

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 Thursday, 26 March 2026.

PRESENT: Ms S Emberson (Chair), Mr A Cecil (Vice-Chair), Cllr J Burden, Mr P Doust, Cllr M Jones, Mr T Mole, Mr M Mulvihill, Mr M Paul, Mrs B Porter, Mr H Rayner, Mr G R Samme, Mr S Sim 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 B Arnold (Corporate Director Finance) and Mr J Clapson (Democratic Services Officer).

UNRESTRICTED ITEMS

48. Membership Update

(Item 1)

Members welcomed Mr Paul and Mr Rayner onto the Committee.

49. Apologies and Substitutes

(Item 2)

Apologies were received from Mr Ellis.

50. Declarations of interest by Members in items on the agenda for this meeting.

(Item 3)

There were no declarations of interest.

51. Minutes of the meeting held on 11/12/2025

(Item 4)

RESOLVED that the minutes of the meeting held on 11 December 2025 were correctly recorded and that they be signed by the Chair.

52. Date of next meeting

(Item 5)

It was noted that the next meeting of the Committee would be held on 23 June 2026.

53. Committee Work Plan and Action Log

(Item 6)

1. Mr Buckland introduced the Committee's Work Programme and Action Log. He explained that the Work Programme set out the key items to be considered by the Committee at forthcoming meetings. He also advised that the Action Log was kept

up to date with actions arising from each meeting that did not form part of a formal Committee decision.

2. RESOLVED to note the Committee Work Programme and the Action Log.

54. Pensions Administration

(Item 7)

1. Mrs Chambers provided the Committee with an overview of the report.
2. During consideration of the item, the following points were discussed:
 - a. A new method of KPI reporting had been developed, which would allow trends to be tracked over time. Reporting would include commentary to explain any anomalies.
 - b. Some performance pressures had arisen from the McCloud blackout period and the training requirements of newly recruited staff. Work was underway to identify further opportunities to automate systems in order to improve efficiency.
 - c. The Fund used CEM Benchmarking to compare its administration costs, member service and value for money with those of a peer group. The data indicated that the Fund compared favourably and was moving in a positive direction.
 - d. An additional training officer had been recruited. Training capacity would increase and was expected to drive improvement in some of the lower performing KPI categories.
 - e. Since November, arrangements had been strengthened to ensure that senior colleagues were able to support more junior staff remotely. This provided a comparable level of support to that offered in an office environment.
 - f. A number of senior posts had been filled internally, creating the need to backfill those positions.
 - g. Officers reported daily to their team managers and productivity was closely monitored. Managers had full oversight of caseloads and were able to review progress and output throughout the day.
3. RESOLVED to note the report.

55. Investments Update

(Item 8)

1. Mr Steensel introduced the report detailing the Fund's investment activity and performance since the last Committee meeting. He highlighted that the fixed income asset class was underweight however, rebalancing was not recommended due to the ongoing investment strategy review and the planned transition to the Border to Coast Pension Partnership (BCPP).
2. During consideration of the item, the following points were discussed:
 - a. One of BCPP's core themes, corporate governance, had been renamed corporate accountability. This reflected the Partnership's drive to hold organisations to account on governance and responsible investment matters.

- b. Detailed voting information was currently published on the Kent Pension Fund website and included some commentary. Following the move to BCPP on 1 April, voting information would be available on the BCPP website and future Committee reports would include links to this information.
- c. Committee members were encouraged to attend the Investment Sub-Group meetings. Representatives from Mercer and BCPP would also attend some of the meetings.

3. RESOLVED to note the report.

56. Training Update

(Item 9)

1. Mrs Green introduced the report that detailed the results of the knowledge assessment undertaken by Committee and Board members during the summer of 2025. She advised that the lowest scoring areas would be prioritised within the training programme and all the sessions would be recorded. Recordings and slides would be made available to all Committee and Board members after each session.
2. RESOLVED to note the report.

57. Governance Review by Barnett Waddingham

(Item 10)

1. Ms Murray (Barnett Waddingham) provided a presentation detailing the findings of the governance review, which included a list of recommendations for consideration by the Committee. During the presentation, the following points were covered:
 - a. The regulations from the Pension Schemes Bill were expected to be backdated to 1 April 2026. They were expected to require the appointment of a Senior LGPS Officer and an Independent Person within six months. Early planning for the recruitment to these posts was recommended.
 - b. The regulations were expected to require a number of policies and strategies; however, the Fund was in a strong position as it already had these in place. It was recommended that the Fund's strategies and policies be reviewed when the regulations were published to ensure compliance.
 - c. The administering authority would need to develop an action plan to respond to Barnett Waddingham's recommendations.
2. During consideration of the item, the following points were discussed:
 - a. As part of the consultation, it had been fed back to the Government that it could be advantageous for Fund's to appoint an organisation rather than an individual to the Independent Person role.
 - b. The Independent Person role would receive a remuneration that would be borne by the Fund.
 - c. The formal training schedule would be supplemented by 30-minute hot topic informal training that would take place just before each meeting of the Committee and Board.
 - d. Relevant journals and bulletins would be shared with members via the portal.
 - e. Members of the Committee would be involved in the selection process for the Independent Person. It was understood that the role was intended to support the Committee in questioning the advice it receives, and to help

provide consistency to the Committee's membership, which could be subject to large changes during County election years.

3. RESOLVED to accept the recommendations contained in the Appendix of the Barnett Waddingham report, and for future meetings of the Committee and Board to receive updates on progress made.

58. Employer Governance Matters

(Item 11)

1. Mr Tagg introduced the item that provided an update on Fund employer's governance and administration matters up to 31 December 2025. The report also included the Draft Fund Final Valuation report by Barnett Waddingham at Appendix One, and details of the employer admission matters agreed by the Head of Pensions and Treasury under the Committee's delegated authority at Appendix Two.
2. During consideration of the item, the following points were raised:
 - a. The Committee's delegations to the Head of Pensions and Treasury were working well and would come before the Committee for review in December 2026.
 - b. The percentage of contributions received on time was shown by employer and by value. Both methods of reporting were used to more clearly show the timeliness of receipts, as there were some small employers whose contributions were not large enough to impact the overall rounded percentage when assessed by value alone.
3. Mr McKay (Barnett Waddingham) provided a presentation summarising the Fund's actuarial valuation as at 31 March 2025. During the presentation, the following points were covered:
 - a. The project was nearing completion.
 - b. The valuation was an important opportunity to update the assumptions used to place value on the Fund's liabilities and to assess the health and performance of the Fund.
 - c. The Fund had performed well despite volatile markets and high CPI inflation rates. This performance helped to keep employer contribution rates down.
 - d. The valuation always took a long-term view and included a prudence allowance that reduced the risk of volatility.
 - e. Reporting of the gender pension gap was required for all valuation undertaken after the 1 January 2025. The valuation found that women received LGPS pensions that were 38% lower than men.
 - f. The next valuation would be due as at 31 March 2028. This coincide with the local government re-organisation (LGR) process in Kent and Medway that was planned to take effect in 2028.
4. RESOLVED to note the report.

59. Local Government Reorganisation and Kent Pension Fund

(Item 15)

1. Mr Buckland introduced the report and covered the following points:

- a. Much of the background had been discussed at the Committee away day in February.
 - b. The purpose of the item was to formally set out the proposed process and indicative timelines to analyse the options available for a new host authority for the Kent Pension Fund.
 - c. The Fund would need to move from its current administrative home within Kent County Council to a new arrangement, while ensuring continuity of service delivery and the uninterrupted payment of pensions.
 - d. The Chief Executives Group had allocated different LGR workstreams to its members. Sevenoaks and Ashford Borough Councils had been assigned responsibility for considering options relating to the future of the Fund.
 - e. One of the following two options were the most likely outcome for the future administration of the Fund:
 - i. The Fund would be administered by one of the new unitary authorities on behalf of all the Kent and Medway authorities.
 - ii. The Fund would be administered by a new arm's-length organisation known as a Single Purpose Pension Authority.
 - f. Updates would be brought back to the Committee at each meeting.
2. During consideration of the item, the following points were discussed:
- a. The Secretary of State would ultimately decide how the Fund would be administered following LGR.
 - b. The Fund would submit an evidence-based recommendation with input from the Committee, the Chief Executive Group, and other key stakeholders. If a broadly agreed position was reached, a formal representation could then be made to the Secretary of State.
 - c. The default option may be for the Fund to be administered by one of the new unitary authorities. If this was not the preferred local option, a supporting business case would need to be developed for presentation to the Secretary of State.
 - d. All relevant stakeholders, including fund employers, would need to be engaged as part of the process. The engagement would be a significant exercise, and it was important that it was undertaken thoroughly and properly.
3. RESOLVED to:
- a. NOTE the information provided in this report on the impact of Local Government Reorganisation on the Kent Pension Fund
 - b. APPROVE the proposed workplan and timetable to analyse the options available for a new host authority for the Kent Pension Fund
 - c. DELEGATE authority the Head of Pensions & Treasury to action the workplan and retain the support deemed necessary for that purpose from Barnett Waddingham

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

60. Fund Governance

(Item 12)

1. Mrs Green introduced the report that included a number of policy updates and plans for the Committee's consideration.
2. During consideration of the item, the following points were discussed:
 - a. The actuarial fee was higher in the third year of the 2026-29 budget forecast, as a substantially greater volume of work would be undertaken during this year to complete the 2028 actuarial valuation.
 - b. The direct recovery of fees related to charges for individual pieces of work carried out for the Fund that were recharged to individual employers.
 - c. The costs relating to an individual employer, such as those incurred when an employer entered or exited the Fund, were recovered from that employer.
3. RESOLVED to:
 - a. APPROVE the Pension Fund Business Plan and budget for 2026/27 to 2028/29.
 - b. APPROVE the Data Quality Policy
 - c. APPROVE the Data Matching Criteria and Policy
 - d. APPROVE the Communications Policy

61. Funding Strategy Statement (FSS)

(Item 13)

1. Mr Tagg presented the draft Funding Strategy Statement (FSS) that had been reviewed as part of the triennial valuation exercise. He added that there were two key changes following the consultation process, they were:
 - a. No employer would receive a reduction (or an increase) of their total contribution rate of more than 2.0% per annum. This had previously been set at 1.0% per annum.
 - b. Where there was a surplus, the secondary contribution may include an adjustment to run off the surplus over a maximum period of eight years. This was previously 20 years and amended to eight years following responses received to the consultation.
2. RESOLVED to:
 - a. Note this report including the Consultation Report at Appendix Two,
 - b. Agree the revised Funding Strategy Statement, now including the Contribution Review Policy and the Deferred Debt and Debt Spreading Agreement Policies, at Appendix One.

62. Project Updates

(Item 14)

1. Mrs Green provided the Committee with an overview of the key projects detailed within the report. She highlighted that planning work was underway

to procure a new pensions administration system in 2028. Early preparation was important to ensure a successful transfer.

2. During consideration of the item, the following points were discussed:
 - a. The Oracle Cloud system was expected to make monthly reconciliations quicker and less susceptible to human error. The Fund was awaiting confirmation of a go-live date for Oracle Cloud Phase 2 (payroll and HR systems) from the Council's programming team, who were leading the project.
 - b. Organisations were particularly susceptible to cyber-attacks when they transitioned between payroll systems.
3. RESOLVED to:
 - a. NOTE the requirement to re-procure the Fund's pensions administration system, with the current contract scheduled to end in May 2028.
 - b. APPROVE the preparatory work for the re-procurement to commence in 2026/27, recognising the lead-in time required for procurement, data migration, testing, and system implementation.
 - c. APPROVE the development of a detailed project plan setting out proposed timelines, governance arrangements, resource requirements and key risks, to be brought to the Committee for consideration at a future meeting.
 - d. APPROVE early engagement with relevant stakeholders—including employers, system users, procurement colleagues and IT — so that requirements can be fully defined ahead of market engagement
 - e. APPROVE the undertaking of a tendering exercise for a pensions administration platform to be supplied and to enter into required contracts
 - f. DELEGATE responsibility to the Head of Pensions & Treasury to oversee the re-procurement process, including decision making on selection and instruction of a preferred supplier.

63. Asset Pooling *(Item 16)*

1. Mrs Surana introduced the report that provided an update on the Fund's pooling activity with the BCPP and ACCESS pools.
2. The following points were raised during consideration of the item:
 - a. All the required documents would be signed with BCPP to meet the Government's 1 April deadline.
 - b. The Inter Authority Agreement with ACCESS was being reviewed, and changes would ensure it remained fit for purpose in light of the Fund's transition to BCPP.
 - c. The Chair and lead officers attended the final ACCESS Joint Committee meeting on 23 March 2026. They discussed the process that would be required to shut down the Pool.
 - d. The Chair and lead officers were invited to a BCPP Joint Committee meeting on 24 March 2026, which they attended in a guest capacity. The Fund would become an official partner on 1 April 2026.
3. RESOLVED to:

- a. NOTE the progress made since the last meeting in progressing the move to the Border to Coast pool; and
- b. NOTE the collective work across ACCESS Authorities, with relevant legal advisers, to revise the ACCESS Inter Authority Agreement to effectively manage the wind down; and
- c. DELEGATE authority to the Corporate Director of Finance to agree and enter into to the final version on behalf of Kent County Council as administering authority of the Kent Pension Fund.