

## KENT COUNTY COUNCIL

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### PENSION FUND COMMITTEE

MINUTES of a meeting of the Pension Fund Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Thursday, 11 December 2025.

PRESENT: Ms S Emberson (Chair), Mr A Cecil (Vice-Chair), Cllr J Burden, Mr P Doust, Mr M Ellis, Cllr M Jones, Mr A Kibble, Mr T Mole, Mr M Mulvihill, Mrs B Porter, Mr G R Samme and Mr P Stepto.

IN ATTENDANCE: Ms S Surana (Pension Fund and Treasury Investments Manager), Mr S Tagg (Employers Governance, Compliance and Funding Principal Accountant), Mrs C Chambers (Pensions Administration Manager), Mr N Buckland (Head of Pensions and Treasury), Mrs E Green (Senior Pensions Programme Manager), Mr C Steensel (Investments Accountant), Mr J Betts (Corporate Director Finance), Mr J Clapson (Democratic Services Officer), Mr T English (Mercer) and Mr M Kerr (Border to Coast Pension Partnership).

#### UNRESTRICTED ITEMS

##### **33. Apologies and Substitutes**

*(Item 1)*

Apologies were received from Mr Sim and Cllr Blair.

##### **34. Declarations of interest by Members in items on the agenda for this meeting.**

*(Item 2)*

There were no declarations of interest.

##### **35. Minutes of the meeting held on 23 September 2025**

*(Item 3)*

RESOLVED that the minutes of the meeting held on 23 September 2025 were correctly recorded and that they be signed by the Chair.

##### **36. Date of next meeting**

*(Item 4)*

It was noted that the next meeting of the Committee would be held on 24 March 2026 and that there would be an Investment Strategy Away Day on 10 February 2026.

##### **37. Committee Work Programme**

*(Item 5)*

1. Mr Buckland introduced the report and advised that the Investment Strategy Away Day would provide training for the Committee that would include asset classes and the economic outlook.
2. During consideration of the item the following points were raised:

- a. Discussions were underway with Mercer regarding the revised Investment Strategy. The Committee would consider the final recommendations when it met in June 2026. The recommendations would be drafted with input from Border to Coast Pension Partnership (BCPP).
- b. A non-decision-making Investment Sub-Group would be set up to support better understanding of the technical aspects of investments. The Group would meet virtually and would be open to all Committee members. The terms of reference had not been finalised yet but part of the Group's work would look at responsible investment.

3. RESOLVED to note the Committee Work Programme and the plans for the Investment Strategy Away Day in February 2026.

### **38. Governance Update**

*(Item 6)*

1. Mrs Green introduced the item. She highlighted that the external audit by Grant Thornton UK LLP had been completed and the 2024/25 accounts had been approved. She also drew the Committee's attention to the recommendation to appoint an Independent Member to the Pension Board.
2. During consideration of the item, the following points were discussed:
  - a. The level of engagement from Board and Committee members in undertaking the National Knowledge Assessment had been excellent. A training plan would be created based upon the results of this Assessment.
  - b. The ideal candidate to be the Independent Member of the Board would be someone who had a broad range of knowledge. They would help shape the Board's agenda and be able to ask probing questions.
  - c. Officers were preparing for Local Government Re-organisation (LGR) in Kent. LGR in Surrey was about a year ahead of Kent in the process, and Officers would closely monitor the situation to see what lessons could be drawn from their experience.
  - d. All costs arising from delivering the Fund were borne through the Fund. The Fund was self-sustaining and financially ringfenced from all the other Council budgets.
  - e. The two largest unknowns when preparing the Fund's budget related to transaction costs and investment management costs. The investment management costs were dependent on the performance of the investments. They increased when the investments performed well and decreased when the investments underperformed.
3. RESOLVED to:
  - a. APPROVE the appointment of an Independent Member to Pension Board subject to relevant recruitment and selection processes
  - b. DELEGATE authority to the Head of Pensions & Treasury to undertake the selection process and appoint the successful candidate to the Board.
  - c. NOTE that there is scope for the Independent Member to be considered for the role of Independent Chair for Pension Board in 2026.
  - d. NOTE the report.

### **39. Update from the Pension Board**

*(Item 7)*

1. Mr Buckland provided the update from the Board. During the update the following points were covered:
  - a. The Board usually met around three or four weeks before the Committee. It had a governance and oversight role but no decision making powers.
  - b. At its last meeting some of the key items considered included:
    - i. an update from the Actuary on the latest valuation position,
    - ii. an update on Governance,
    - iii. a demonstration of the new performance dashboard that would assist the management team assess performance against KPI's.
    - iv. an update on the steps to appoint an Independent Board Member.
2. RESOLVED to note the update from the Pension Board.

#### **40. Pensions Administration** *(Item 8)*

1. Mrs Chambers provided the Committee with an overview of the report.
2. During consideration of the item the following points were discussed:
  - a. Following an age profiling exercise within the team, it was identified that 19 Officers were aged 55 or above and seven were aged over 60. These 19 had an average of 21 years of experience working in the Fund. Their knowledge would be used to develop other members of staff and generate resilience with the team.
  - b. The Operations Team was divided into five sub teams that each focused on different areas. Staff would be rotated through each of the sub-teams to broaden their knowledge and support career progression.
  - c. Staff were encouraged to undertake professional qualifications and once completed, these achievements were listed on the website.
  - d. Often the start and end of the school year generated a high volume of low complexity cases. Officers were looking at ways to automate the processing of these cases as much as possible including with the use of AI.
  - e. Consideration was also being given to the development of a chat bot to help share information with customers.
  - f. The new telephony system had a call back function that was working well. It automatically called the customer back when an administrator became free.
  - g. It was acknowledged that customers needed a range of ways to get in touch. There was an officer group that met monthly to review the website and ensure information was in the right place. They would specifically consider if the location of the contact details on the website could be better positioned.
  - h. Customers would receive a survey in 2026 asking about their preferred methods to get in touch.
3. RESOLVED to note the contents of the report.

#### **41. Investment Performance and Asset Allocation Update** *(Item 9)*

1. Mr Steensel introduced the report detailing the Fund's investment activity and performance since the last Committee meeting. He highlighted that while the current asset allocation remained within range of the Fund's approved tolerance bands, it was recommended that there be some rebalancing of Global Equities.

2. During consideration of the item the following points were discussed:
  - a. The last Investment Strategy was approved in 2023. Since then, equity investments had grown at a faster rate than other assets and this had caused the need for some rebalancing.
  - b. Once the move to B2C was complete, B2C would be responsible for the management of all the Fund's assets. The Committee would set the Investment Strategy and B2C would provide the Committee with reports on how the investments had performed.
  - c. The Fund had several measures in place to help mitigate against market volatility including the following:
    - i. Many of the assets were actively managed.
    - ii. Most assets were long term investments.
    - iii. The Fund had a diverse Investment Strategy.
    - iv. The Fund has a history of good governance, that included rebalancing over and underweight assets.
3. RESOLVED to note the report.

### **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.

### **Open Access Minutes**

#### **42. Investment Strategy Implementation** *(Item 10)*

1. Mrs Surana introduced the report that included an update on the property assets managed by DTZ.
2. During consideration of the item, the following points were discussed
  - a. Property purchases had moved the property portfolio towards its strategic target weight, but this action had reduced cash balances.
  - b. Drawing some funds from the Global Equity portfolio would replenish cash balances, reduce the Global Equity portfolio's overweight position and help the Fund mitigate against the impact of any negative market trends in the future.
3. RESOLVED to note the report and to agree to redeem £90m from the WS ACCESS Global Equity Core (managed by Baillie Gifford) and delegate the implementation arrangements to the Head of Pensions and Treasury.

#### **43. Project Updates** *(Item 11)*

1. Mrs Green provided the Committee with an overview of the key projects detailed within the report. She advised that phase two of the Oracle Cloud system roll out was a KCC corporate led project, and officers were in early-stage discussions to

plan for its implementation. Phase two would incorporate human resources systems.

2. RESOLVED to note the report.

#### **44. Employer Governance Matters**

*(Item 12)*

1. Mr Tagg presented the report that provided an update on the Fund employers governance and funding matters. Mr Tagg added that following feedback from the consultation on the draft Funding Strategy Statement, there would be an amendment to the managing of surpluses. The amended stipulation would replace “over a minimum period of 20 years” with “over a minimum period of eight years subject to other parameters being met.”
2. During consideration of the item the following points were raised:
  - a. The delegation of employer admission and cessation cases would be reviewed in 12 months. Officers would continue to report the completed cases to the Committee for information.
  - b. It was possible that the actions arising from the Government’s consultations would have an impact upon the Committee’s decision making delegations. The transition to B2C may also have an impact upon these delegations.
  - c. It was important to ensure controls were in place to manage and record the delegation of decisions.
  - d. The Fund had responded to the Government’s LGPS consultation on Scheme Improvements (access and protections). The response provided some points for consideration regarding the proposals to allow academy trusts to change administering authority without the need for a Direction from the Secretary of State, if all parties were in agreement, the new proposals for TUPE transfers to contractors and the proposals to increase Normal Penson Age from 55 to 57 with some protections.
3. RESOLVED to note the report and agree:
  - a. An ongoing delegation to the Head of Pensions and Treasury to agree all new employer admission applications and cessation cases.
  - b. The Fund may further consult if required with Fund employers and other interested parties on a new draft Funding Strategy Statement.

#### **45. Pension Fund Risk Register**

*(Item 13)*

1. Mrs Green presented the risk register; she advised that 30 risks had been identified of which 19 were given a green rating and 11 had received an amber rating.
2. RESOLVED to note the updated risk register.

#### **46. Government Pensions Review: Pooling Future**

*(Item 14)*

1. Mr Buckland provided some background to the report and introduced Mr Kerr, Head of Customer Relationship Management at BCPP.
2. Mr Kerr provided the Committee with an overview of BCPP, during the presentation the following points were covered:
  - a. BCPP was formed out of a set of shared principles. Its overarching aim was to ensure the LGPS was a success. This holistic approach recognised that success of the industry was the best thing for the partnership and its members.
  - b. BCPP would be the largest asset pool in the UK. It was committed to ensure that the Kent Fund's voice would be heard within the partnership and the wider industry.
  - c. The timeline set out a plan for the new joiners to formally become partners of the Pool by the end of March 2026.
  - d. Some assets would be transferred quickly, but others, such as real estate, may take up to five years to complete the transition.
  - e. BCPP had a Joint Committee that was typically made up of the Chairs from each of the partners' Pension Fund Committees. A shadow Joint Committee meeting was planned for March 2026.
3. The following points were raised during consideration of the item:
  - a. BCPP usually had three to six managers for each of its Funds.
  - b. BCPP were accustomed to providing information for responses to Freedom of Information requests about investments. They were developing a new platform that would allow commonly requested information to be easily accessed.
  - c. Barnett Waddingham would continue to be the Fund's Actuary following the transition to BCPP, and Mercer would continue as the Fund's investment consultant.
  - d. The Government's guidance advised that principal investment advice should come from the Fund's Pool.
  - e. The Committee would have a less direct relationship with asset managers following the move to BCPP. The Committee's role would be to hold the Pool to account for the performance of the asset managers.
  - f. Recent Government guidance had helped to define the term local investment. It was intended to mean investment within Kent or the Pool region. The Fund's Investment Strategy would need to include a proportion of local investment.
  - g. BCPP had an asset manager would assess if a proposed local investment was beneficial to the Partnership.
  - h. Historically BCPP have been very successful in negotiating competitive asset management fees.
  - i. The transition from ACCESS to BCPP would generate significant costs, however it was anticipated that these costs could be outweighed by the advantages over the medium term.
  - j. The report to be considered by Full Council was drafted with input from the Council's Monitoring Officer, Legal Department, Finance Officer and Cabinet Member of Finance, to ensure that the correct processes and governance were followed.
4. RESOLVED to:
  - a. Note the progress made since the last meeting in progressing the move to Border to Coast
  - b. Delegate authority to the Head of Pensions and Treasury, in consultation with the Chair to respond to the Government's consultation on statutory guidance on asset pooling, Investment Strategy statements and governance.

And recommend to Full Council that it:

- c. Agree that Kent County Council, as Administering Authority for the LGPS Kent Pension Fund, agree to enter into the Pension Pooling arrangements with Border to Coast Pensions Partnership
- d. Agree to join the Border to Coast Joint Committee
- e. Approve the appointment of the Chair of the Pension Fund Committee as the Kent County Council Representative on the Joint Committee
- f. Delegate authority to the Pension Fund Committee to manage required updates or amendments to the ACCESS Inter-authority Agreement as required to support the transition to Border to Coast
- g. Delegate authority to the Pension Fund Committee to manage future appointments to the Joint Committee
- h. Delegate authority to the s151 Officer to take required actions, including but not limited to entering into contracts or other legal agreements, as necessary to implement this decision.

## **47. Government Consultations Update**

*(Item 15)*

1. Mr Buckland provided the Committee with a presentation providing an update on the recent Government consultations relating to the Fund.
2. During the presentation the following points were highlighted:
  - a. The Committee had given the Head of Pensions and Treasury authorisation to respond to the consultations on behalf of the Fund. The timescales for these responses were very short.
  - b. The Fit for the Future proposals included the appointment of an Independent Person to the Committee. This would need to be someone who had the knowledge to ask probing questions and support the Fund. This appointment could also provide the Committee with additional stability through electoral cycles that sometimes resulted in large changes to the Committee's membership.
  - c. The slides would be made available to the Committee along with the regulations and associated guidance.
3. RESOLVED to note the report.