made broader to provide interest to both Pension Board and Pension Fund Committee members.</i>
<i>December 2024 (exact date tbc)</i>	Procurement & Relationship Management <i>To provide a general understanding of the public procurement requirements as they apply to the LGPS, and how performance of suppliers can be monitored.</i>
<i>March</i>	Actuarial Methods, Standards & Practices

<p>2025 (exact date tbc)</p>	<p><i>To provide a general understanding of the role of the Fund actuary and the formal valuation process (including the FSS and inter-valuation monitoring) and the treatment of new and ceasing employers (including employer covenant)</i></p>
<p>June 2025 (exact date tbc)</p>	<p>Pensions Governance</p> <p><i>To provide a general understanding of the controls and measures in place to manage risks and conflicts and interest of the Fund, whilst ensuring the right skills and experience are available.</i></p>
<p>2025</p>	<p>Investment Performance & Risk Management</p> <p><i>To provide a general understanding of the relationship between assets and liabilities and the structure, operation and purpose of investment pooling arrangements.</i></p> <p><i>Given recent attention to this subject via several training events in 2023 and 2024, it is proposed to reschedule this event to 2025, when there may be new members of Pension Board and Pension Fund Committee that would benefit from training in this area.</i></p>

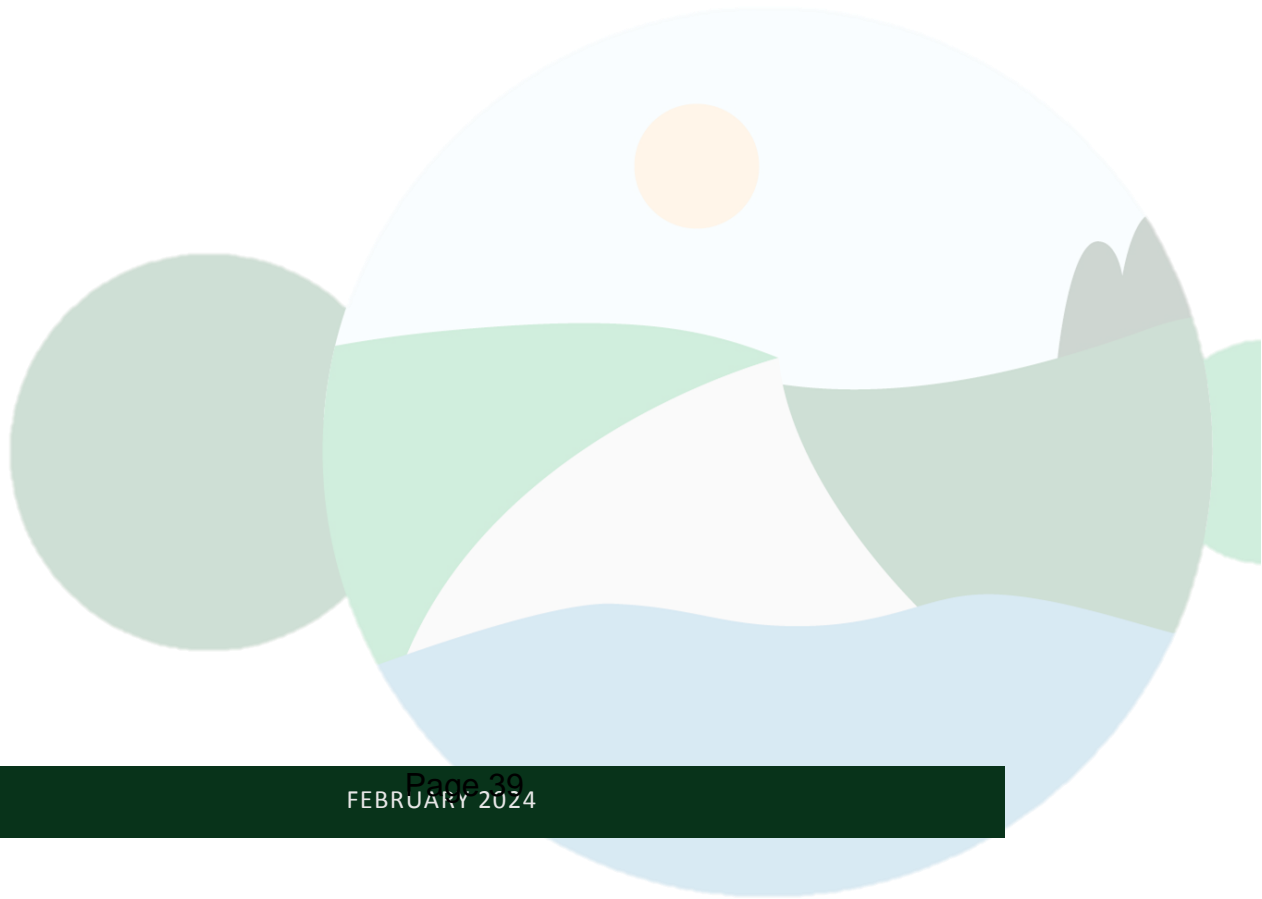
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KENT PENSION FUND

TRAINING STRATEGY 2024

SUPERSEDES THE 2022 TRAINING STRATEGY



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INTRODUCTION

- 1.1 This is Kent Pension Fund's Training Strategy, intended to assist officers and members of Kent Pension Fund Committee and Pensions Board ('Members'). It has been designed to encourage the development of skills and knowledge, enabling all to act effectively in line with their responsibilities.
- 1.2 By implementing this training strategy, Kent Pension Fund will seek to ensure there is sufficient skills and knowledge amongst senior officers, those on Pension Board and Pension Fund Committee. It is considered important to achieve and maintain skills within Kent Pension Fund to ensure effective decision making and scrutiny of the Fund.
- 1.3 The Head of Service for Kent Pension Fund, in association with KCC's S.151 and Chairpersons of Pension Board and Pension Fund Committee are tasked with ensuring implementation of the Training Strategy. By approving the Training Strategy, all Members are implicitly committing to participate in training and to abide by the training requirements. Repeated non-compliance with the Training Strategy may result in Members being removed from Pension Board or Pension Fund Committee, as Kent Pension Fund prides itself on having well-informed and suitably skilled Members.
- 1.4 Kent Pension Fund will continue to offer a programme of structured training events via a regularly reviewed training plan. Regular updates on Training will be provided to Pension Fund Committee and Pensions Board, as per the agendas set.
- 1.5 No individual Members are expected to have expert knowledge of Kent Pension Fund's LGPS investments or administrative operations. Instead, it is expected that senior officers within Kent Pension Fund (and the Fund's consultants) will continue to assist Members in undertaking their roles and will provide suitable recommendations, advice and guidance, as necessary.

TRAINING STRATEGY OBJECTIVES

- 2.1 Kent County Council is the Administering Authority for Kent Pension Fund on behalf of its stakeholders. Kent Pension Fund is one of the largest Funds in the LGPS in England.
- 2.2 The objectives of Kent Pension Fund reflect the significance of the Fund:
- a) Ensure Kent Pension Fund is managed, and its services delivered by people who have the appropriate knowledge and expertise;
 - b) Ensure Kent Pension Fund is effectively governed and administered; and
 - c) Ensure decisions are robust, are well founded and comply with regulatory requirements or guidance from the Pensions Regulator, the Scheme Advisory Board and the Secretary of State for the Department for Levelling Up, Housing and Communities (DLUHC)
- 2.3 To assist in achieving these objectives, Kent Pension Fund will aim to comply with a broad range of external guidance. These documents will include but not be limited to: the CIPFA Knowledge and Skills Frameworks, the knowledge and skills elements of the Public Service Pensions Act 2013, The Pensions Regulator's (tPR) Code of Practice for Public Service Schemes, as well as any other LGPS specific guidance relating to the knowledge and skills of Members and senior officers, which may be issued from time to time.
- 2.4 This Training Strategy applies to all Members of Kent Pension Fund Committee, who must be conversant with: Their responsibilities as delegated to them by The Kent County Council as an administering authority of an LGPS fund;
- a) The fundamental requirements relating to pension fund investments;
 - b) The operation and administration of the Kent Pension Fund;
 - c) Controlling and monitoring the funding level; and

d) Effective decisions-making in the management of the Kent Fund.

2.5 This Training Strategy also applies to all Members of Kent Pension Board who must be conversant with:

- a) The relevant LGPS Regulations and any other regulations governing the LGPS;
- b) Any document recording policy about the administration of the Kent Pension Fund;
- c) And have knowledge and understanding of the law relating to pensions; and
- d) Such other matters as may be prescribed.

2.6 In addition, it applies to KCC's senior officers responsible for the management and administration of Kent Pension Fund; they will be expected to:

- a) receive appropriate training to fill any knowledge gaps identified; and
- b) seek to maintain their knowledge.

CIPFA'S CODE OF PRACTICE

3.1 CIPFA's Code of Practice (on Public Sector Pensions Finance, Knowledge and Skills 2013), embeds the requirements for the adequacy, acquisition, retention and maintenance of appropriate knowledge and skills required. It recommends (amongst other things) that LGPS administering authorities:

- formally adopt the CIPFA Knowledge and Skills Framework in its knowledge and skills statement;
- ensure the appropriate policies and procedures are put in place to meet the requirements of the Framework (or an alternative training programme);
- publicly report how these arrangements have been put into practice each year.

3.2 TPR's 'General Code' was updated in 2024 and brought together previous governance and guidance. It is considered vital that suitable skills and knowledge is held by Kent Pension Fund for effective strategic decision making and that there is sufficient governance in place to ensure compliance with this Training Strategy. At the time of writing in February 2024, the new General Code has only just been announced. It is therefore proposed that further to the indication of specific applications for the LGPS, any required changes are brought to future Pensions Board and Pension Fund Committee for discussion and agreement.

CIPFA KNOWLEDGE AND SKILLS FRAMEWORK – PENSION FUND COMMITTEE

4.1 In January 2010 CIPFA launched technical guidance for Elected Representatives on s101 Pension Committees and non-executives in the public sector within a knowledge and skills framework. The framework covers six areas of knowledge identified as the core requirements:

- a) Pensions legislative and governance context;
- b) Pension accounting and auditing standards;
- c) Financial services procurement and relationship development;
- d) Investment performance and risk management;
- e) Financial markets and products knowledge; and
- f) Actuarial methods, standards and practice.

4.2 Although the CIPFA Knowledge and Skills Framework complements the Code of Practice that should be adopted by administering authorities, there is no legal requirement for knowledge and understanding for members of an s101 Pension

Committee. However, the view of Kent Pension Fund is that Members of its Pension Fund Committee shall have no less a degree of knowledge and skills than those required in legislation by the Local Pension Board.

CIPFA KNOWLEDGE AND SKILLS FRAMEWORK – LOCAL PENSION BOARD

5.1 In August 2015 CIPFA extended the Knowledge and Skills Framework to specifically include members of Local Pension Boards, albeit there exists an overlap with the original Framework. The Framework identifies the following areas as being key to the understanding of local pension board members:

- a) Pensions Legislation
- b) Public Sector Pensions Governance
- c) Pensions Administration
- d) Pensions Accounting and Auditing Standards
- e) Pensions Services Procurement and Relationship Management
- f) Investment Performance and Risk Management
- g) Financial markets and product knowledge
- h) Actuarial methods, standards and practices.

5.2 The role of the Local Pension Board is to assist the Committee (i.e. the Scheme Manager). Therefore, Pension Board members shall have sufficient knowledge and understanding of the regulatory structure of the LGPS and administration policy to be able to challenge Kent Pension Fund to comply with regulations and policies.

5.3 Both Kent Pension Board and Committee members shall commit sufficient time to their learning and development. Kent Pension Fund will make appropriate training available to assist and support members in undertaking their roles. The above eight subjects therefore form the basis of the structured training programme prepared for Members and are included in the training plan.

GUIDANCE FROM THE SCHEME ADVISORY BOARD

6.1 The Scheme Advisory Board has taken note of the regulatory requirements and the principles of the Pension Regulator's Code of Practice and in January 2015 published Guidance for administering authorities to support them in establishing their Local Pension Board. The Guidance includes a section designed to help Local Pension Board members to understand their knowledge and understanding obligations.

THE PENSIONS REGULATOR'S E-LEARNING TOOLKIT

7.1 The Regulator has developed an online tool designed to help those running public service schemes to understand the governance and administration requirements in the CIPFA Code of Practice. The online, free toolkit is designed specifically with Local Pension Board members in mind however the material covered is of equal relevance to Pension Fund Committee members.

7.2 Both members of Kent Pension Fund Committee and Kent Pension Board are expected to complete tPR's public service toolkit within 6 months of joining Board or Committee.

7.3 The public service e-toolkit is an easy-to-use resource and covers 7 short modules. These are:

- a) Conflicts of Interests;
- b) Managing Risk and Internal Controls;
- c) Maintaining Accurate Member Data;

- d) Maintaining Member Contributions;
- e) Providing Information to Members and Others;
- f) Resolving Internal Disputes;
- g) Reporting Breaches of the Law

7.4 Member's completion of tPR's e-toolkit (public service pension schemes) will be monitored by regular surveys. Findings will be reported in the Kent Pension Fund Annual Report and Accounts.

THE PENSIONS REGULATOR'S 21ST CENTURY TRUSTEESHIP GUIDANCE

8.1 Members of both the Committee and the Board are encouraged to follow the guidance. This programme was launched to raise the standards of governance across all workplace pension schemes. The programme includes what arrangements need to be in place to support good decision making, as follows:

- a) Clear roles and responsibilities and clear strategic objectives
- b) A skilled, engaged and diverse Committee and Board led by an effective chair
- c) Close relationships with employers, advisors and others involved in running the scheme
- d) Sound structures and processes focused on outcomes
- e) A robust risk management framework focused on key risks

MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE II (MIFID II)

9.1 Kent Pension Fund needs to demonstrate a high level of skills and knowledge across the Committee and Board to enable Kent Pension Fund to opt-up. By doing so, Kent Pension Fund can be recognised as a professional investor rather than a retail investor and continue to receive advice and access to investment products at a level commensurate with the types of investment required for the Kent Pension Fund.

9.2 Failure to adequately demonstrate a high level of collective skills and knowledge across Pension Fund Committee and Local Pension Board could result in the loss of professional investor status and therefore access to the appropriate investment opportunities.

INITIAL INDUCTION & TRAINING

10.1 On joining Pension Fund Committee and Pension Board, all new members will receive an initial induction session and are encouraged to become familiar with the Kent Pension Fund website which provides access to :

- The latest Actuarial Valuation report
- The latest Annual Report and Accounts,
- Fund policies

10.2 Initial training needs will also be discussed and 1:1 sessions with officers offered as appropriate to enable support and settling into roles. To strengthen understanding and awareness of day-to-day operations, Members are also invited to see work in progress and being delivered by officers whilst at Invicta House offices. Where of interest, details to be agreed in advance via email so that sufficient hosting arrangements can be put in place.

10.3 As outlined above, all new Members are expected to complete tPR's e-toolkit (public service pension schemes) within 6 months of joining Pensions Board or Pension Fund Committee.

TRAINING DELIVERY

11.1 Members and senior officers will be encouraged to access a range of training resources. These may include but are not restricted to:

- a) Internally developed training days;
- b) Training delivered by investment managers / consultants during Pensions Board and Pension Fund Committee meetings;
- c) In-house and shared training events where it improves economy, efficiency and effectiveness;
- d) Self-improvement and familiarisation with regulations and documents;
- e) The Pension Regulator's e-learning programme;
- f) Attending courses, seminars and external events such as conferences;
- g) Regular updates from officers and/or advisers;
- h) Circulated reading material;

11.2 Training events will be advertised to members as and when they are notified to officers. Members are expected to make officers aware of any events that are of interest.

COSTS

12.1 All relevant costs relating to this training strategy will be met by Kent Pension Fund (i.e. for event attendance and train travel). Furthermore, assistance with making event bookings and train travel is available from officers; requests for help can be made via email.

MONITORING, REPORTING & COMPLIANCE

13.1 Kent Pension Fund will maintain a record of all training undertaken by Committee and Board members, who will be asked to confirm this record every 6 months via survey.

13.2 Training updates will be regularly taken to Pension Board and Pension Fund Committee to give an overview of the latest training opportunities and to report on training recently completed.

13.3 Information on training completed by individual Members will be included in the Kent Pension Fund Annual Report and Accounts. Information will be recorded on training session attendance. Where consistently poor training attendance is recorded, this will be discussed, and appropriate action taken. For example, repeated non-compliance with the Training Strategy may result in Members being removed from Pension Board or Pension Fund Committee to ensure that sufficient levels of skills and knowledge is collectively held for effective decision making and scrutiny.

13.4 The training plan will be agreed with Kent Pension Fund Committee and Board annually, or as required, to ensure relevancy and sufficient support for Members. In effect, by Members agreement to the plan they are implicitly committing to participate in training.

EFFECTIVE DATE

14.1 Kent Pension Fund first developed its Training Strategy in 2015, and this was approved by the Superannuation Fund Committee (as it was known then) at that time. The Training Strategy was subsequently updated and approved in November 2019 and March 2022. This version of the Training Strategy is to be taken to Pension Board and Pension Fund Committee in March 2024 for approval.

14.2 This updated Training Strategy formalises actions that have been undertaken in association with Pension Fund Committee and Pension Board over the last 12 months. These actions include regular training reporting and monitoring, the provision of training options and the encouragement and assistance offered to Members to participate in relevant external training events.

REVIEW

15.1 This strategy is expected to be appropriate for the long-term, but it will continue to be regularly reviewed, at least formally every 2 years or as required, to ensure it remains accurate and relevant.

15.2 This 2024 Training Strategy is intended to supersede the 2022 Training Strategy. Training is considered to be a live and ever moving target, due to the ongoing changes in the regulatory and policy framework within which Kent Pension Fund sits. The training plan will be designed to incorporate these changes and hot topics as they emerge. Officers will send regular communications to keep Members well informed and aware of the latest developments.

From: Chairman – Kent Pension Fund Committee
Acting Corporate Director of Finance

To: Kent Pension Fund Committee – 26 March 2024

Subject: Communication Policy update

Classification: Unrestricted

Summary:

The Communication Policy sets out the plans concerning the methods of communication with stakeholders of the Kent Pension Fund.

The policy is reviewed and refreshed, where necessary, annually to ensure that it accurately reflects how we communicate with our stakeholders, and this is the first annual review since the policy was introduced in 2023.

Recommendation:

The Committee is asked to consider and approve the Communication policy.

FOR APPROVAL

1. Communication Policy updates

- 1.1 The Fund's new Communication policy for 2024/25 is attached in the **Appendix 1**.
- 1.2 As part of the "Digital by Default" objective, the Fund has undertaken a mailing preference exercise to notify active and deferred members that future Annual Benefit Illustrations (ABI) will be published on member self-service as opposed to being sent out as hard copies in the post. The final active member digital notification letter will be issued at the end of March.
- 1.3 Active members will receive their 2024 ABI electronically via member self-service and will receive an email notification advising them how to logon or register. The members employer will also be advised when the illustrations are available.
- 1.4 Deferred members will receive their final digital notification with their 2024 ABI. The 2025 ABI will be issued electronically via member self-service and members will receive an email notification advising them how to logon or register.

- 1.5 Members have been given the option of opting out of digital communications, and to continue receiving all correspondence by post.
- 1.6 The Communications Policy has been amended to reflect the move to “Digital by Default,” with the Appendix 1 Table of Publications also amended where applicable.
- 1.7 The policy has been updated (Paragraph 3.3) to reflect where links are provided for stakeholders to the national websites provided by the Local Government Association (LGA).
- 1.8 Paragraph 3.4 has been updated to advise stakeholders that pensioner members now have the facility to download a copy of their payslips. The team are currently looking into the same facility for P60s.
- 1.9 Pension Saving Statements (Paragraph 6.3) has been updated to confirm that statements are sent automatically where members have exceeded the annual allowance limit. Statements are also sent to members on request. These will remain as paper statements for 2024.
- 1.10 Paragraph 6.6 has been amended to reflect the change from annual newsletters for active members, to twice a year. The permanent news page on the website has also been included in the policy.
- 1.11 Paragraph 8.3 has been amended to inform stakeholders that the Open Lines newsletter is sent via post in Spring and is online on the Fund website in Autumn.
- 1.12 Paragraph 9.7 has been amended to include the quarterly employer updates that are issued electronically to employers.
- 1.13 Paragraph 9.14 has been amended to reflect the facility for employers to request estimated benefits, including costs, via iConnect.

Amanda Jupp, Communication and Support Team Manager

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March 2024



KENT PENSION FUND

COMMUNICATION POLICY 2024/25



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PURPOSE

- 1.1. The purpose of this policy is to publish a statement setting out the plans concerning the methods of communication with stakeholders of the Kent Pension Fund ('the Fund').
- 1.2. This document is to be presented to the Pension Fund Committee for approval on 26 March 2024.

REGULATORY FRAMEWORK

- 2.1. The policy has been produced in accordance with Regulation 61 of the Local Government Pension Scheme (Administration) Regulations 2013.
- 2.2. The Regulation requires that an administering authority must prepare, maintain, and publish a written statement setting out its policy concerning communications with:
 - members
 - representatives of members
 - prospective members
 - scheme employers
- 2.3. In particular, the statement must set out its policy on:
 - the provision of information and publicity about the scheme
 - the format, frequency, and method of distributing information or publicity
 - the promotion of the scheme to prospective scheme members and their employers
- 2.4. The communication policy must be revised and republished following any change in policy on any of the matters referred to in 2.3.
- 2.5. For the purposes of this policy, published means being accessible on the publicly available website [Kent Pension Fund](#).

GENERAL COMMUNICATION

- 3.1. The Fund encourages members and employers to use electronic methods to send documents.
- 3.2. The Fund provides scheme members and potential scheme members with information on the benefits of the Local Government Pension Scheme (LGPS) using various mediums.
- 3.3. LGPS support is available nationally through websites and guidance for both employers and scheme members. The Fund communications will continue to reference these national resources, together with material provided by pension industry experts. The [Fund](#) website also provides links for members and employers to the national websites provided by the Local Government Association (LGA).
- 3.4. The Fund will continue to support collaboration and development of communication media with other administering authorities through membership of the Communications Working Group. The group is run by the Local Government Pensions Committee Secretariat (LGPC), as part of the LGA.
- 3.5. News items and blogs are produced on the website regularly as the need arises, to highlight current issues, upcoming changes or to provide articles of interest.
- 3.6. The Fund communicates with the Pension Fund Committee and Local Pension Board in various ways as set out by the [Terms of reference for the Kent Local Pension Board \(kentpensionfund.co.uk\)](#) and the [Terms of reference for the Kent](#)



- 3.7. The Fund communicates information about the investment decisions made by the Pension Fund Committee and Local Pension Board via the newsletters and on the Fund website.
- 3.8. The Fund recognises that its staff are its greatest resource and that they are kept informed about the Fund's aims to deliver an outstanding and 'best-in-class' service to members and employers.
- 3.9. This is achieved via the use of email, internal and on-line meetings, quarterly performance reviews, internal and external training events on specific topics, together with the opportunity to study for professional qualifications. There is a dedicated training team who provide expert tuition on the LGPS and the wider pensions industry.
- 3.10. The Fund will be obtaining feedback periodically from different member groups and employers and will publish all relevant results on the websites.
- 3.11. The Table of Communications in Appendix 1 of this document details the Fund's method of communication, intended audience, publication media, frequency, and method of distribution.
- 3.12. All prospective, active, deferred and pensioner members have access to the following:
- **Major changes to scheme regulations** are communicated to member groups and are published on the website in an effective, straightforward, and timely manner.
 - **Kent Pension Fund website** has dedicated areas for all members. It includes information about the scheme, guides, factsheets, and forms. Customers can request a paper copy of information or documents by contacting their employer (if applicable) or the Fund. Members and employers can use the online enquiry and document upload form on a secure area of the website.
 - **The Pensions Customer Helpline** is available Monday to Friday. The current opening times are available on the Kent Pension Fund website. The telephone number is 03000 41 34 88.
 - **Written Correspondence** can be sent to the Fund, together with forms and certificates. The address is Pension Section, Sessions House, County Hall, Maidstone, Kent, ME14 1XX.
 - **One to one appointments** with a member of the Kent Pension team are available Monday to Friday via Teams on request, during the opening times of the pensions customer helpline.
- 3.13. All active, deferred and pensioner members have access to [member self-service](#) which is an online secure facility for members of the Fund, hosted by Heywood Pension Technologies Ltd. Registered members can:
- view a summary of the details the Fund holds for them and keep their personal details up to date
 - create, view, and update their expression of wish for any death grant that may be payable
 - perform quotations for deferred benefits and future benefits (depending on member status)
 - view figures for P60s and pay slips (pensioner members). Members can also download a copy of their pay slips.
- 3.14. To encourage members to engage with their pension, the Fund are integrating member self-service with standard work processes, to increase take up across all membership groups.
- 3.15. The Fund is committed to offering electronic methods of communication to members and will implement additional features of member self-service as identified.



- 3.16 Monthly website and member self-service data is recorded to monitor the usage and member registration numbers, to measure the success of campaigns run by the Fund.

PROSPECTIVE MEMBERS

- 4.1. A dedicated area of the website is provided for those thinking of joining the scheme containing information, guides, and factsheets.

REPRESENTATIVES OF SCHEME MEMBERS

- 5.1. Scheme information, guides and factsheets are available on the website. Individual pension information is provided to representatives on the written authorisation of the scheme member, with the exception of transfer of pension benefits.

ACTIVE MEMBERS

- 6.1. Active members are members who are in employment and contributing to the Fund.
- 6.2. Employers will enrol relevant employees into the scheme and provide scheme information and forms on joining. When the employer notifies the Fund, a welcome letter is sent to the member with further information regarding the pension scheme.
- 6.3. An illustration is available on member self-service to members of their pension benefits by 31 August each year. Members can request a paper copy of their illustration if preferred. The illustration shows the basic information that is held about the member, such as the pay used for pension purposes. It gives an illustration of the pension benefits built up to the previous 31 March and also includes the death grant lump sum, should the member die in service.
- 6.4. A pension saving statement is automatically sent to members if they have exceeded the annual allowance limit or is sent to members by request. This is in relation to the growth in their pension benefits in the year ending 5 April. The communication is sent to members by the following 6 October.
- 6.5. The Fund arranges a programme of online and face to face events each year to meet with groups of members. These events are arranged either in conjunction with employers or are advertised to members of the scheme via the newsletters or on the website.
- 6.6. Newsletters will be provided to members twice a year and published on the Fund website. Each newsletter will include articles regarding the scheme and other useful information. There is also a permanent news page on the Fund website.
- 6.7. The Fund invites members to volunteer for the member feedback group, whose purpose is to gather feedback of services used and act as a testing group for future projects.

DEFERRED BENEFIT MEMBERS

- 7.1. Deferred benefit members are members who have stopped contributing to the LGPS with the Fund and have a benefit held in the Fund which is payable at retirement age.
- 7.2. Deferred benefit illustrations are sent to members before 31 August each year, giving an illustration of their current deferred pension benefits held in the Fund.
- 7.3. The Fund arranges a programme of online events each year to meet with groups of members. These events are advertised to members of the scheme via the newsletters or on the website.
- 7.4. Newsletters will be provided to members annually and published on the Fund website. Each newsletter will include articles regarding the scheme and other useful information. There is also a permanent news page on the Fund website.

PENSIONER MEMBERS

- 8.1. Pensioner members are members who are in receipt of a pension from the Fund.
- 8.2. The Open Lines newsletter is provided to pensioner members twice a year, in spring and autumn. It is produced in conjunction with Kent Active Retirement Fellowship (KARF). The newsletter includes:
- articles about topical issues
 - KARF news and activities and



- provides a state benefit update with a dedicated helpline to contact.
- 8.3. The spring issue is sent via post and includes details about the annual pension increase and tax information for the new financial year. The autumn edition is published on the Fund website.
- 8.4. Members can opt out of receiving Open Lines. Those members will receive a letter in the spring instead, detailing information about the annual pension increase. Members have the option to choose to receive Open Lines as a link by email or by post.
- 8.5. Payslips are issued in paper format to the members' home address once a year in April and at any other time during the year if:
 - the pay differs by more than the current minimum limit, as shown on the [Kent Pension Fund](#) website.
 - there is a change of bank details.

Payslips are available to view on [Member Self-Service](#), together with the P60.
- 8.6. A dedicated pension payroll helpline, 03301 249993 is available Monday to Friday 9am to 5pm. Pension payroll also have a dedicated mailbox, pensions.payroll@hrconnect.org.uk
- 8.7. Kent Active Retirement Fellowship (KARF) was set up in 1997 by people in receipt of a pension from the Fund. KARF provide their members with the opportunity to meet with other retired people with similar interests. The local branches offer a variety of activities and events, including social, cultural, educational, leisure and fellowship.
- 8.8. The Fund is independent of KARF but help promote their activities by including information in the Open Lines newsletter, having a dedicated KARF area on the website and including information in the benefit letter to newly retired members.
- 8.9. Overseas proof of life verification is carried out regularly to confirm that the pensioner members who are residing overseas remain entitled to receive their pension.

EMPLOYING AUTHORITIES

- 9.1. Employing Authorities are employers that offer membership of the pension scheme to their employees.
- 9.2. The Fund supports employers to enable them to fulfil their statutory role in the Fund by providing regular relevant information and access to various types of resources. The [Administration Strategy](#) sets out the Employer and Fund responsibilities to administer the scheme.
- 9.3. The Communication and Support team are a dedicated team of officers who provide support to employers. Each officer has responsibility for a group of employers, and they provide guidance, training and support by phone, email, and visits in person.
- 9.4. The Fund provides a forum for employers twice a year, in June and December. The forums include presentations on topical issues, an administrative update, employer discussion session, etc.
- 9.5. As the need arises, specialist forums are arranged for employers, for example, when there are major changes in the scheme or overriding legislation. These are held at different venues around Kent.
- 9.6. Any major changes in the scheme regulations or policies are notified to employers. In the event of significant changes, additional specialist forums are provided, as detailed previously.
- 9.7. Updates are sent to employers by email when news and changes have occurred that require a summary notification. Quarterly employer updates are also sent in March, June, September and December and there is a permanent news page for employers on the Fund website.
- 9.8. The Fund's website has a dedicated secure area for employers, which is accessed via an individual password. The website includes information and guidance about the scheme, template letters, forms, etc., as well as offering a secure portal where employers are able to send in documentation.
- 9.9. The Communication and Support officers visit employers upon request or when the officer believes they may need help and guidance.
- 9.10. Officers train employers on pension issues upon request or when the officer believes they may need training.
- 9.11. The Fund offer a programme of on-line webinars to all employers on specific topics and will advertise these using the employer newsletter and on the website.



- 9.12. Officers attend meetings with employers on request, including those with their HR and Payroll departments or providers.
- 9.13. The Communication and Support officers will provide additional support to new employers, to assist in their understanding of the roles and responsibilities as an employer, and to provide guidance on Fund processes.
- 9.14. The Fund provides access to iConnect for employers, which enables monthly payroll updates and the facility to request estimated benefits, including costs.
- 9.15. The Fund will onboard employers to iConnect on an ongoing programme, with the aim to have all employers using this portal in the future. iConnect will become mandatory once all existing employers have been onboarded and any new employers admitted to the Fund will automatically onboard to iConnect.

ACCESSIBILITY

- 10.1. The Fund is committed to ensuring communications are accessible to all stakeholders and recognises the requirement for different methods of communication for different members.
- 10.2. To achieve this, the Fund will ensure that all communications use plain English and where possible, are available in alternative formats as requested.
- 10.3. The Fund is committed to developing further use of electronic means of communicating through email, websites, and member self-service. Communications will be issued to all stakeholders to encourage interaction by electronic means, whilst also offering other mediums.
- 10.4. The Fund is committed to ensuring that the [Fund](#) website, together with the documents available on the website, meet the [Web Content Accessibility Guidelines \(WCAG 2.1\)](#)

PRIVACY POLICY

- 11.1. As the Administering Authority, the Fund holds certain information about scheme members ("personal data") which is needed to administer the Fund.
- 11.2. Further information about the data held and how it is used can be found in the [full privacy notice](#) (PDF, 331.9 KB).

FREEDOM OF INFORMATION

- 12.1. Anyone has a right under the Freedom of Information (FOI) Act to request any information held by the Fund which is not already made available.
- 12.2. FOI requests will be dealt with openly and swiftly.
- 12.3. Requests should be made in writing, by email or online to the Information Resilience and Transparency Team at the address at the end of this document.
- 12.4. A fee may be charged in line with the published FOI guidance.

REVIEW

- 13.1. The policy will be reviewed annually and updated sooner if the information included within it requires reconsideration.

FURTHER INFORMATION

Please use the [online enquiry form](#) to contact the Fund or send documents electronically.

Alternatively, you can call: Telephone: 03000 41 34 88

The current opening times are available on the [Kent Pension Fund](#) website.

To call from abroad dial +44 3000 41 34 88

Calls cost the same as 01 and 02 numbers and are included in free call packages.

Employers can contact their [Communication and Support Officer](#)

If you have a Freedom of Information request, please refer to the [Making a Freedom of Information Request](#) information available online.

Alternatively, you can email the request at: freedomofinformation@kent.gov.uk



Or write to at:

Information Resilience and Transparency Team
 Kent County Council
 Room 2.64 Sessions House
 County Hall
 Maidstone
 ME14 1XQ

APPENDIX 1: TABLE OF PUBLICATIONS

	Frequency	Format	Method of Distribution
Changes in Legislation	As necessary	Email	Email to employers
Material Alterations to Basic Scheme Information	As soon as possible and within 3 months after the change takes effect.	Website Email Paper Based	Letter or email to all stakeholders and online
Guides and factsheets for members and employers	Always available	Website Paper Based on request	Online or sent to home address
Pension Fund Report and Accounts	Annual	Website Paper Based on request	Online or sent to home address
Pension Fund Policies	Always available	Website Paper Based on request	Online or sent to home address
Valuation Report	Always available. New report every 3 years.	Website Paper Based on request	Online or sent to home address
Welcome letter to new members	As necessary	Email Paper Based Member Self Service	Email or sent to home address
Annual Benefit Illustration to members	Annual	Email Paper Based Member Self Service	Statements available via Member Self Service or sent to home address on request.
Deferred Benefit Illustration to members	Annual	Email Paper Based Member Self Service	Currently sent to home address. Future statements will be available via Member Self Service or sent to home address on request.
Newsletters - Members	Active members – twice a year Deferred members - annually Pensioner members - twice a year	Email Paper Based Online	Email, sent to home address and available online.



	Frequency	Format	Method of Distribution
Pension Saving Statements	Annual	Paper Based	Currently sent to home address. Future statements will be available via Member Self Service or sent to home address on request.
Customer Satisfaction Feedback	Annual and ad hoc	Electronic, Face to Face or paper based	E-mail, in person or via post
P60	Annual	Paper Based Member Self Service	Sent to home address and available via Member Self Service.
Payslip	Monthly (see 8.5 for conditions of issue)	Paper Based Member Self Service	Sent to home address and available via Member Self Service.
Overseas proof of life certificate	Annual	Online and Paper Based	Sent to home address
Member webinars / presentations	On request via employer and on a regular programme	Online and face to face	Via employer or online
One to one meeting with members	On request	Online	Online
Training for new employers	As necessary	Online and face to face	In person or online
Newsletter - Employers	Quarterly	Email	Email to employers
Employer Forum	Twice a year	Online and face to face	In person or online
Employer Working Group	As necessary	Online and face to face	In person or online
Ad hoc Employer Training and meetings	On request	Online and face to face	In person or online
Telephone helpline to the Fund	Always available during advertised hours		
Online enquiry and document upload form	Always available		
Member Self Service	Always available		
Fund website	Always available		
National websites (promoted in Fund publications)	Always available		



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From:	Chairman Pension Fund Committee Acting Corporate Director of Finance
To:	Pension Fund Committee – 26 March 2024
Subject:	Investment Performance and Asset Allocation Update
Classification:	Unrestricted

Summary:

This report provides an update on the Fund's asset allocation, performance and cashflow position. Performance reporting is prepared on a quarterly basis while asset allocation (rebalancing) decisions are based on the latest month-end valuations available. Accordingly, performance is reported as at 31 December 2023 while asset allocation is discussed with reference to the Fund's value as at 31 January 2024. Detailed performance information is provided in the *Quarterly Fund Performance Report* found at Appendix 1.

Recommendation:

The Committee is asked to note the report and agree that no rebalancing is undertaken (paragraph 1.3).

FOR DECISION

1. FUND VALUE AND ASSET ALLOCATION

- 1.1 As of 31 January 2024, the Fund's value was £7.84bn (compared to £7.69bn as at the 31 October 2023, the most recent value reported to the Committee). The table overleaf sets out the current asset allocation versus the Fund's new strategic asset allocation and its revised rebalancing policy.
- 1.2 During the reporting period, and in accordance with the implementation plan approved by the Committee at its December meeting, the Fund reduced its allocation to Absolute Return to align with the new (reduced) strategic weight of 5% for the asset class by redeeming £167m from Pырford and investing the proceeds as cash in the risk management framework. The Fund also terminated its synthetic UK equity exposure (as per the implementation plan) reducing the overweight position to UK equity, which now stood at 4.9% as at 31 January 2024. A further update on the progress of the implementation plan is provided in a separate item on today's agenda.
- 1.3 UK Equities and Emerging Market Equities are overweight and underweight, respectively vs the Fund's rebalancing policy. At its last meeting, the Committee approved decisions to bring these positions into line with the new target weights and therefore there is no immediate requirement for any further rebalancing. Accordingly, officers recommend that no routine rebalancing is undertaken.

Asset Class / Fund Manager	Strategic Asset Allocation	Tolerance Band	Current Asset Allocation		Variance	Status
	(%)	(%)	£m	(%)	(%)	
Equities	53.0%	+/- 10%	4,148.7	52.9%	-0.1%	In Range
UK Equities	10.0%	+/- 2.5%	1,171.0	14.9%	4.9%	Overweight
Schroders			1,168.6	14.9%		
Link Fund Solutions			2.4	0.0%		
Global Equities	38.0%	+/- 5%	2,977.7	38.0%	0.0%	In Range
Schroders GAV			432.0	5.5%		
IMPAX Funds			69.2	0.9%		
Baillie Gifford			1,102.1	14.1%		
M&G Global Diversified			555.7	7.1%		
Sarasin			394.2	5.0%		
Insight (Synthetic Equity)			424.6	5.4%		
Emerging Market Equities	5.0%	+/- 2.5%	0.0	0.0%	-5.0%	Underweight
Fixed Income	22.0%	+/- 5%	1,799.4	22.9%	0.9%	In Range
Credit	15.0%	+/- 5%	1,195.7	15.2%	0.2%	In Range
Goldman Sachs			414.8	5.3%		
CQS			252.8	3.2%		
M&G Alpha Opportunities			270.6	3.5%		
Schroders Fixed Income			257.5	3.3%		
Risk Management Framework	7.0%	N/A	603.7	7.7%	0.7%	N/A
Insight			603.7	7.7%		
Alternatives	25.0%	+/- 10%	1,846.2	23.5%	-1.5%	In Range
Absolute Return	5.0%		403.3	5.1%	0.1%	N/A
Ruffer			175.1	2.2%		
Pyrford			228.2	2.9%		
Infrastructure	5.0%	N/A	340.6	4.3%	-0.7%	N/A
Partners Group			340.6	4.3%		
Private Equity	5.0%	N/A	373.2	4.8%	-0.2%	N/A
YFM			85.5	1.1%		
Harbourvest Intl			287.7	3.7%		
Property	10.0%	N/A	729.1	9.3%	-0.7%	N/A
DTZ Direct Property			460.8	5.9%		
DTZ Pooled Property			60.4	0.8%		
Fidelity International			136.6	1.7%		
Kames Capital			28.4	0.4%		
M&G Property			43.0	0.5%		
Cash	0.0%	+5%	48.7	0.6%	0.6%	In Range
Total	100.0%		7,843.0	100.0%		

2. INVESTMENT PERFORMANCE

2.1 The Fund's quarterly and longer-term performance as of 31 December 2023 is summarised below. Further detail is provided in the *Quarterly Fund Performance Report* found at Appendix 1.

Investment performance: quarter to 31 December 2023

2.2 The Fund's investments returned 1.42% in the three months to 31 December 2023, compared to the benchmark return of 3.05%. The relative negative return vs the benchmark is largely attributed to the Fund's equity protection program, which detracted (as expected) during a strong quarter for equities. The program reduces the overall volatility associated with equities by limiting losses and gains vs the benchmark.

2.3 **UK equities** exhibited a relatively poor performance compared to global peers, despite strong showings from the Financials and Consumer Goods sectors. Small caps produced significantly higher returns than large caps, with returns of 6.3% and 2.3% respectively. The Fund's UK equity manager, Schroders, trailed the benchmark marginally during the quarter with a return of 2.12% (versus the benchmark return of 3.14%).

2.4 **Global equities** performance was positive over the quarter, returning 6.3% in sterling terms. This was lower than the local currency returns of 9.3%, due to the appreciation of sterling versus the dollar. The "Magnificent-Seven" continued their rally and played a big role in the strong performance, supported by expectations of interest rate cuts and a soft landing in the US. Emerging markets did not perform as well as developed markets during the quarter, due to the ongoing struggles with China's property sector.

2.5 Following the above, and despite an underweight holding to the "Magnificent-Seven," most of the Fund's active global equity managers outperformed the benchmark returns this quarter. The exceptions to this were the Fund's global active value manager, Schroders, and the global thematic equity manager, Sarasin.

2.6 The increase in the global equity valuations meant that the equity protection program decreased by £195m during the quarter.

2.7 The **Fixed income** managers all outperformed during the quarter to 31 December 2023, amidst shifting market dynamics. All four managers outperformed their benchmarks, with GSAM having the highest outperformance with a return of 6.05% vs the benchmark return of 0.86%. This notable performance occurred against a backdrop of sharp declines in 10-year global government bond yields, which are attributed to the lower-than-expected inflation figures, as well as dovish stances seen from the central banks. UK real yields also experienced declines across the yield curve, again influenced by inflation data as well as the expectation of interest rate cuts. Additionally, spreads on UK investment grade credit tightened over the quarter, which is a factor in the strong performance seen from the Fund's fixed income managers.

2.8 **Property** returns continued to decline during the quarter and the Fund's property managers lagged the benchmark return of -1.35% except for the DTZ- (previously Kames/Aegon) managed Active Value fund which is in wind down stage and managed to release higher than book value on some disposals. The

DTZ Fund achieved a slightly better return than the benchmark of -0.9% vs -1.16%.

- 2.9 Both **absolute return** managers benefitted from the rally in bond and equities and outperformed the RPI linked benchmark of 1.3% during the quarter, with the **private equity** mandate also benefitting from improved valuations this quarter.

Longer term performance

- 2.10 For the year ended December 2023, the Fund achieved a return of 2.98% against a benchmark return of 8.65%, an underperformance of 5.67%.
- 2.11 Against a backdrop of gradual disinflation and renewed expectations of interest rate cuts, bonds have performed well over 2023. All the Fund's bond managers have significantly outperformed the cash benchmark in the 1-year period. CQS were the best performing manager with a return of 12.45% against a benchmark of 4.66%.
- 2.12 Despite strong returns from fixed income managers over the year, performance has lagged on a total Fund level. This has been mainly caused by relative underperformance from each of the Fund's equity managers, with the exception of Baillie Gifford who produced a 1-year return of 14.56% vs the benchmark of 13.26%. Much of this underperformance by the Fund's active managers can be attributed to an underweight holding of the "Magnificent-7" tech stocks, which have mainly driven the rally in the global equities. The equity protection also had a negative impact on the Fund returns.
- 2.13 Moreover, the absolute return mandates largely underperformed versus the benchmark with Ruffer detracting significantly after trailing the benchmark by 16.72%. Property as an asset class has had a challenging year with a benchmark return of -0.51% and Fund's property managers lagged the benchmark, except for DTZ which returned 1.08% over the year.
- 2.14 For the three-year period, the Fund achieved a return of 2.47% compared to its strategic benchmark of 6.12%, an underperformance of 3.65%.
- 2.15 Benchmark equity returns have been strong during the three-year period with UK and Global equity indices returning 9.18% and 8.24% respectively, and value style investments leading the rally. Unsurprisingly during the three-year period, the Fund's value managers Schroders and M&G have outperformed the benchmark with 11.09% and 9.37% returns, respectively whilst the Fund's growth manager Baillie Gifford significantly underperformed with -7.48% against a regional benchmark return of 7.19%.
- 2.16 The equity protection programme has detracted from performance over this period too, as equities have rallied. As noted above, the program reduces the overall volatility associated with equities by limiting losses and gains vs the benchmark.
- 2.17 The alternative investment managers have been the best performers in the three-year period and the absolute return managers produced the worst performance against their RPI linked benchmark return of 13.66% in this prolonged period of high inflation.

3. CASH FLOW

3.1 The cash balance as of 31 December 2023 was £24.6m, down from £28.6m at the end of the previous quarter.

3.2 Forecast Fund cash flows are summarised in the table below.

	2023-24	2024-25	2025-26	2026-27
	March Qtr	Full year	Full year	Full year
	£m	£m	£m	£m
Opening cash balance	24.6	8.6	-1.5	139.9
Revenue				
Pensions Contributions	74.8	299.0	311.0	324.0
Property Income	4.0	16.8	17.3	17.9
Total inflows	78.8	315.8	328.3	341.9
Outflows				
Pensions Payments	-76.5	-310.0	-319.0	-328.0
Admin, Governance and Oversight	-0.3	-6.3	-7.1	-7.3
Investment Management Fees	-1.1	-4.6	-4.8	-5.0
Total outflows	-77.9	-320.9	-330.9	-340.3
Net Revenue cashflow	0.9	-5.1	-2.6	1.6
Investments				
YFM	-2.9	9.0	23.0	20.0
Partners Group	-22.0	-40.0	63.0	110.0
Harbourvest	-10.0	-10.0	48.0	100.0
Property redemptions*	18.0	24.0	10.0	10.0
Woodford Receipt		12.0		
Net investment cashflow	-16.9	-5.0	144.0	240.0
Closing Cash balance	8.6	-1.5	139.9	381.5

*Does not include proceeds from future sale of Battersea Park property

3.3 Key observations to note are:

- Higher inflation linked pension payments are causing estimated pension benefit payouts to marginally exceed pension contribution income in the short run. This trend is likely to continue until at least the next valuation period.
- The Fund currently reinvests its investment income although takes some property related income in cash to meet its cashflow requirements.
- The cash flow excludes sale proceeds of £167m, redeemed from Pyrford in January 2024 as part of the implementation of the new strategic asset allocation. The redemption proceeds are being held with Insight in a liquidity fund and are available to meet the Fund's cash flow requirements in addition to in house cash balances at two days' notice.
- The cash flow above does not take into account other rebalancing activities to be undertaken in the new Strategic Asset Allocation (SAA) as these are expected to net to zero.

- However, there will be an implication on cashflows for additional commitments for increased allocations to alternative asset classes per the new SAA. This is discussed further under the Investment Strategy Implementation item elsewhere on the Committee's agenda.
- Cash required for collateral will also be reviewed by Insight after the Systematic Equity Protection is fully implemented.

4. INVESTMENT STRATEGY STATEMENT

- 4.1 Following its approval by the Committee on 12 December 2023, the revised Investment Strategy Statement (ISS) came into force with immediate effect. The updated ISS has been published on the Fund's website and is available at the following address:

<https://www.kentpensionfund.co.uk/local-government/about-us/management-of-the-fund/policies>

Appendices

Appendix 1 – Quarterly Fund Performance Report – Q4 2023

James Graham, CFA (Pension Fund and Treasury Investments Manager)

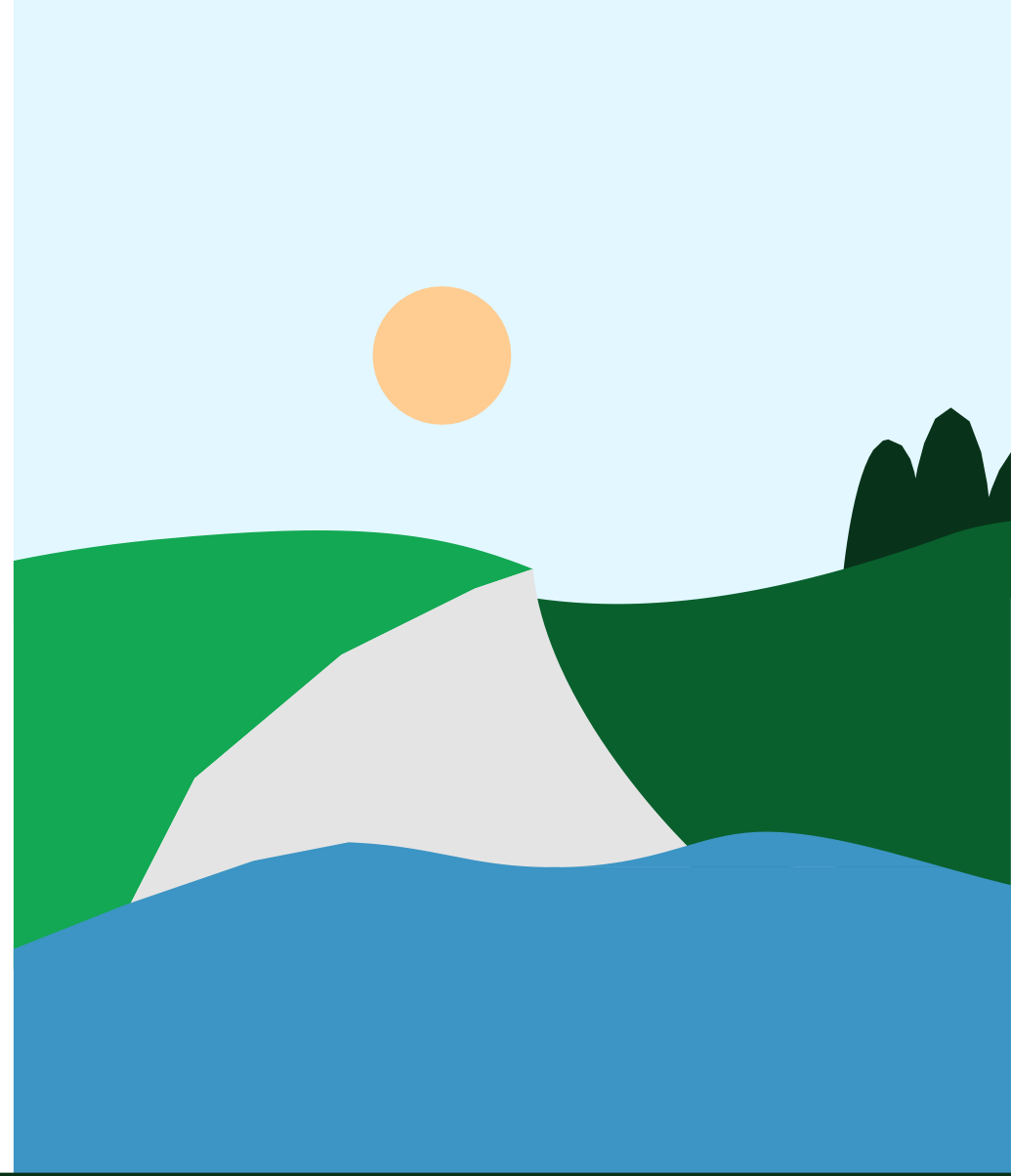
Sangeeta Surana (Investments, Accounting and Pooling Manager)

T: 03000 416290 / 03000 416738

E: james.graham@kent.gov.uk / sangeeta.surana@kent.gov.uk

March 2024

Kent Pension Fund
Q4 2023 Fund Performance



Market Commentary

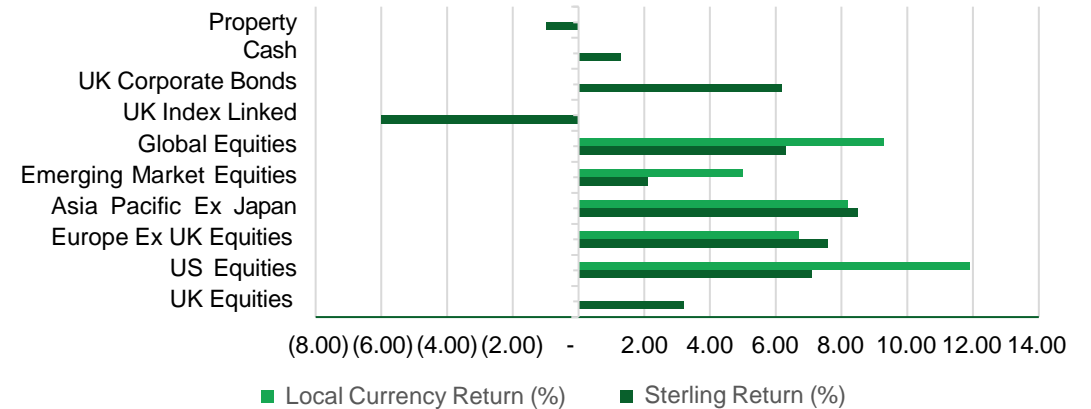
- The fourth quarter of 2023 started off with low expectations owing to high long-term interest rates and renewed geopolitical tensions in the Middle East. Markets reached their lows near the end of October due to risk-off sentiment. However, in November, slowing inflation in the US and other regions raised hopes that interest rates may have peaked, thereby boosting investor confidence. Over the quarter, the US Federal Reserve kept rates unchanged, shifting towards a dovish tone. Inflation expectations also continued to decline over the quarter. During the quarter, global equities were positive as the Fed signalled interest rate cuts in 2024. Developed markets outperformed emerging markets amid concerns over China's property sector.
- US GDP growth estimates appear to have accelerated in the third quarter of 2023, with the economy growing at an annualised rate of 4.9%, primarily driven by strong consumer spending. Headline US CPI fell over the fourth quarter decreasing to 3.1% in November from 3.7% at the end of September. Core US inflation has been declining in recent months. The Federal Reserve at its December meeting decided to maintain policy rates at 5.25% to 5.50%. As at quarter end, the Fed economic forecasts show rates to be at 4.6% in 2024, anticipating that the policy rate will be 50 basis points lower by the end of 2024 than it was previously expecting (4.6% vs 5.1%).
- China's economy grew 4.9% (year-on-year) in Q3. Chinese policy makers remain committed to supporting the Chinese economy. Over the quarter they announced numerous stimulus measures aimed at supporting ailing sectors of the economy, in particular the housing sector. Most significantly over the quarter they announced the issuance of a 1-trillion-yuan special government bond. Exports growth ticked up in November, but external demand continues to be relatively weak. China's central bank kept their key interest rate unchanged at 3.45% in its December meeting. Japan's economy contracted at its fastest annualized quarterly pace in two years in Q3 (-2.9%), as rising domestic inflation weighed on consumer demand, adding to export woes.

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- Quarter on quarter GDP growth contracted in the eurozone in Q3 2023 by 0.1%. A global manufacturing slowdown is proving to be quite the headwind for Germany, where much of the economy is driven by manufacturing demand. Domestic demand in the eurozone remains positive and is continuing to boost Spanish and French GDP. Headline inflation in the eurozone has declined to 2.9% in December from 4.3% in September. The European Central Bank maintained interest rates at 4% in its recent meeting.
- UK GDP growth is estimated to have declined 0.1% in the third quarter of 2023. Headline inflation in the UK fell to 3.9% in November from 6.7% in September. The positive inflation momentum was driven by declining energy prices. The Bank of England maintained interest rates at 5.25%.

Source: Mercer LLC

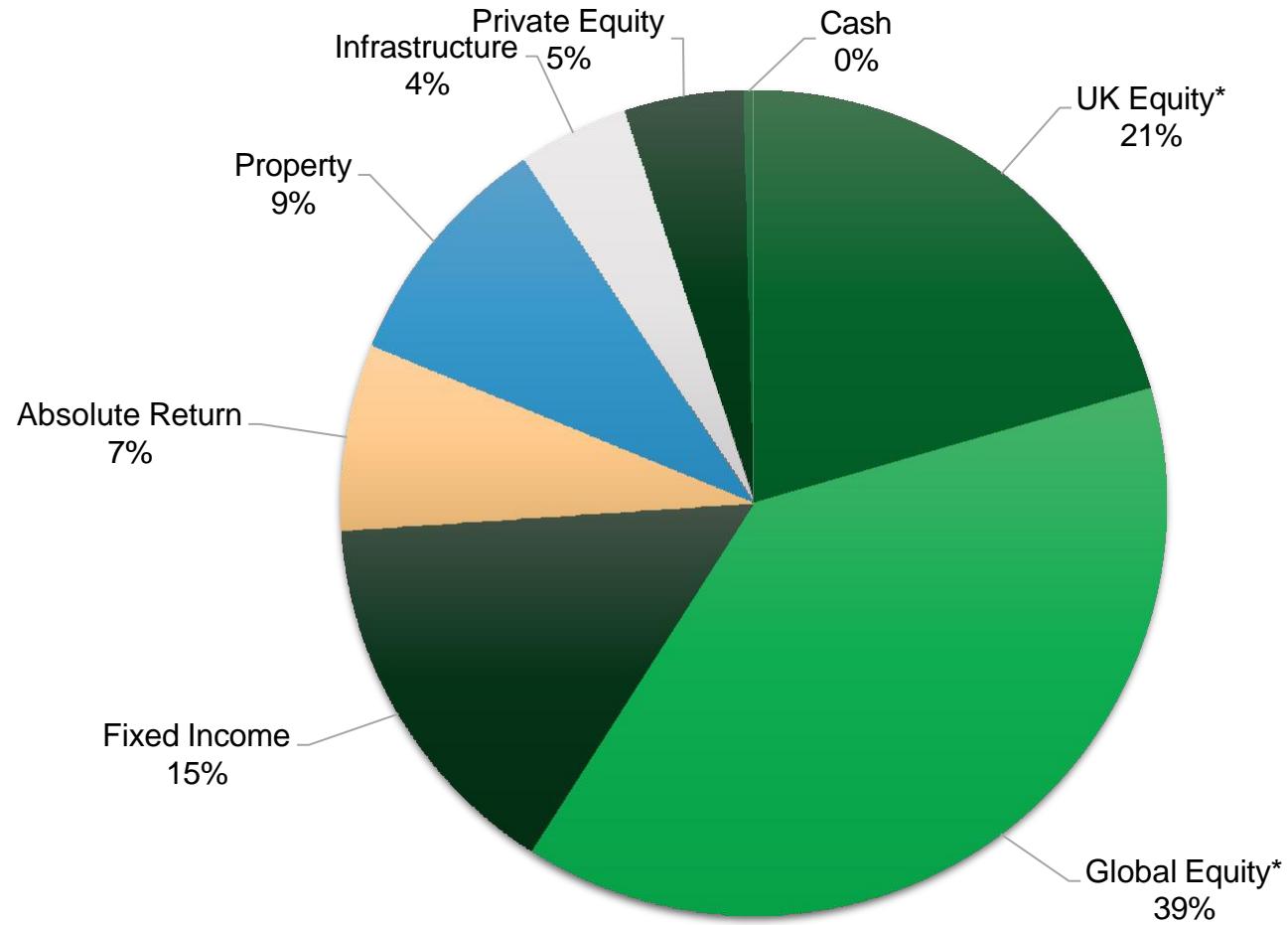
Market Returns (%)



Source: Mercer LLC and Refinitiv



Asset Allocation - 31 December 2023



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*Synthetic Equity exposure with Insight is included within UK and Global Equity.

Source: Northern Trust, RADAR Reporting



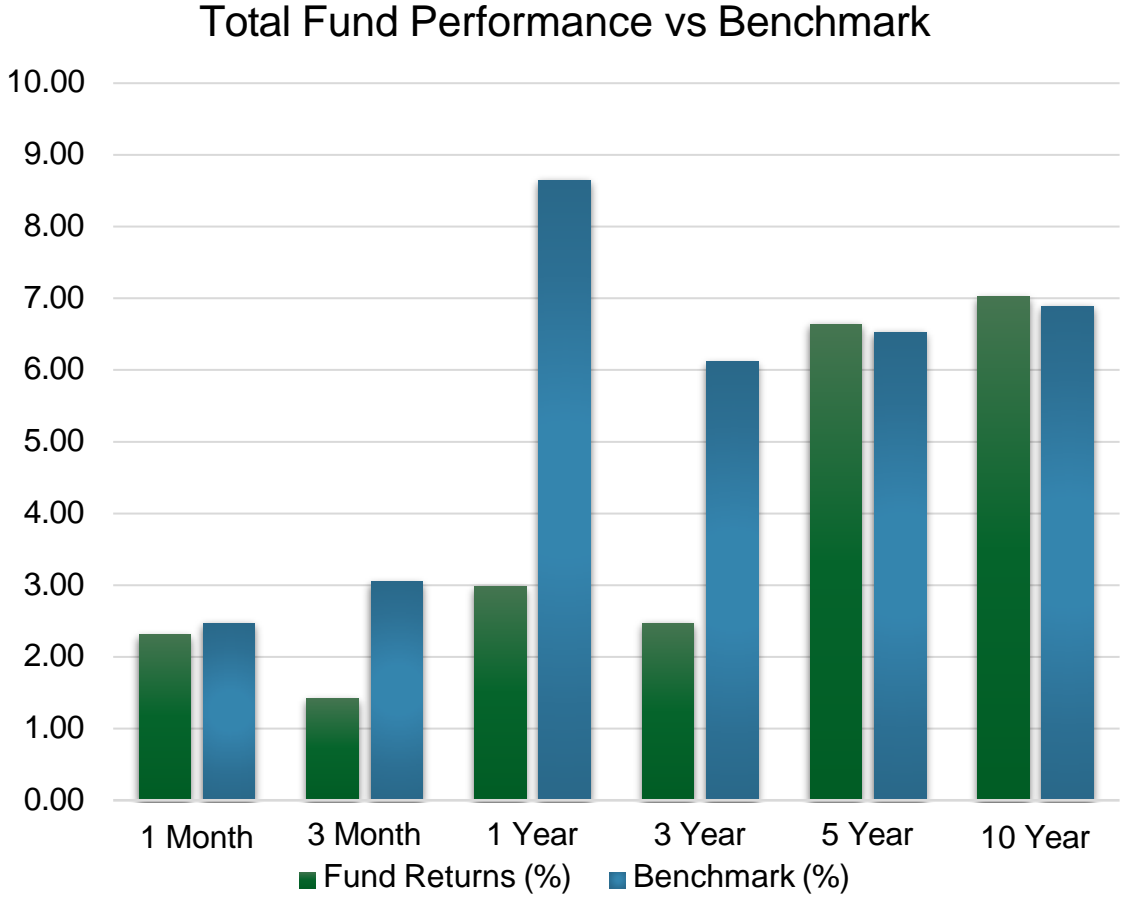
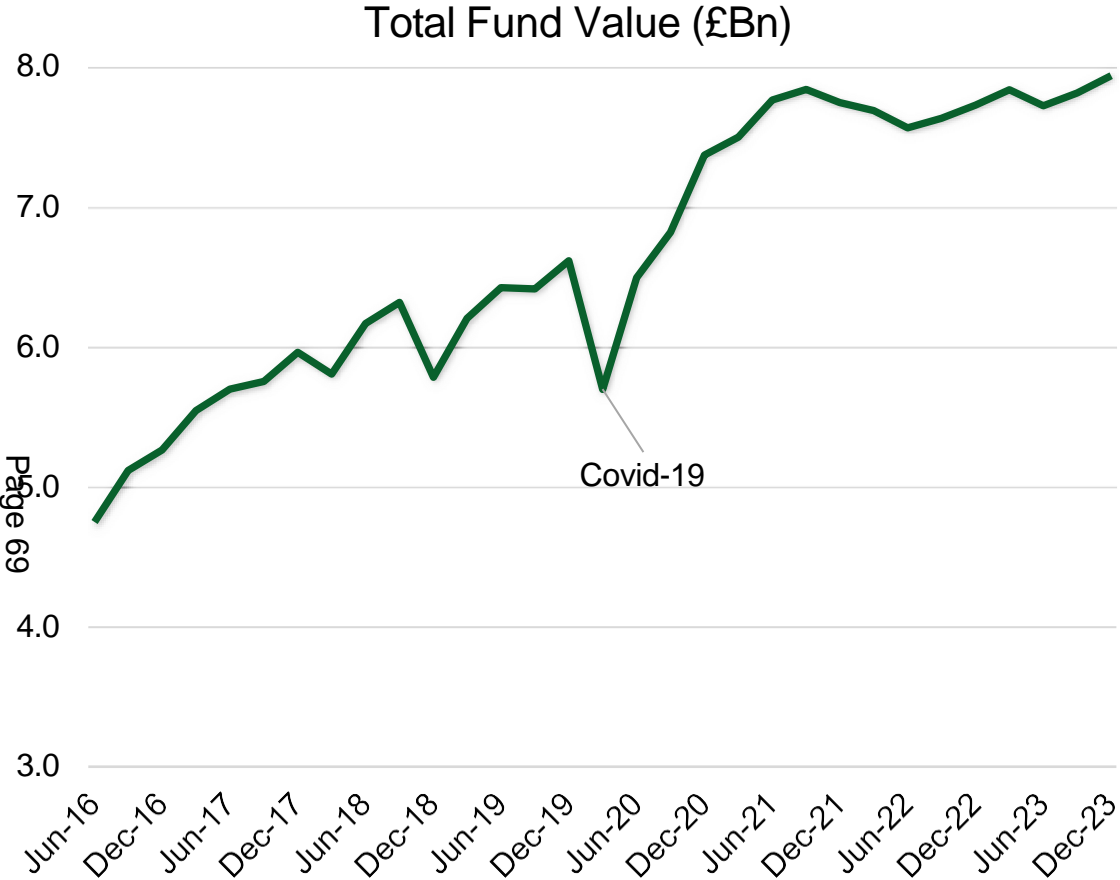
Kent Pension Fund

Fund Manager Summary

Asset Class	Fund Manager	Market Value - 31 December 2023 (£m)	Market Value - 30 September 2023 (£m)	Change in MV (£m)	% of Total	
UK Equity	Schroders UK Equity	1,214	1,189	25	15.2	
	Woodford Equity	2	2	-	0.0	
Global Equity	Impax	72	67	5	0.9	
	Sarasin	391	372	19	4.9	
	Baillie Gifford	1,131	1,042	89	14.2	
	Schroders Global Active Value	435	422	12	5.5	
	M&G Global Dividend Fund	562	523	39	7.1	
	Insight	900	1,039	-139	11.3	
Equity Protection	Insight	900	1,039	-139	11.3	
	Fixed Income	CQS	249	239	10	3.1
		Goldman Sachs	415	391	23	5.2
		Schroders Strategic Bond Fund	256	241	15	3.2
M&G Alpha Opportunities		267	259	8	3.4	
Absolute Return	Ruffer	181	177	4	2.3	
	Pyrford	398	381	17	5.0	
Property	DTZ	463	474	-11	5.8	
	DTZ Pooled Property	60	69	-9	0.8	
	DTZ (previously Aegon)	28	29	-1	0.4	
	M&G Residential Property	61	69	-8	0.8	
	Fidelity	137	142	-5	1.7	
	Partners Group	346	315	31	4.3	
Infrastructure	Partners Group	346	315	31	4.3	
	HarbourVest	287	286	1	3.6	
Private Equity	HarbourVest	287	286	1	3.6	
	YFM	85	92	-7	1.1	
Cash	Internal Cash	30	34	-4	0.4	
Total		7,970	7,855	115	100.0	



Historical Performance

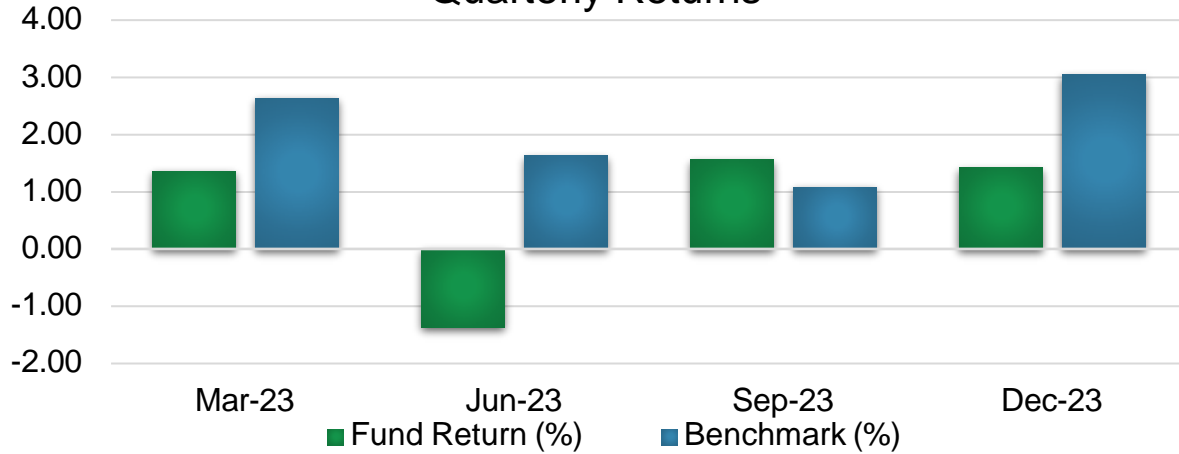


Source: Northern Trust, RADAR Reporting



Discrete Performance

Quarterly Returns

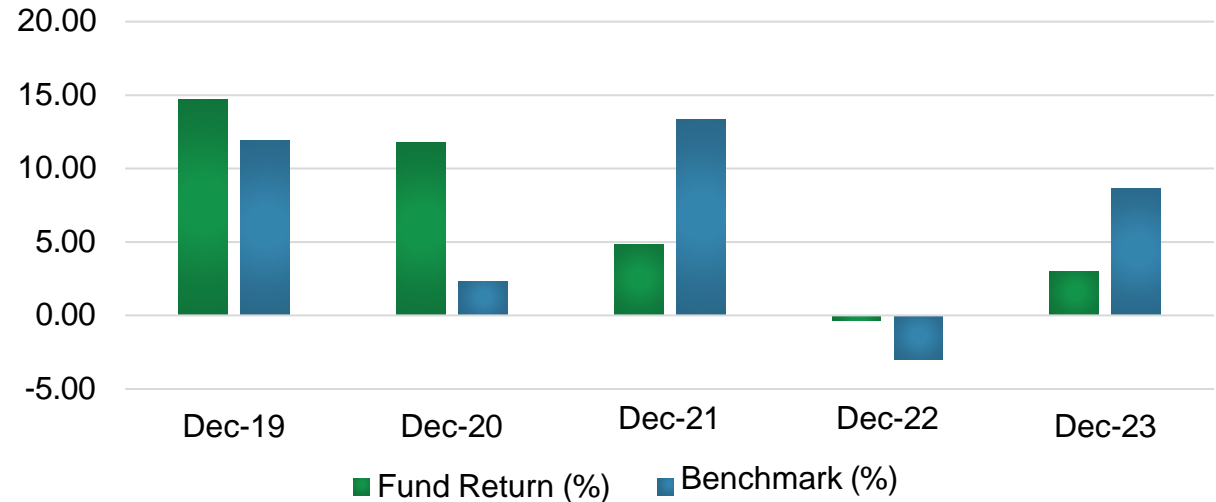


- Performance over the past year has generally been below the benchmark, with the exception of the quarter ending 30 September.
- The poor performance is mainly attributed to underperformance of the Fund’s active equity managers, as well as the impact of the Equity Protection program.

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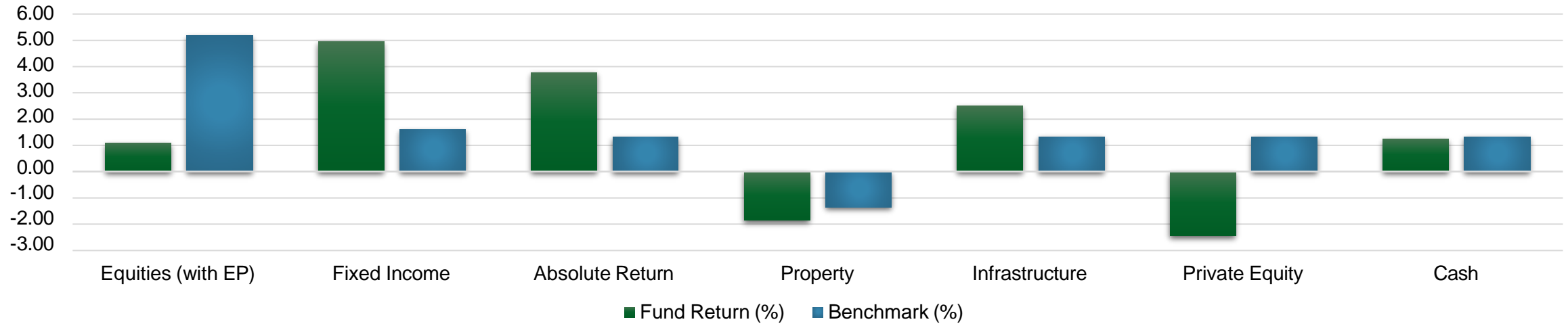
- The Fund has outperformed in three of the past five years. Performance was strong at the start of the 5 year period, with equities having a strong bounce-back from the effects of Covid-19 in mid-to-late 2020.
- Underperformance in 2021 is largely attributed to a negative contribution from Baillie Gifford. The Fund outperformed in 2022.
- Underperformance in 2023 is due to the effects of the Equity Protection program, as well as an underweight holding to the ‘Magnificent-7’.

Annual Returns (last 5 years)

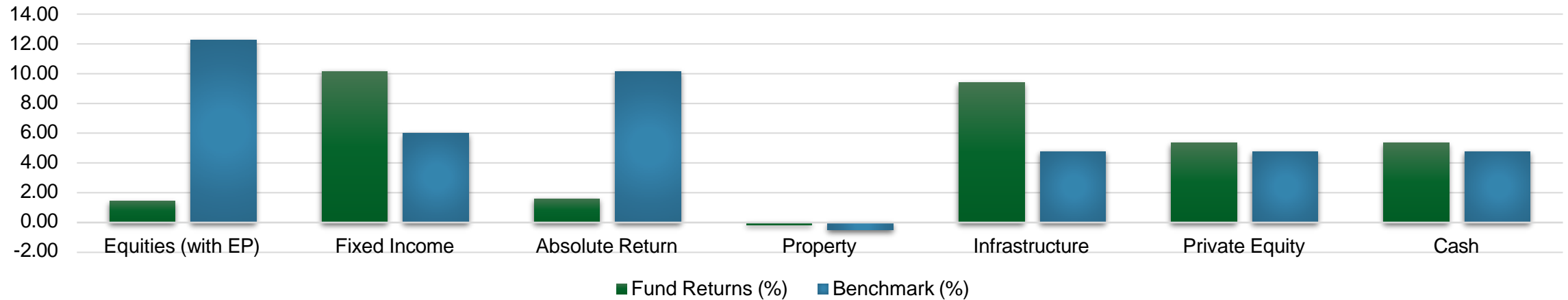


Asset Class Performance

Quarterly Performance



Annual Performance

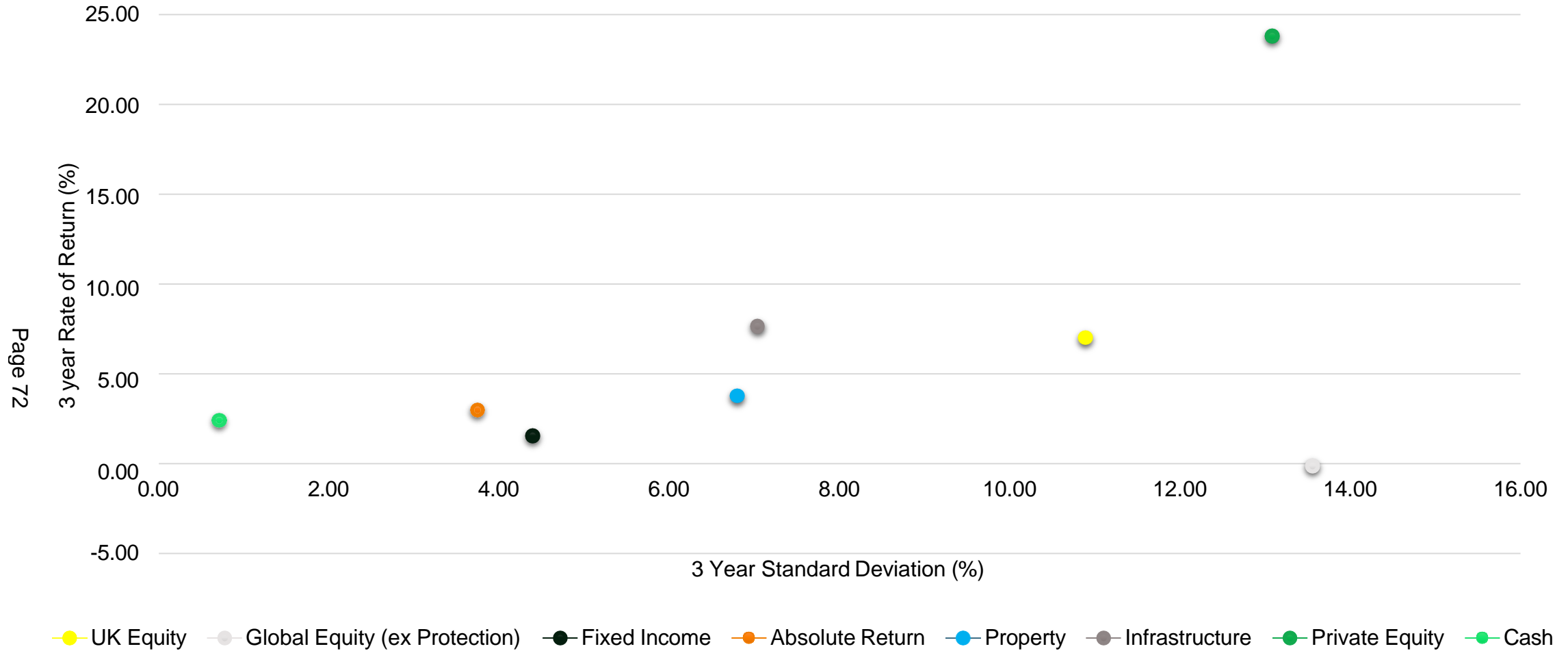


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Source: Northern Trust, RADAR Reporting



Risk vs Return - Asset Class Level



Source: Northern Trust, RADAR Reporting

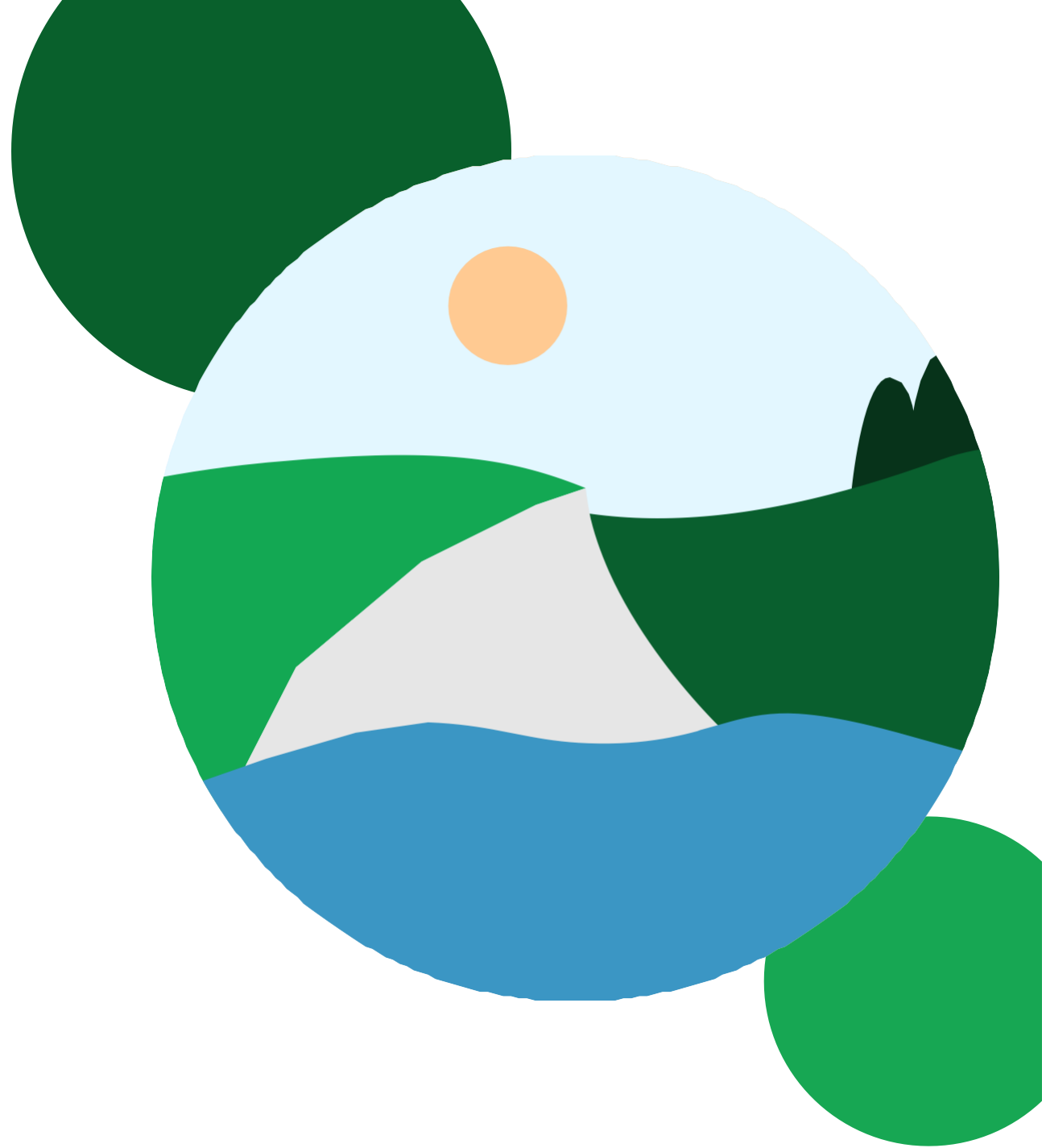


Detailed Performance by Manager

	Quarter		1 Year		3 Year (p.a.)	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Total Fund	1.42	3.05	2.98	8.65	2.47	6.12
UK Equity						
Schroders - LF ACCESS UK Equity Fund	2.12	3.14	5.95	7.96	7.35	9.18
Global Equity						
Baillie Gifford - LF ACCESS Global Equity Core Fund	8.58	5.95	14.56	13.26	-7.48	7.19
Sarasin	5.22	6.31	8.74	15.31	4.58	8.24
Schroders - LF ACCESS Global Active Value Fund	2.87	6.31	8.54	15.31	11.09	8.24
Impax	7.53	6.31	3.52	15.31	1.86	8.24
M&G - LF ACCESS Global Dividend Fund	7.38	6.31	8.71	15.31	9.37	8.24
Fixed Income						
Goldman Sachs	6.00	0.86	10.28	3.50	-0.47	3.51
Schroders Fixed Income	6.05	1.36	7.58	4.66	0.89	2.01
CQS	4.18	2.27	12.45	8.66	2.95	6.01
M&G Alpha Opportunities	3.03	2.27	10.42	8.66	4.50	6.01
Property						
DTZ	-1.42	-1.35	1.08	-0.51	4.69	2.27
Fidelity	-3.35	-1.16	-4.06	-1.40	1.86	2.06
DTZ (Kames)	-0.90	-1.16	0.22	-1.40	2.91	2.06
M&G Property	-2.63	-1.16	-1.98	-1.40	1.31	2.06
Private Equity						
HarbourVest	-4.52	1.33	-1.70	4.77	20.55	2.02
YFM	4.86	1.33	33.03	4.77	35.79	2.02
Infrastructure						
Partners Group	2.50	1.33	9.39	4.77	7.64	2.02
Absolute Return						
Pyrford	4.47	1.32	5.80	10.16	3.70	13.66
Ruffer - LF ACCESS Absolute Return Fund	2.29	1.32	-6.56	10.16	2.73	13.66



Appendix



Benchmarks and Targets

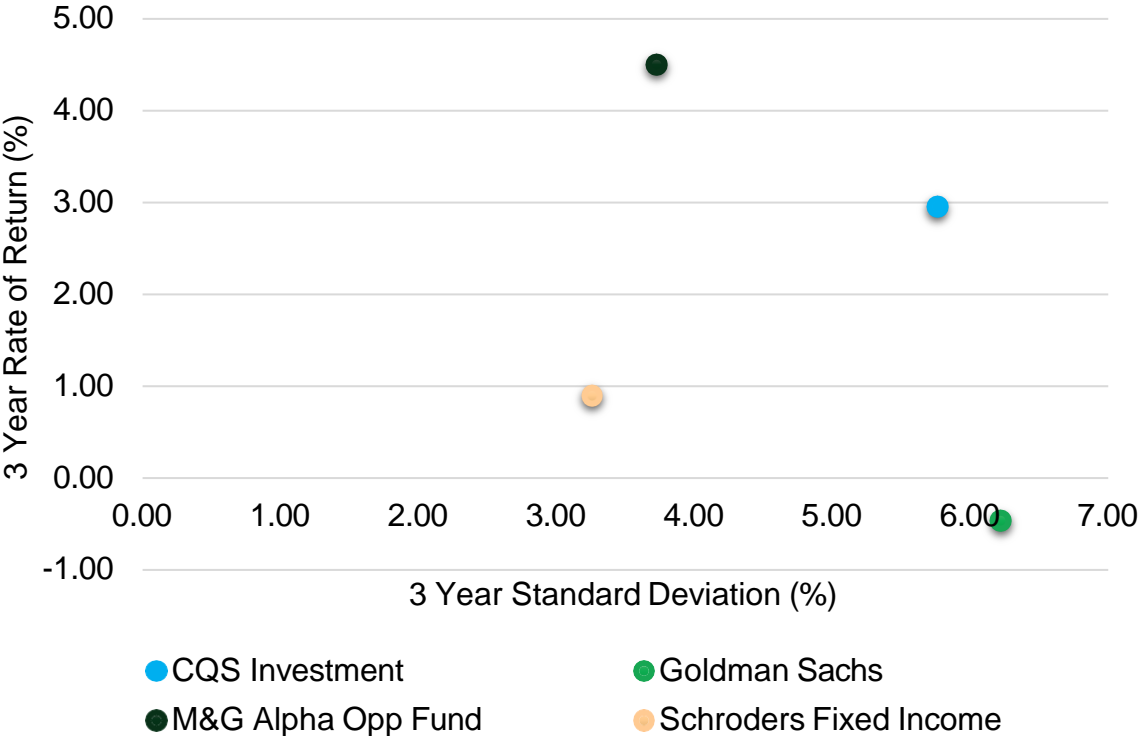
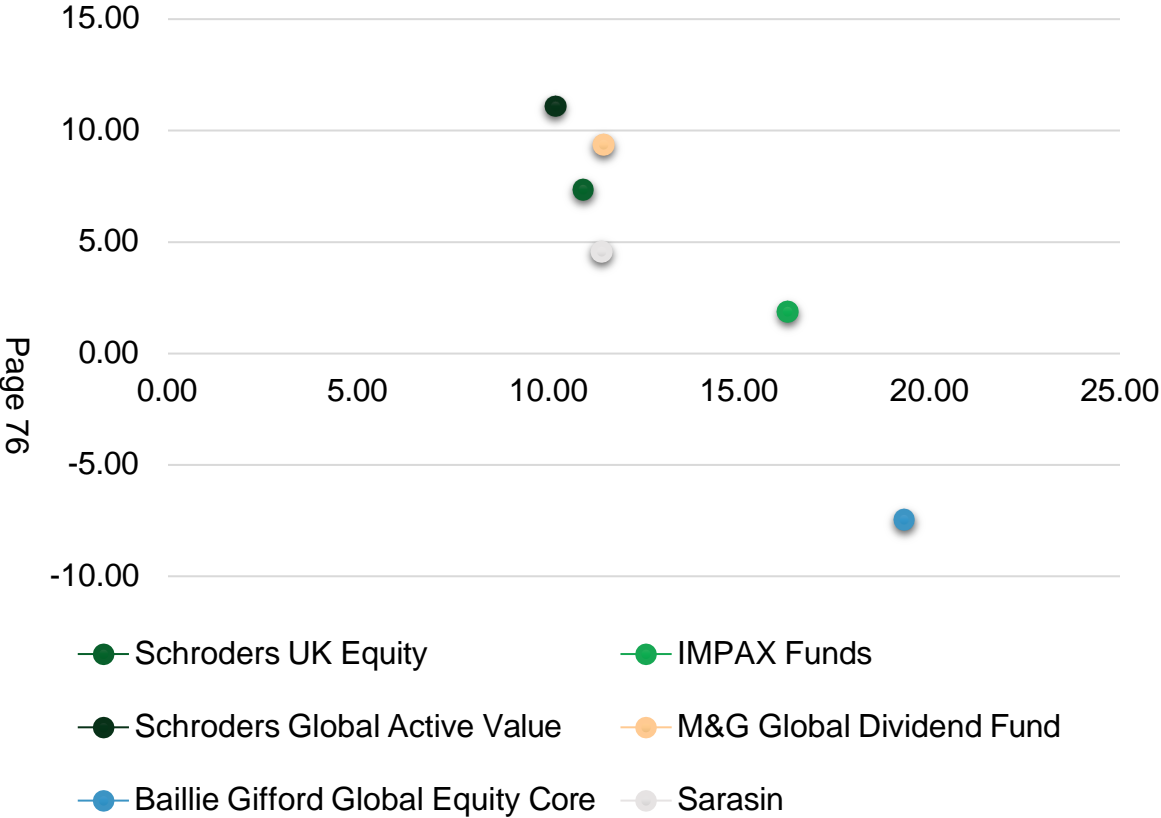
Appendix A

Asset Class / Manager	Performance Benchmark	Performance Target
UK Equities:		
Schroders - LF ACCESS UK Equity Fund	Customised	+1.5% pa over rolling 3 years
Global Equities:		
Baillie Gifford - LF ACCESS Global Equity Core Fund	Customised	+1.5% pa over rolling 3 years
Sarasin	MSCI AC World Index NDR	+2.5% over rolling 3 - 5 years
M&G - LF ACCESS Global Dividend Fund	MSCI AC World Index GDR	+3% pa
Schroders - LF ACCESS Global Active Value Fund	MSCI AC World Index NDR	+3% - 4% pa over rolling 3 years
Impax	MSCI AC World Index NDR	+2% pa over rolling 3 years
Fixed Income:		
Schroders Fixed Income	ICE BofA Sterling 3-month Gov Bill Index	+4% pa over a full market cycle
Goldman Sachs	+3.5% Absolute	+6% Absolute
CQS	ICE BofA Sterling 3-month Gov Bill Index	ICE BofA Sterling 3-month Gov Bill Index + 4%
M&G Alpha Opprtunities	ICE BofA Sterling 3-month Gov Bill Index	ICE BofA Sterling 3-month Gov Bill Index + 4%
Property:		
DTZ	IPD Pension Fund Index	≥ 3 year rolling average of benchmark returns
Fidelity	IPD UK PF Property Fund Index	
DTZ (Kames)	IPD UK PF Property Fund Index	
M&G Property	IPD UK PF Property Fund Index	
Alternatives: (Cash / Other Assets)		
Private Equity – YFM	SONIA	
Private Equity – HarbourVest	SONIA	
Infrastructure – Partners Group	SONIA	
Absolute Return – Pyrford	Retail Price Index +5% (RPI +5%)	RPI + 5%
Ruffer - LF ACCESS Absolute Return Fund	Retail Price Index +5% (RPI +5%)	
Internally managed cash – KCC Treasury and Investments team	SONIA	



Risk vs Return - Equities and Fixed Income

Appendix B



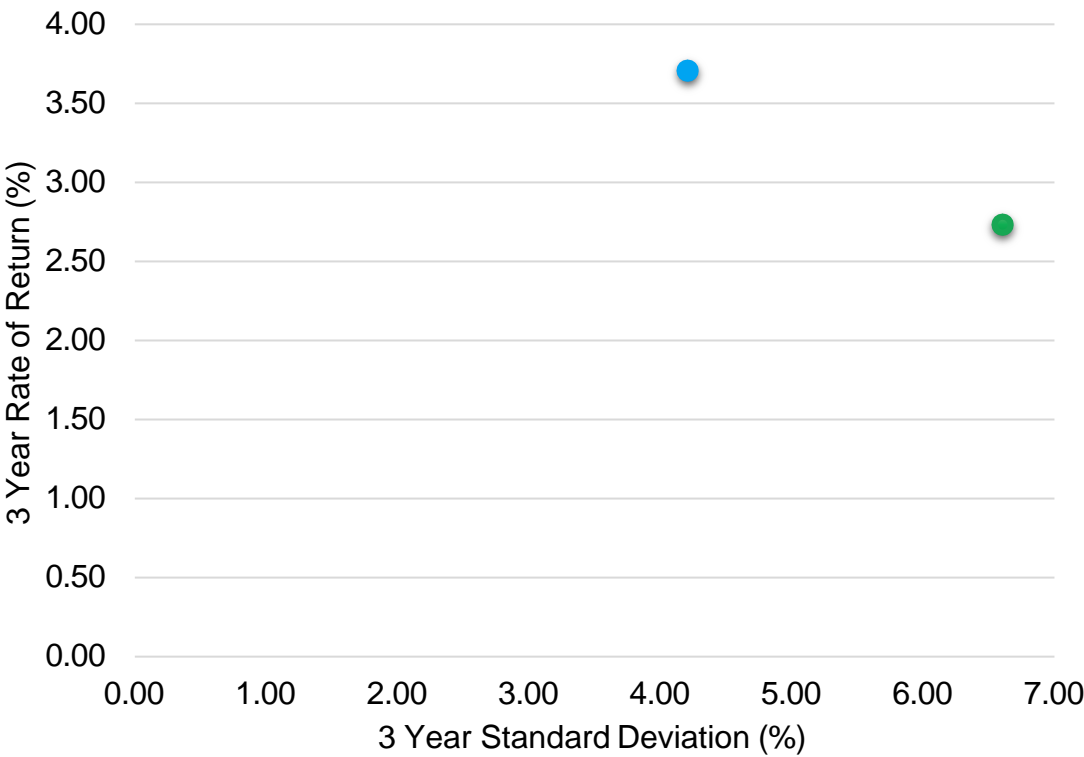
Source: Northern Trust, RADAR Reporting



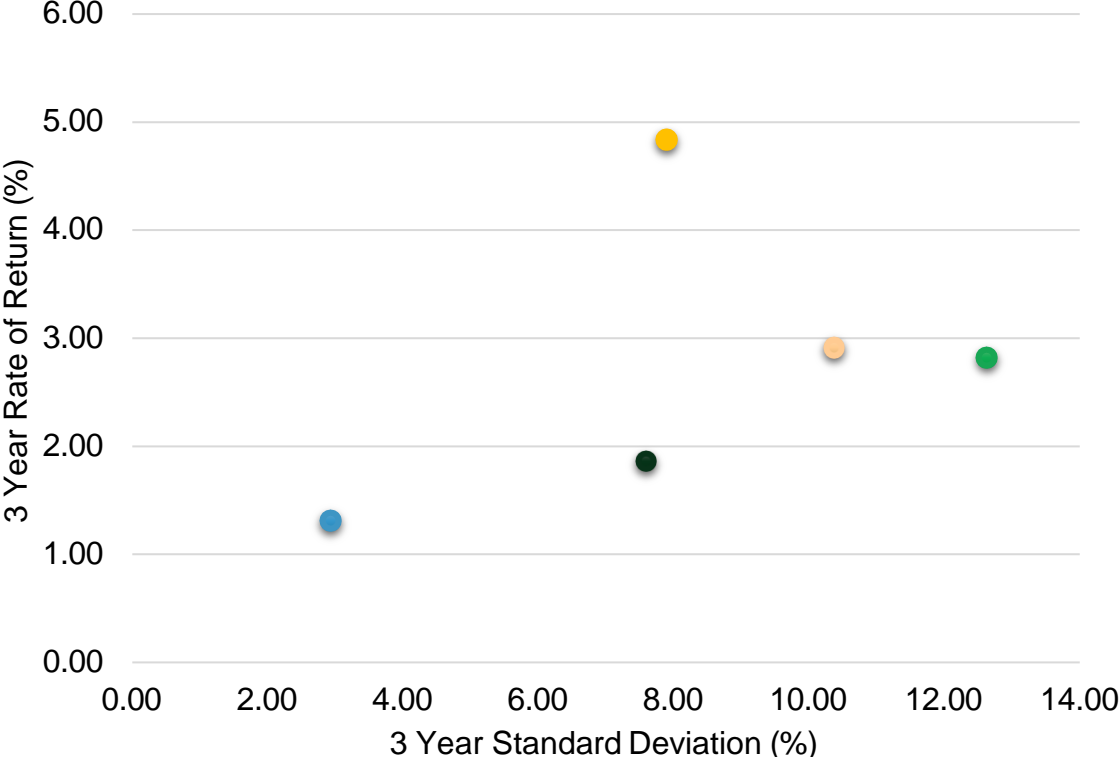
Risk vs Return - Absolute Return and Property

Appendix C

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● Pyrford International ● Link Absolute Return



● DTZ ● DTZ Pooled Property ● Fidelity International
 ● Kames Capital ● M&G Property

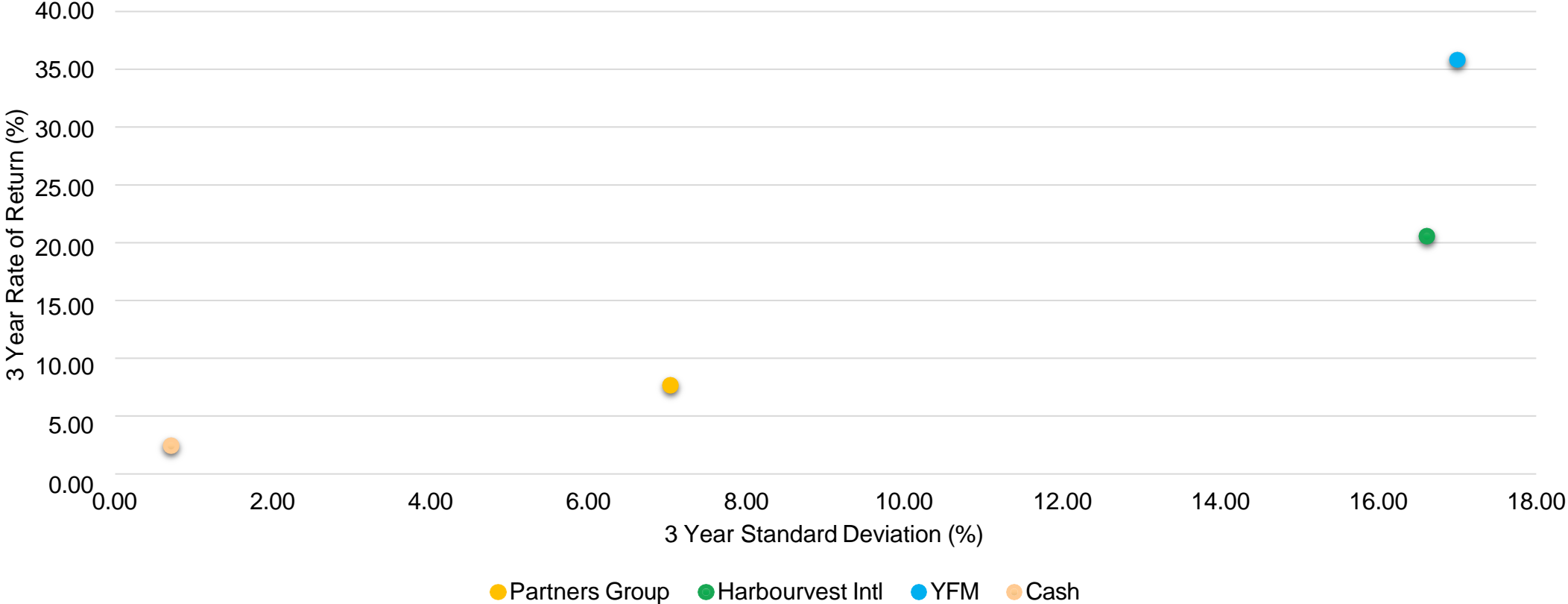
Source: Northern Trust, RADAR Reporting



Risk vs Return - Alternatives

Appendix D

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Source: Northern Trust, RADAR Reporting





Kent Pension Fund

For more information, please visit

www.kentpensionfund.co.uk

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Agenda Item 12

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