

PENSION FUND COMMITTEE

Thursday, 26th March, 2026

2.00 pm

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





AGENDA

PENSION FUND COMMITTEE

Thursday, 26th March, 2026 at 2.00 pm
Council Chamber, Sessions House, County
Hall, Maidstone

Ask for: **James Clapson**
Telephone: **03000 417387**

Membership

Reform UK (8):	Mrs S Emberson (Chair), Mr A Cecil (Vice Chair), Mrs B Porter, Mr A Kibble, Mr M Mulvihill, Mr T Mole and Mr M Paul
Liberal Democrat (2):	Mr M Ellis and Mr G R Samme
Green (1):	Mr P Stepto
Conservative (1)	Vacancy
District Council (3):	Cllr S Blair, Cllr J Burden and Cllr R Yates
Medway Council (1):	Cllr M Jones
Pensioner Representative (1):	Mr P Doust
Active Member Representative (1):	Mr S Sim
UNISON (1):	Vacancy

UNRESTRICTED ITEMS

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

- 1 Membership Update
- 2 Apologies and Substitutes
- 3 Declarations of interest by Members in items on the agenda for this meeting.
- 4 Minutes of the meeting held on 11/12/2025 (Pages 1 - 8)
- 5 Date of next meeting

The next meeting of the Committee will be held on 23 June 2026, commencing at 10.00 am at Sessions House, Maidstone.

- 6 Committee Work Plan and Action Log (Pages 9 - 12)
- 7 Pensions Administration (Pages 13 - 38)
- 8 Investments Update (Pages 39 - 70)
- 9 Training Update (Pages 71 - 98)
- 10 Governance Review by Barnett Waddingham (Pages 99 - 126)
- 11 Employer Governance Matters (Pages 127 - 196)

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 Fund Governance
(To Follow)
- 13 Funding Strategy Statement (FSS) (Pages 197 - 316)
- 14 Project Updates (Pages 317 - 324)
- 15 Local Government Reorganisation and Kent Pension Fund (Pages 325 - 330)
- 16 Asset Pooling
(To Follow)

Benjamin Watts
Deputy Chief Executive
03000 416814

Wednesday, 18 March 2026

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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 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 Pension 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.

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From: Chairman Pension Fund Committee
Interim Corporate Director of Finance

To: Pension Fund Committee – 26 March 2026

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 recommended to:

- note the work programme and 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 strategy development/” away-day”.

1.2 **Appendix 1** shows the plans for the next four 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. There are also likely to be changes in some of the detail considered by the Committee as the Fund develops its relationship with Border to Coast. Investment reporting will be reviewed and revised where necessary.

1.4 As previously mentioned, the Fund is developing plans for an Investment Sub-group to consider, in more detail, aspects of the Fund’s investment strategy. This group will be non-decision making and will act as a forum for Committee members to work with officers on the development of the Fund’s investment strategy, with support from Mercer and Border to Coast. This group is discussed elsewhere on this agenda, and the first two meetings have been scheduled.

Committee Action Log

1.5 To ensure that decisions asked at Committee meetings are appropriately recorded and responded to, the Fund maintains an Action Log, or actions that

are not formal decisions, but need follow-up and resolving. The table at Appendix 2 shows the actions from the last meeting of the Committee in December 2025. This table will be updated throughout the year, with actions and responses.

Nick Buckland, Head of Pensions and Treasury

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March 2026

Committee workplan

	26 March 2026	23 June 2026	29 Sept 2026	15 Dec 2026
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
Governance including: <ul style="list-style-type: none"> • Pension Fund Business plan and budget • Governance matters • Policy/strategies 	Y	-	Y	-
Government Pensions Review <ul style="list-style-type: none"> • Pooling update • Governance changes 	Y	Y	Y	Y
Fund Employer matters	Y	Y	Y	Y
Administration update <ul style="list-style-type: none"> • Pensions Dashboard • KPI reporting 	Y	Y	Y	Y
Training update	Y	-	Y	-
Investment Performance	Y	Y	Y	Y
Risk register update. (Full RR at least twice a year)	Y	-	Y	-
Investment <ul style="list-style-type: none"> • Rebalancing • Implementation update • Investment Sub-group • Border to Coast update • Responsible Investment 	Y	Y	Y	Y
Investment Strategy – consider, review and agree new existing strategy, advised by Mercer	Y	Y	Y	-
Actuarial Valuation 2025 <ul style="list-style-type: none"> • Approve assumptions. • Review and agree FSS • Final results 	Y	-	-	-

Pension Fund Committee Action Log – 2025/26

Date of Meeting	Action/Question	Outcome	Complete (Y/N)
11/12/2025	Provide National Knowledge Assessment data (report by Hymans Robertson)	Update provided in the March 2026 Training Update Committee paper	Y
11/12/2025	Review of provision of KPF contact details on KPF website	Completed.	Y
11/12/2025	Include further explanations to help understanding of investments terminology	Completed - included in March 2026 Investments paper	Y
11/12/2025	Review of delegations and legal obligations	The Committee's Terms of Reference and KCC's Constitution will be reviewed and updated as per the new regulatory requirements when released.	Y
11/12/2025	Request for the slides presented during the meeting.	Completed - distributed.	Y

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

To: Kent Pension Fund Committee – 26 March 2026

Subject: Pensions Administration

Classification: Unrestricted

Summary:

This report brings Members up to date with a range of matters concerning the administration of the Kent Pension Fund for the period 1 October to 31 December 2025.

The report covers updates on the following areas:

1. Casework Summary
2. Key Performance Indicators (KPIs)
3. Backlog Update
4. Operations Team
5. Engagement and Systems Team
6. Technical and Training Team
7. Recruitment
8. IDRs, Complaints, Compliments and Comments
9. Overpayment Recovery and Write Off Limits

Recommendations:

The Committee is recommended to:

- i. Note and comment on the report

Executive Summary:

	Key Highlights	Risks & Areas to Monitor
Casework Summary	Total outstanding cases reduced by 1,211 (18% decrease) during the period. Major improvements driven by clearing a large volume of new joiner cases (reduced by 1,570).	While total outstanding cases fell significantly, several complex case types increased , which may create future backlogs if not actively managed.
KPIs	Most legal targets remain above 90% .	Transfers remain the lowest-performing category, particularly actuals (as low as 11.4% KPI).

		<p>Aggregation work also shows weak KPI delivery.</p> <p>New joiner and opt-out processes fall significantly below target.</p>
Operations Team	<p>Strong positive results from internal surveys.</p> <p>High satisfaction with new rotation model.</p>	<p>The Operations Team will need to enter a blackout period during which:</p> <ul style="list-style-type: none"> • Aggregation and concurrent cases must be paused • Casework will accumulate as a backlog <p>The duration is currently unknown, making it a significant operational risk for service delivery and KPIs.</p>
Customer Engagement	<p>Telephone survey results show 97–98.5% satisfaction across months.</p> <p>Email and MPO queries remain high; website visits vary by month.</p> <p>Well-attended employer and member engagement events, including webinars and forums.</p>	<p>While satisfaction levels are very strong (97–98.5%), areas with rising or persistently high demand include:</p> <ul style="list-style-type: none"> • Email volumes, especially compared to 2024 • MPO registration queries, which continue to exceed previous years <p>If demand grows faster than staffing capacity, this may place pressure on response times and service quality.</p>
Data Quality	<p>Common data improved to 97.9%, and scheme specific data to 97.82%.</p> <p>Ongoing development of new data quality reporting suite.</p>	<p>New processes to embed as a result of the purchase of the Heywood’s Data Enrichment Service. Need to closely monitor value for money.</p>
Systems & Website Enhancements	<p>MPO updates, website clarity improvements, and new online forms added.</p> <p>Accessibility audit: Partially compliant, low risk, with fixes planned.</p>	<p>The Fund’s website was assessed as:</p> <ul style="list-style-type: none"> • Partially compliant, with low risk, requiring action to fix contrast and focus visibility issues. <p>Although low risk, regulatory requirements around accessibility are</p>

		tightening and should be monitored until resolved.
Technical & Training	New Training Officer in post, dedicated to the Training and Development of entry level Pension Assistants.	<p>Upcoming regulatory changes (from April 2026) will require:</p> <ul style="list-style-type: none"> • Large-scale retrospective work on survivors' pensions (back to 2005) • Retrospective recalculation of death grants (back to 2014) <p>This is expected to be resource intensive over a long period, posing sustained pressure on capacity.</p>
Recruitment	<p>Successful recruitment across multiple roles (Pension Assistants, Administrators, Deputy Managers).</p> <p>Vacancy levels now the lowest in four years.</p>	<p>Overall recruitment has been very successful, but:</p> <ul style="list-style-type: none"> • Additional hiring (10 FTE) and a restructuring of management capacity are required to maintain stability. • Ongoing internal movement and future recruitment cycles may temporarily increase vacancies and reduce experienced capacity. <p>Sustaining service levels during periods of transition will require close monitoring.</p>

FOR INFORMATION

1. Casework Summary

- 1.1 Total outstanding cases **reduced** from 6,728 at the start of the period to 5,517 at the end.
- ▶ Overall reduction: 1,211 cases (**18% decrease**).

1.2 Key Movements by Category

Categories Showing Improvement (Reduced Outstanding Cases)

Significant reductions were seen in several areas:

- **New Joiners:** ↓ from 2,492 to 922 (1,570 fewer cases)
– This is the largest single reduction and the main driver of the improved overall position.
- **Payment of Retirement Benefits:** ↓ 428 → 294 (134 fewer)
- **General Correspondence:** ↓ 123 → 69 (54 fewer)
- **Deaths:** ↓ 71 → 59 (12 fewer)
- **Death Grant Payments:** ↓ 20 → 11 (9 fewer)
- **Divorces, Change of Details, Lost Pension, Opt Outs** also show steady reductions.

These reductions indicate strong progress in clearing short-term, high-volume case types.

Categories with Increased Outstanding Cases

Some categories experienced **growth** in workloads:

- **Aggregation:** ↑ 1,169 → 1,383 (214 more)
– Now the largest outstanding category.
- **Deferred Benefits:** ↑ 694 → 799 (105 more)
- **LGPS Transfer Out:** ↑ 186 → 345 (159 more)
– Notable increase, potentially due to higher member activity or processing delays.
- **Estimate of Retirement Benefits:** ↑ 456 → 518 (62 more)
- **Refunds:** ↑ 594 → 646 (52 more)

These areas may require targeted resource allocation or process review.

- The administration team has achieved a substantial reduction in total outstanding cases, driven primarily by clearing a very high volume of new joiner records.
- Core benefit paying work (deaths, retirements, death grants) is trending positively, with fewer cases left outstanding.
- However, structural backlogs remain—particularly in aggregation, transfers, and deferred benefits, which have all increased during the period.
- These categories often involve more complex casework and may benefit from:
 - specialised resource focus,

- process streamlining, or
- improved automation/data exchange with employers.

2. **Key Performance Indicators (KPIs)**

2.1 **Overall Position**

Performance against **legal targets remains strong across most categories**, with the majority above 90%.

However, **performance against KPI targets is more mixed**, with several areas significantly below target, particularly around **transfers, aggregations**, and some **new joiner/opt-out processes**.

2.2 The data suggests:

- **Core benefit calculations and payments** (retirements, refunds, death benefits) generally perform well.
- **Transfer and aggregation work continues to present challenges**, with multiple categories showing KPI performance below 50%.
- Some high-risk areas—such as **survivor benefits and death notifications**—remain stable against legal compliance, though several fall short of internal KPIs.

2.3 **Key Strengths**

Strong performance (KPI and Legal Targets >90%)

- **Survivors Pensions (Estimates)** – 94.7% KPI / 100% Legal
- **Estimate of Retirement Benefits (Active & Deferred)** – 92–93% KPI / 98–100% Legal
- **Payment of Refunds** – 93.8% KPI / 100% Legal
- **General Correspondence** – 94.9% KPI / 98.9% Legal
- **Lost Pension Cases** – 96% KPI / 98% Legal

These areas demonstrate consistent, timely service delivery.

2.4 **Areas Performing Adequately but Below KPI Target**

These meet legal requirements but fall short of internal expectations:

- **Initial Death Notification** – 88.8% KPI vs. 98.5% Legal
- **Death Grant Payments** – 84.8% KPI vs. 97.1% Legal

- **Retirement (Active Members)** – 83.6% KPI vs. 98.9% Legal
- **Deferred Benefit Statements** – 87.7% KPI vs. 87.7% Legal (equal to statutory target)
- **Notification & Payment of Refund Entitlements** – KPI performance around 78.5–93.8%

These areas remain compliant but indicate opportunity for service improvement.

2.5 Significant Underperformance Against KPIs

These categories fall **materially below KPI targets** and often below 60%:

Transfers – lowest performing area

- **LGPS Transfer In Estimates** – 42.9% KPI
- **LGPS Transfer In Actuals** – 28.6% KPI
- **LGPS Transfer Out Estimates** – 69.1% KPI (moderate)
- **LGPS Transfer Out Actuals** – 11.4% KPI (very low)

Aggregation Work

- **Aggregation In Estimates** – 42.7% KPI
- **Aggregation In Actuals** – 53% KPI
- **Reversal of Auto Aggregation** – 20% KPI

These are the most challenging workflows, with persistent backlogs likely impacting completion rates.

New Joiner and Opt-Out Processing

- **New Starters** – 55.3% KPI
- **Opt-Outs (<3 months)** – 50% KPI

These results indicate delays in core employer interface processes.

2.6 Legal Compliance Concerns

Only a few categories are close to or below 80% legal target:

- **Notification of Refund Entitlement** – 78.5%
- **Deferred Benefit Statements** – 87.7%
- **New Starters to the Scheme** – 55.3% (statutory onboarding deadlines at risk)
- **Opt Outs** – 72.5%

These areas may require operational review to ensure legal timelines are consistently met.

2.7 Conclusion

The administration service remains **strong and compliant** in most high-volume benefit areas, particularly retirements, estimates, correspondence, and death processing.

However, there are **significant performance issues** in:

- **Transfers (both LGPS and non LGPS, especially actuals)**
- **Aggregation workflows**
- **New joiner and opt-out processes**

3. Backlog Update

- 3.1 The total number of cases in scope for the backlog project is 23,013, and to date 3,646 have been completed representing 15.84%.

Case Type	Tender	Processed	Complete - Billed	% processed v tender	% complete v tender
Leaver - Aggregation	7,932	1,238	1,209	15.61%	15.24%
Leaver - Deferment	6,465	1,688	1,673	26.11%	25.88%
Leaver - Refund	2,811	403	360	14.34%	12.81%
Leaver - Concurrency	2,449	282	282	11.51%	11.51%
Interfund in	2,417	214	88	8.85%	3.64%
Interfund out	650	43	34	6.62%	5.23%
Leaver - Opt Out	289	Included in deferment and refund reporting			
Total	23,013	3,868	3,646	16.81%	15.84%

4. Operations Team

4.1 Overseas Proof of Life Exercise

The overseas proof of life exercise identified 954 pensioner members living overseas. In October 2025, the team dispatched letters to all qualifying members living abroad. Overseas pensioner members who did not return the proof of life form were contacted again at the start of December 2025.

In January 2026, it was necessary to suspend 40 pensioner members due to non-contact. Of these records, at the end of February 2026, the team are now

in a position to reinstate 13 pensions following receipt of the required documentation and have identified 1 death of an overseas pensioner.

4.2 Team Changes

Changes implemented in the Operations Team from 1 November 2025, are embedding and showing positive results through KPI monitoring. Highlights include an overall reduction in outstanding cases, by 1,211 for the period October to December 2025, with a further reduction of 397 cases in January 2026.

Impact of November 2025 operational changes on staff capability, autonomy, and team effectiveness

Internal anonymous staff surveys were undertaken in the Operations Team, to measure opinion and attitude to training and skill consolidation, work visibility and the effectiveness of day-to-day support. A comparison of results conducted in October 2025 and February 2026 shows strong, measurable improvements across all key indicators following the introduction of:

- Change to x5 teams, focus and organization.
- Changes to work allocation practice and documentation.
- Dynamic rotations within work teams, based upon skills, training needs and business requirements.
- Enhanced autonomy for Pension Officers and a dedicated Teams knowledge-sharing channel.

The February results confirm that the operational reforms have delivered significant gains across capability, confidence and team awareness.

Interpretation of Improvements

Training & Skills Consolidation (+148%)

This is the strongest improvement across all indicators. The large increase reflects the positive impact of slower rotation cycles, allowing staff to practice and embed new skills more effectively.

Increased Autonomy & Knowledge Access (+36%)

Staff are significantly more confident in locating answers independently. This aligns with the introduction of Teams-based peer support and the empowerment of Pension Officers to operate more autonomously.

Improved Work Visibility (+32%)

Understanding of each team's workload increased substantially after the launch of the Work Allocation Document, highlighting its effectiveness in improving transparency and reducing duplication.

Strengthened Day-to-Day Support (+18%)

Staff perception of developmental support increased, reflecting improved supervisory consistency and clearer team structures introduced in November 2025.

Reliable Peer Support (+8%)

Colleague availability remains a team strength, with further gains linked to improved knowledge sharing through the Teams channel.

Additional February-Only Indicators (Positive Positioning)

- 92.3% satisfaction with the current rotation approach
- 84.6% regularly discuss rotation with their manager
- 80.8% feel they have opportunities to work alongside colleagues who support their development.

Qualitative Feedback Themes

- Clear preference for longer rotation periods due to increased confidence and reduced relearning.
- High value is placed on the Work Allocation Document, now viewed as intuitive and helpful.
- Teams channels praised for quick answers and reduced delays.
- Early signs of reduced member chasing calls due to improved internal processes.

4.3 Conclusion

The operational changes introduced in November 2025 have produced strong, demonstrable improvements, across all key capabilities and support indicators. These improvements reflect improved knowledge retention, greater autonomy and peer-to-peer support, stronger clarity of team workloads, and strengthened developmental support mechanisms.

Operations Team Managers are currently undertaking a review of their individual work areas to establish and document best practice, which will support the smooth running of each team and ensure continuity in the future. It is envisaged that this will be completed by the end of April 2026.

4.4 Operations Challenges Ahead

Current challenges include the necessity to enter a blackout period, requiring the suspension of aggregation and concurrent cases while Lumera and KPF undertake the final stage of transforming the service data in respect of McCloud. The blackout period is yet unknown but will affect service delivery as casework will be held in a backlog until such time as processing can start again.

4.5 Recruitment and Training

The team have been actively moving forward with recruitment campaigns. Where the team have been successful in attracting and recruiting external candidates, it has been necessary to review line management capability. Currently, Team Managers in the Operations Team are responsible for the line management of up to 12 colleagues. As the team move towards reaching the aim to be fully staffed, requiring another 10 full time members of the team, it has been recognised that it is essential to introduce an additional line management team, necessitating a 6th Team Manager and Deputy.

In November 2025, the team reached Pension Assistant capacity following a successful external recruitment campaign. In January 2026, a temporary 6-month contract was also offered to an experienced LGPS Pensions Assistant, who was looking for employment following redundancy from the London Borough of Barking and Dagenham. This was undertaken in recognition of the planned February 2026 Pension Administrator recruitment, which depleted the Pension Assistant pool. Further Pension Assistant recruitment is planned for July/August 2026, to return numbers back to capacity in this area.

In February 2026, the team successfully recruited 4 Pension Administrators from internal candidates. Secondments into these positions are planned to commence in March and June 2026. In addition, the team have just completed a full recruitment campaign for Deputy Team Manager positions and are currently preparing to make offers to 2 internal candidates

There are currently live recruitment campaigns for Team Manager, Pension Officer and Senior Pension Administrator through internal and external recruitment campaigns. It is expected that this will in turn result in vacancies throughout the Pension Administration levels.

In March 2026, 2 members of the Operations Team will commence Level 3 Certification in LGPS Pensions Administration, with a further 2 colleagues due to start the same level of qualification in September 2026.

4.6 Voice of the Customer – Telephone Survey

The Pension Operations Team launched the Voice of the Customer telephony survey on 1 October 2025. Since then, the team have continued to gather data to inform the overall provision of the telephony service. The survey questions have been designed to understand the member experience and to check that the Nimbus system allows member to navigate the menu with ease and reach an expert in the subject they wish to discuss. The member also has an opportunity to provide comments and contact details.

	November 2025	December 2025	January 2026
Qualifying calls handled	1,329	985	1,379
Survey tasks created	287	212	385

Number of surveys returned	72	51	133
Feedback highlights - service	97.2% reported either satisfied or very satisfied with service. (92% level 5 – very satisfied)	98% reported either satisfied or very satisfied with service. (86% level 5 – very satisfied)	98.5% reported either satisfied or very satisfied with service. (92.5% level 5 – very satisfied)
Feedback highlights – query answered at point of contact	100%	100%	98.4%
Feedback highlights – call backs	100% expecting a call back received one	100% expecting a call back received one	100% expecting a call back received one

For context and to provide some further clarity regarding the results -

Calls handled – This figure excludes calls taken across death/survivor lines.

Survey tasks created – This figure represents the total number of surveys sent over the period. When considering this number, please note that some members may have asked not to be sent a survey, calls received from other Funds/third parties would not be eligible and some records may not have an email address.

Number of surveys returned – when feedback is received it is anonymised and cannot be attributed to an individual member or call handler.

Comment highlights

- I have been incredibly impressed by every single person I have spoken to at Kent County Pensions. You answer calls quickly or provide call back, which is also speedy. You deal with queries very efficiently and with a friendly manner. As I say, you are a very impressive team.
- The lady was very polite listened carefully to what I had to say. Then found the way forward and called me back explaining what I needed to do.
- To be honest I had been putting off making a phone call as I was concerned it would be complicated or unhelpful. I couldn't have been more wrong. The lady I spoke to was very friendly and helpful.
- The lady I spoke to was very polite, empathetic, understanding, clearly communicated and efficient.
- The person was incredibly professional and personable in their manner and was able to help with my query very efficiently. She also offered further advice that was appreciated.

- The lady was incredibly helpful, polite and knowledgeable. She talked me through my query in a patient manner ensuring I had the correct information to go back to my school's finance officer with. In this day and age, it was such a help talking to someone in person as it helps to resolve the matter in minutes rather than getting on an hour plus sometimes online. Thank you.

To provide balance, since inception to the end of January 2026, the team received 3 surveys that provided negative feedback, reporting that the member was either dissatisfied or very dissatisfied via the 5-point scale of service received. Comments attached to these surveys, where they were provided, are detailed below.

Although my case is still live and I am waiting for my settlement (overdue, I should have retired in 3 days) I must say that all the telephone administrators I have spoken to over this period were pleasant and knowledgeable. In this case the member did not leave any identifiable information that would allow the team to follow up on the concern raised, although an opportunity to do so is provided.

I was following up letter 3 November about delayed payment because of AVC. Previously assured protocol in place to chase PRU AVC within 2 weeks but that has not been done extending delay. Assured would be chased as a priority on this call 12 December. Priority chase to PRU AVC hopefully actioned 12 December, but previous lack of action unacceptable. In this case the team were able to make contact with the member on 15 December, to confirm that they had chased Prudential regarding the disinvestment of AVCs and were able to offer a payment on account in recognition of the delay caused by non-receipt of his AVC fund.

5. Engagement and Systems Team

5.1 Communications from members:

Month	Emails	Calls	1:1 visits	Website Visits	MyPension Online (MPO) registration queries
Oct	1,345	1,522	0	13,512	496
Nov	1,534	1,291	1	11,222	510
Dec	1,279	826	1	9,922	449

October

- MPO queries returned to average levels. However, MPO queries have already exceeded the number received for the whole of 2024.
- Emails returned to average levels, however the experience at the same time in 2024 saw lower numbers.

- Calls were slightly over average numbers but less than the number received in the same period in 2024.
- Website levels returned to average levels, with popular pages being MPO, pensioner newsletter, joiner pack, opting out and contributions.

November

- MPO queries remained at average levels
- Emails increased above average levels and above the same time in 2024
- Website visits were below average, with popular pages being MPO, joiner pack, contributions, opting out and in-house AVCs

December

- All communications dropped as expected for the time of year
- MPO queries were slightly under average
- Emails were significantly higher than the same time in 2024
- Calls were less than the same time in 2024
- Popular website visits were MPO, pensioner payment information, joiner pack, contributions and opting out

5.2 Webinars & Training Sessions – Since December the team have delivered two webinars for members of the scheme and two for the employers, there is a full schedule for the whole year. The team have introduced workshops for employers and their payroll providers to help them to deal with pension related matters.

Preparations are ongoing for the next Lunch Time with Pensions – an in-person session for members of the scheme working in KCC, and it has already been added on the events list on KCCs internal intranet. It has also been promoted on KCCs internal communication channel where it was been viewed by 3,436 people so far.

The team are actively engaging with Affinity to monitor the uptake of the Pre-retirement courses, all dates for 2026 are agreed and advertised online and at events.

The team held a very successful Employer Forum in December which was attended by the Fund actuary. 1:1 discussion slots were offered to employers so they could discuss their valuation results with Barnett Waddingham. There were nearly 80 attendees, and the Fund received positive comments.

The team have been invited to the Breakfast Briefing – an in-person event organised by KCC (HR Connect) in March for their clients (many of which are employers in the KPF). Team representatives will hold a workshop for the employers to which 40 attendees have already registered (the team were advised this is the most popular workshop so far).

5.3 MyPension Online (MPO) – Heywood’s continue to release updates for MyPension Online on a fortnightly basis, requiring regular testing by the team. These releases include fixes for issues raised by funds and introduce new or improved features for the portal.

The MyPension Online registration and log in queries received were above average during the period. This is likely due to the increased promotion via the member webinars and member newsletters.

MyPension Online Registrations

	Unique member records				Employment records		
	Oct	Nov	Dec		Oct	Nov	Dec
Active	18,322	18,562	18,700		19,878	20,197	20,342
Deferred	8,927	9,091	9,192		10,030	10,206	10,327
Pensioner	8,766	9,076	9,305		10,143	10,507	10,790

5.4 Kent Pension Fund website – representatives across the administration team meet regularly to review the Fund’s website. They look at maintaining and developing the member area of the website, focussing on member journeys and administration processes, looking to make improvements where possible. Some of the changes made to the Fund website include:

- The [Transitional allowance page](#) was updated on 12 November to make it easier to understand
- Added alert on the MPO page on the KPF website on 3 November. It says:
From 3 December 2025, the website address (URL) for the MyPension Online website is changing. The links to the website will be updated when the change happens. However, if you saved the website in your favourites or bookmarks, you would need to update it after 3 December
- Added an article on the [member news page](#) and the [employer news page](#) explaining that LGPS accounts are expected to increase by 3.8% in April 2026.
- The notification of a death online form was added in the sidebar on the [Contact us page](#) on 11 December. Members can now go straight to the form from the Contact us page rather than calling or filling in the enquiry form.
- The Pension Ombudsman (TPO) produced a factsheet to help members understand the key issues arising when a pension is

overpaid. It explains the legality of overpayments. This was added the factsheet into the sidebar on our [Help and complaints page](#)

The website **Accessibility Audit** results were received. They categorise websites as low, medium or high risk. The best is low risk.

Websites can be deemed non-compliant, partially compliant, or fully compliant. It is hard to be fully compliant. For example, there are often documents on websites that are not accessible and not highlighted as being inaccessible.

The Kent Pension Fund website was deemed as follows:

Type of assessment	Compliance Status	Risk Level	Action Required
Accessibility Audit:	Partially Compliant	LOW	Yes
IT Risk & Security Assessment:	Fully Compliant	LOW	No

The **Accessibility Audit** was **partially compliant** because the focus visibility when users hover is not quite good enough. The contrast ratio needs improvement. KCC Digital will carry this out for the Fund.

The **IT risk and security assessment** was **fully compliant**. There were no broken links, no vulnerabilities, and nothing listed in their risk log.

This was an excellent result for the Fund.

5.5 End of Year

The team is preparing for the Year End, with part year returns already being processed for employer onboarding on iConnect. The deadline for employers to submit end of year returns is 10 April 2026. The team are working to a 31 May 2026 deadline to complete the year end project.

5.6 Data Quality

Work has continued on the external data quality assessment that was completed by ITM/Lumera.

The team has also developed a suite of data quality reports that are run regularly. These reports will enhance the overall quality of the Fund's data and help reduce queries at valuation and support ongoing work for the upcoming Pensions Dashboard.

In addition, the Data Quality Policy has been updated to reflect the expanded data cleansing activities currently underway.

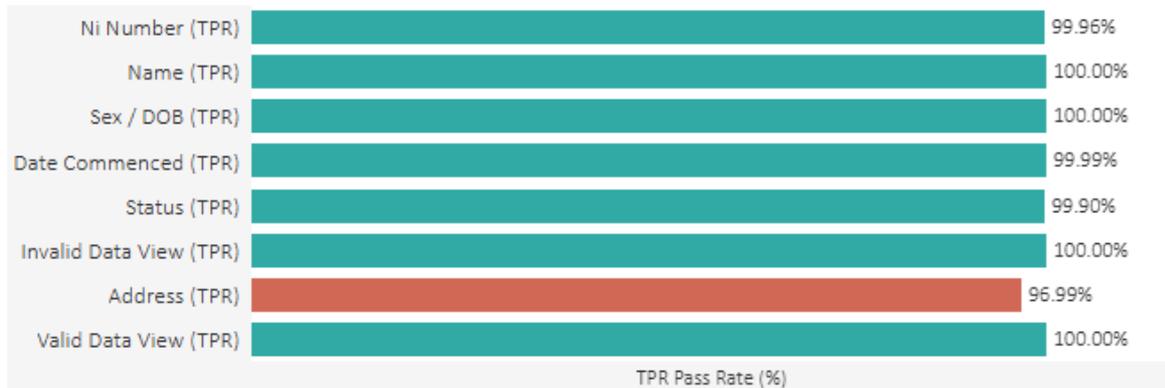
Common and Scheme Specific Data Scores

Data Type	TPR Pass Rate %	
	Jul - Sep	Oct - Dec

Common	97.80	97.90
Scheme Specific	94.55	97.82

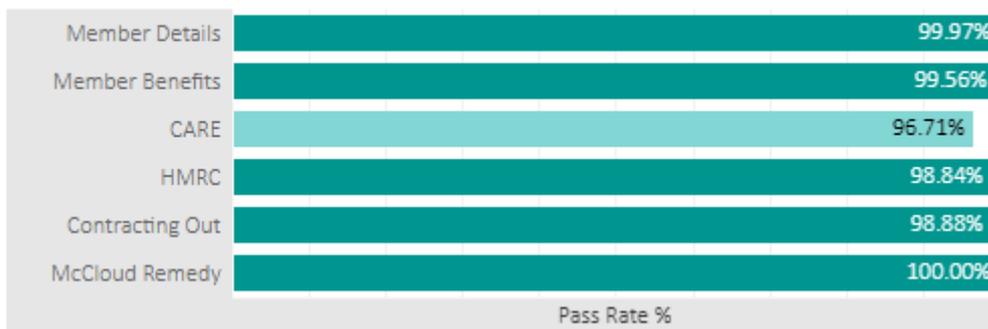
Common Data:

TPR Pass Rate % by Test Category



Scheme Specific Data:

Grand Total | TPR Pass Rate % by Test Category



5.7 iConnect

The team has continued to onboard employers to i-Connect. For this period, the following employers have successfully onboarded:

01/12/2025	Allington Primary School (Academy) - OAT
01/12/2025	Barming Primary Academy - OAT
01/01/2026	Weald of Kent Grammar School (Academy)

The team are working with another 16 employers to onboard before April 2026, all of which will need part year end returns processing manually before onboarding.

In the future, Multifactor Authentication will be introduced to the i-Connect portal, which will add an extra layer of security for employers who use the system.

- 5.8 Other Updates** - The team is working on the periodical newsletters – Open Lines (for members in receipt of pension) Pension Pulse (for active members) Employer update (for employers).

The team are also assisting Lumera with obtaining information from the pensions administration system and employers.

Employers have been kept informed about the various government consultations and the resulting changes in regulations, more communication is being worked on.

Together with colleagues from other teams the shape and form of future Employer Forums is being considered to ensure they stay relevant and fit for purpose.

6. *Technical and Training Team Update*

- 6.1 McCloud** – The final interface file containing membership data to be uploaded to the administration system is still to be received from Lumera. Further training has been provided to more staff to assist in the manual calculations regarding McCloud. This is slowing up processes. The team are currently unable to continue with aggregations or concurrent aggregations while awaiting the final file from Lumera.

Software testing has continued and processes and procedure notes are being worked on to assist the Operations Team once McCloud is implemented.

- 6.2 Local Government Pension Scheme in England and Wales: Scheme improvements (access and fairness) Consultation** – The government have published their response to the consultation document regarding further changes to the LGPS. They have split the proposed changes into 2 phases. Phases 1 is likely to be implemented from 1 April 2026. The changes for this include:

a) The equalisation of survivor pensions retrospective to 2005. This will involve, as well as changes to new cases from 1 April 2026, an extensive exercise to locate and recalculate any cases back to 5 December 2005 which may now come into scope to receive a survivor's pension or to receive a higher survivor's pension.

b) The removal of the age 75 cut off for payment of death grants, again, retrospective to 1 April 2014. This will involve, as well as changes to new cases from 1 April 2026, an extensive exercise to locate and recalculate any cases back to 1 April 2014 which may now come into scope for payment of a death grant to a survivor.

- c) Gender pensions gap improvements and reporting.
- d) Amendments in some areas of the McCloud remedy.
- e) Amendments to the Lump sum allowances regulations giving guidance around a new taxable pension lump sum.

The final regulations have not yet been laid in parliament therefore while the team are taking steps to prepare guidance and notes for staff to follow from 1 April 2026 regarding all the above changes, until the final regulations are laid the team cannot be sure of the final guidance needed.

It is also noted that the exercises to retrospectively find and recalculate survivors' pensions and death grants will be a large amount of work over a long period of time.

More information regarding the response to the consultation can be found here:

[Local Government Pension Scheme in England and Wales: Access and fairness - government response - GOV.UK](#)

6.3 Training figures for the period 1 October – 31 December 2025

In house training sessions	26
Sessions led by Training Officers	25

External course LGA course attendance this period:

- 3 members of staff on the 3-day residential course LGPS insights course.
- 3 members of staff attended the LGA aggregation course.

Following a review of staffing and training a new role of Pension Assistant Training Officer was created to enable the focus of new staff training and to support the Pension Assistant pathway currently in place. The recruitment for this role was undertaken in January 2026.

7. Recruitment

7.1 A summary of the recruitment activity over the period is shown below. Where interviews have been completed and start dates agreed, these future dates are also included:

Position	Team	Start Date	Number	External/Internal
Deputy Team Manager	Engagement &	01/01/2026	1	Internal – made

	Systems			permanent after secondment
Pensions Assistant	Operations	05/01/2026	1	External – 6-month secondment
Pensions Assistant Training Officer	Technical & Training	01/02/2026	1	Internal – 12-month secondment
Deputy Team Manager	Operations	01/03/2026	1	Internal – made permanent after secondment
Deputy Team Manager	Operations	01/04/2026	1	Internal – permanent
Pensions Administrator	Operations	01/03/2026 01/06/2026	4	Internal – 6-month secondments (x1 to complete other secondment first)
Senior Pensions Administrator	Operations		Multiple	Advert closed 01/03/2026 – recruitment in progress
Team Manager	Operations		1	Advert closed 01/03/2026 – recruitment in progress
Pensions Officer	Operations		Multiple	Advert closed 01/03/2026 – recruitment in progress
Technical Compliance and Training Development Consultant	Technical & Training Team		1	To be advertised Spring/Summer 2026
Engagement & Systems Senior Officer	Engagement & Systems Team		1	To be advertised Spring/Summer 2026

- 7.2 Subject to the above recruitment resulting in successful outcomes, the number of vacancies across the section is due to decrease to just three vacancies in the Engagement & Systems Team, plus any backfilling that could result from internal promotions. Recruitment in the Engagement & Systems Team is to resume in 2026 (recruitment schedule tbc), now that a series of new team members from outside of KCC have settled in.
- 7.3 The number of vacancies is the lowest it has ever been in the last four years and is due to: external candidates joining the team and a focussed effort on recruitment, training and supporting team members in new roles.
- 7.4 One senior colleague in the Pensions Operations Team left in February 2026 due to retirement. One senior colleague in the Engagement & Systems Team is due to retire in April 2026. One colleague in the Operations Team commenced parental leave in December 2025 and is due to return August 2026. The above vacancies take into account these absences.

8. IDRPs, Complaints, Compliments and Comments

- 8.1 Five new **Stage 1** Internal Dispute Resolution Procedure (IDRP) appeals have been received.

One was against the Administering Authority appealing that contributions from one period of employment are not reflected on MyPension Online. This was referred to the independent adjudicator on 8 December 2025 and a response is outstanding.

Four were against Employers; three relating to refusals to award Ill Health retirement and one relating to Admission Agreement delays.

- 8.2 Three **Stage 2** IDRP applications have been received. Two were against Employer decisions not to award Ill Health Retirement, and one against the Administering Authority appealing the award of Redundancy benefits in 2014 and the impact of the McCloud Remedy on this decision.

- 8.3 For the period 1 October to 31 December 2025 a total of 5 complaints, 13 compliments and 24 comments were received. These have been summarised below:

	Complaints	Comments	Compliments
Oct	0	11 (Poor Communication)	6 (Good Communication)
Nov	4 (Poor Communication)	10 (Poor Communication)	3 (Good Communication)
Dec	1 (Service Delivery)	3 (Poor Communication)	4 (Good Communication)

9. Pension Overpayment Write Offs

- 9.1 There were no pension overpayment write offs for the period 1 October to 31 December 2025.
- 9.2 A review of the Pension Overpayment and Write Off process is being carried out. This is currently at the fieldwork and sample testing stage, with the report due by the end of March 2026.

Clare Chambers – Head of Pensions Administration – Kent Pension Fund

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March 2026

Appendix 1 – Casework Summary

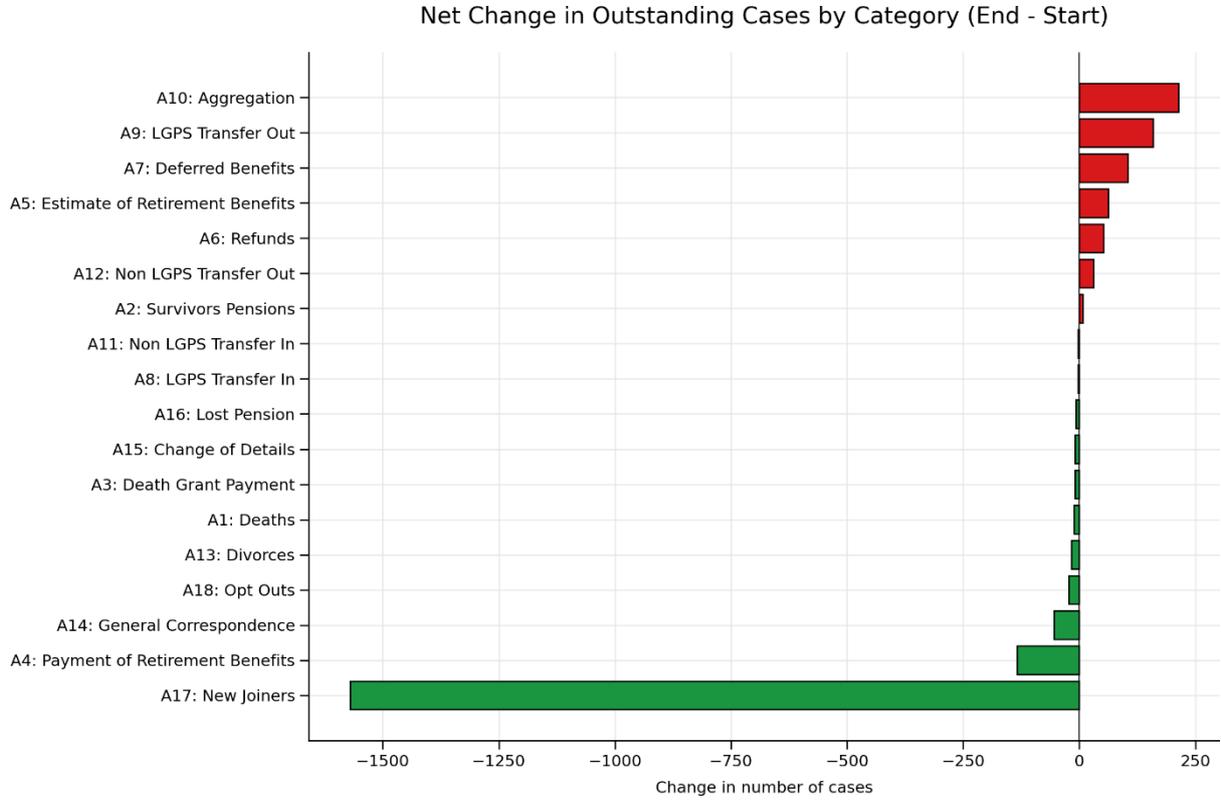
Appendix 2 – KPI Results

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APPENDIX 1 – Casework Summary

Net Change by Category (End – Start)

A quick way to see where backlogs grew (red) vs where cases reduced (green). Sorted to put the biggest movers at the top.



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APPENDIX 2 – KPI Results

RAG Criteria (applied separately to KPI and Legal Target)

- **Green (G):** ≥ 90%
- **Amber (A):** 70%–89.9%
- **Red (R):** < 70%

RAG Summary Table – KPI vs Legal Targets

Category	KPI %	KPI RAG	Legal %	Legal RAG
Initial Death Notification	88.80%		98.50%	
Survivors Pension – Pensioner/Deferred	70.60%		91.70%	
Survivors Pension – Death in Service	60.00%		100.00%	
Survivors Pension (Estimate)	94.70%		100.00%	
Death Grant Payment	84.80%		97.10%	
Retirement Benefits – Active (Actual)	83.60%		98.90%	
Retirement Benefits – Deferred (Actual)	92.00%		98.70%	
Retirement Estimate – Active	92.70%		99.60%	
Retirement Estimate – Deferred	91.70%		97.90%	
Notification of Refund Entitlement	78.50%		78.50%	
Payment of Refunds	93.80%		100.00%	
Deferred Benefit Statements	87.70%		87.70%	
LGPS Transfer In Estimate	42.90%		57.10%	
LGPS Transfer In Actuals	28.60%		35.70%	
LGPS Transfer Out Estimate	69.10%		81.50%	
LGPS Transfer Out Actuals	11.40%		94.30%	
Aggregation In Estimate	42.70%		47.80%	
Aggregation In Actuals	53.00%		53.00%	

Category	KPI %	KPI RAG	Legal %	Legal RAG
Reversal of Auto Aggregation	20.00%	■	25.00%	■
Non-LGPS Transfer In Estimate	43.20%	■	94.60%	■
Non-LGPS Transfer In Actual	71.40%	■	100.00%	■
Non-LGPS Transfer Out Estimate	60.30%	■	96.20%	■
Non-LGPS Transfer Out Actual	38.50%	■	92.30%	■
Pension Sharing on Divorce Estimate	91.30%	■	96.20%	■
Pension Sharing on Divorce Implementation	75.00%	■	75.00%	■
General Correspondence	94.90%	■	98.90%	■
Change of Member Details	88.60%	■	93.40%	■
Lost Pension	96.00%	■	98.00%	■
New Starters	55.30%	■	55.30%	■
Opt Outs (<3 months)	50.00%	■	72.50%	■

From:	Chairman Pension Fund Committee Interim Corporate Director - Finance
To:	Pension Fund Committee – 26 March 2026
Subject:	Investments Update
Classification:	Unrestricted

Executive Summary:

This report provides an update on the Fund's investment strategy, asset allocation, performance, cashflow position and responsible investment activity. Detailed performance information is provided in the *Quarterly Fund Performance Report* found in Appendix 1. This report also outlines the timeline for the strategy review, with proposals for the updated strategic asset allocation and investment objectives.

Recommendation:

The Committee is asked to note the report.

FOR INFORMATION

1 FUND VALUE AND ASSET ALLOCATION

1.1 As of 31 January 2026 (the latest available data), the Fund's value was £9.48bn compared to £9.40bn as at 31 October 2025, the position previously reported to the Committee. The table below sets out the current asset allocation versus the Fund's strategic asset allocation and its rebalancing policy.

Asset Class	Strategic Asset Allocation (%)	Tolerance Band (%)	Current Asset Allocation (%)	Variance	Status
Equities	53	+/- 10	58.1	5.1	In range
UK Equities	10	+/- 2.5	11.9	1.9	In range
Global Equities	38	+/- 5	40.0	2.0	In range
Emerging Market Equities	5	+/- 2.5	6.2	1.2	In range
Fixed Income	22	+/- 5	16.4	-5.6	In range
Credit	15	+/- 5	14.5	-0.5	In range
RMF (Index Linked Gilts)	7	-	1.9	-5.1	N/A
Alternatives	25	+/- 10	23.8	-1.2	In range
Absolute Return	5	-	4.9	-0.1	N/A
Infrastructure	5	-	4.3	-0.7	N/A

Private Equity	5	-	4.4	-0.6	N/A
Property	10	-	10.1	0.1	N/A
Cash	0	5	1.7	1.7	In range
Total	100		100		

- 1.1 The current asset allocation is broadly aligned with the strategic asset allocation, and within approved tolerance bands. UK and emerging market equities are overweight and conversely private equity, infrastructure and credit are slightly underweight. Fixed income as a whole is largely underweight, mostly as a result of the allocation to the Risk Management Framework. The underweight position primarily reflects the underperformance of the gilt portfolio and the effects of the Risk Management Framework. Some excess cash is being held to meet liquidity requirements for the Fund's alternatives portfolio including private equity and infrastructure drawdowns.
- 1.2 Whilst the current asset allocation of fixed income at the asset class level is underweight and sits outside of the Fund's approved tolerance bands, Officers are not recommending that Committee agree to a rebalancing given the forthcoming transition to the new pool, Border to Coast Pensions Partnership, and given a strategy review is now taking place.

2 INVESTMENT STRATEGY REVIEW

- 2.1 The Fund is undertaking a full review of its investment strategy, following the results of the triennial valuation as at 31 March 2025, to ensure that the Fund's strategic asset allocation is positioned to produce a return assumed in the actuarial valuation to maintain and improve the funding position.
- 2.2 Members of the Committee attended a training and strategy away day on 10 February 2026, where they received an overview of the strategy development process. They also received the results of the recent Responsible Investment Beliefs Survey and discussed how these should inform the strategy review and the updated Investment Strategy Statement (ISS).
- 2.3 The Government's Pensions Bill following its Fit for Future review expects Administering Authorities to set the Fund's strategic asset allocation and its underpinning investment beliefs. In December 2025 MHCLG issued draft guidance which requires administering authorities to produce and publish a detailed Investment Strategy Statement outlining the investment beliefs, investment objectives and risk tolerances that have informed its Strategic Asset Allocation.
- 2.4 Determining the investment beliefs and risk and return objectives will require working with members and it was agreed at the meeting that an Investment Subgroup of members will be formed outside of the formal committee meetings to discuss and agree these matters in detail with the help of officers and advisors as appropriate. The group will meet from time to time and will also discuss other investment related matters such as Risk Management and Responsible Investment.
- 2.5 It is planned that the Investment Sub-Group (ISG) will meet a couple of times in the coming months to receive training and discuss and agree investment

objectives and a draft strategic asset allocation. The intention is to bring proposals for the updated draft strategic asset allocation (SAA) and investment strategy statement (ISS) to the Committee meeting on 23 June 2026 for approval for consultation with other stakeholders.

- 2.6 Following the June meeting, the next scheduled Committee meeting will be asked to approve the updated ISS and any associated supplementary documents, including the Investment Policy Statement (IPS).
- 2.7 By 30 September 2026, the Fund will be required to formally agree and publish the revised ISS. Throughout the process, officers will be working closely with Mercer, as well as ensuring the Border to Coast are effectively sighted on any proposals and decisions to ensure that the agreed strategy can be effectively implemented using their current and future investment propositions.

3 INVESTMENT PERFORMANCE: QUARTER TO 31 DECEMBER 2025

- 3.1 The Fund's investments returned 2.7% in the three months to 31 December 2025, marginally behind the strategic benchmark return of 2.8%.
- 3.2 **UK equities** returned 5.9% in the quarter vs the FTSE All-Share index return of 6.4%. The Fund's only UK equities manager, Schroders, delivered a weaker return than benchmark due to a challenging environment for their style, which focusses on small and mid-caps.
- 3.3 **Global equities** returned 2.5% against the MSCI ACWI benchmark of 3.4%. Performance was largely driven by a weaker US dollar and regional rotations out of America, with a focus on value and quality stocks. Of the Fund's global equity managers, Baillie Gifford and Impax underperformed with returns of -1.2% and -3.2% against their respective benchmarks of 4.3% and 3.4%. Their growth-oriented and sustainable investment styles struggled during the rotation. On the other hand, Schroders Global Active Value Fund, M&G Global Dividend Fund and Robeco Global Stars Fund all performed well, returning of 6.1%, 5.0% and 3.5% respectively, benefitting from value and dividend tilts in a rotation away from growth and tech.
- 3.4 The Fund has implemented a risk management framework for global equities which aims to mitigate downside risk, but which also means that the asset class is aimed to achieve 80% of MSCI returns. Taking into account the impact of the Risk Management Framework, overall global equities performance remained at 2.5%, which was only marginally below 2.7% being 80% MSCI ACWI return of 3.4%.
- 3.5 **Emerging market equities** outperformed the broader market, returning 6.2% in the quarter against the MSCI Emerging Markets benchmark of 4.8%. This was supported by a weaker US dollar and renewed interest in Asian technology stocks.
- 3.6 Robeco had the stronger performance of the two managers, returning 7.7% whilst Columbia Threadneedle returned 4.7%. Robeco's performance was driven primarily by positive country allocation, with overweight to Korea, whilst underweights to China, Greece and India all contributing. For Columbia Threadneedle, stock selection and sector allocation both weighed on returns,

although choices in technology added some alpha to result in only a marginal underperformance.

- 3.7 **Fixed income** returned 1.4% in the quarter, outperforming the composite benchmark of 0.9%. The environment for credit remained supportive as spreads tightened amid a soft-landing economic narrative. CQS, Schroders Strategic Bond Fund and Goldman Sachs all outperformed slightly with returns of 1.5%, 1.5% and 1.8% respectively. M&G Alpha Opportunities slightly underperformed with a return of 0.8% against the 1.0% 1-month SONIA benchmark.
- 3.8 The Index Linked Gilts portfolio, which is a buy and hold portfolio and is part of the Risk Management Framework (RMF) managed by Insight, returned 7.6% in the quarter, benefitting from a decline in UK real yields.
- 3.9 **Property** total returns were 0.3% in the quarter, below the MSCI UK All Property index return of 1.3%. Within the asset class, direct property underperformed with a return of 0.4% against the same benchmark, though this underperformance was largely led by transaction costs from the large purchases in December, as reported at the previous Committee meeting. M&G residential property returned 0.4% against MSCI UK All Balanced Property index of 0.8%. Fidelity returned -2.0% and Kames returned 1.1% against the same benchmark.
- 3.10 Amongst the two **absolute return** mandates, both Pyrford and Ruffer outperformed the RPI benchmark of 0.6%, posting returns of 2.5% and 2.1% respectively, resulting in an overall performance of 2.3%. Exposure to gold and precious metals, as well as equities, all contributed positively to performance in Q4. Additionally, heavy bond allocations led to outperformance from Pyrford, with falling yields boosting returns.
- 3.11 **Private equity** and **infrastructure** showed mixed results. Private equity returned 0.7% against the SONIA benchmark of 1.0%. HarbourVest was the largest detractor for private equity, returning 0.1%, whereas YFM performed better with a return of 3.1%. Partners Group returned -2.1% for infrastructure.

4 LONGER TERM PERFORMANCE

- 4.1 For the year ended 31 December 2025, the Fund achieved an overall return of 9.8%, which was in line with the benchmark return.
- 4.2 Equities produced strong absolute returns but underperformed on a relative basis over the 12-month period. Global equities returned 11.1% (vs 13.9% benchmark) and UK equities returned 20.9% (vs 24.0% benchmark). Within global equities, Schroders Global Active Value was the only manager to outperform, returning 24.0%.
- 4.3 Emerging market equities were the strongest performing asset class over the year, with both managers producing very strong absolute returns. Columbia Threadneedle returned 23.9% against a benchmark of 24.4%, a marginal relative underperformance. Robeco, however, posted a significant relative return of 17.2%, with returns of 41.6% in the year. This led to an overall performance of 32.3% for emerging markets over the year to December 2025. This performance is largely as a result of country allocation, highlighting successful overweight to Korea and underweight to India.

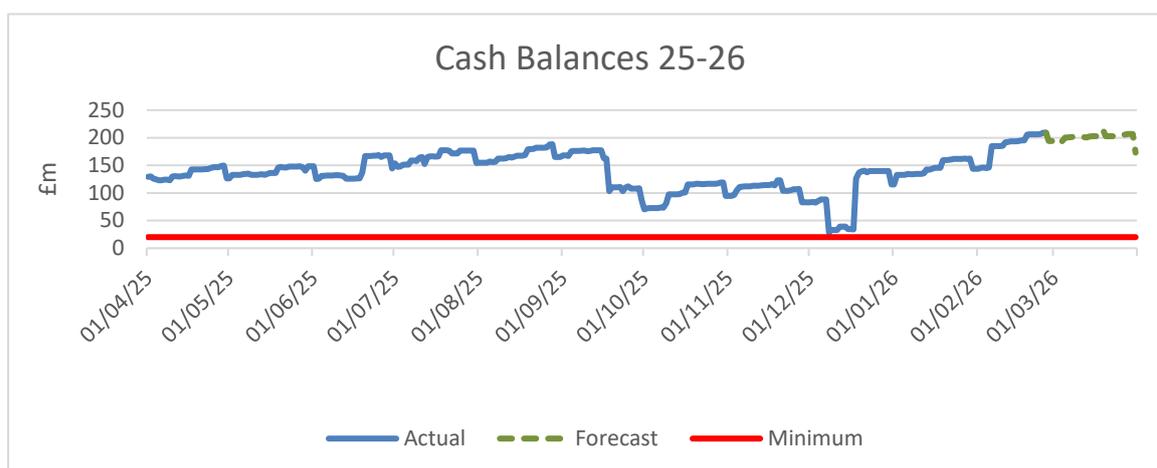
- 4.4 Fixed income outperformed over the year, returning 8.9% against a benchmark of 5.3%, as yields stabilised and the Fund's managers successfully navigated the tariff impact and changing interest rate outlook.
- 4.5 Alternatives produced mixed longer-term results with absolute return and infrastructure both performing well over the 1-year period, returning 10.6% and 9.8% respectively, significantly ahead of their benchmarks of 4.2% and 4.4% respectively. Private equity and property both underperformed over the year, returning 2.3% and 2.4% respectively. Private equity performance was hindered by HarbourVest who returned 0.8%, though YFM saw strong returns of 9.3%.
- 4.6 Over the three-year period, the Fund returned 6.6%, underperforming the benchmark of 9.2%. The longer-term lag is primarily attributed to the underperformance of Global and UK equities, as well as property and absolute return during a high-inflation period of 2023-2024.
- 4.7 Notable long-term success include infrastructure, which returned 10.5% over three years, which was a relative outperformance of 5.7%, and Credit which outperformed its benchmark by 3.2% with a three-year return of 8.4%.

5 CASH FLOW

- 5.1 The cash balance as of 31 December 2025 was £115.2m, up from £105.2m at the end of the previous quarter. Previously the Fund held a significant cash balance which was held within Insight to meet additional collateral requirements if any as well as to fund drawdowns for alternative asset classes. As discussed at the last Committee, £180m was used to Fund two large property investments in December and so there is currently a nil balance within Insight. However, the Committee also agreed to opportunistically rebalance global equities and hence a further £90m has been generated as cash be held to meet future private equity drawdowns.

Actual Cash Flow Experience and In-Year Forecast (2025-26)

- 5.2 The chart below shows the Fund's actual cash flow experience during this financial year from: 1 April to 26 February 2026(the date of writing this report) as well as forecast of cash flows to 31 March 2026. The chart shows that operational (non-investment) cash flows occur within a fairly repetitive cycle from one month to the next, which reflects standardised timing for contribution income receipts and pensions payroll payments. Additionally, the chart shows the impact from investment transactions, indicated by the dips seen in September, as a result of the purchase of a new property within the DTZ portfolio, and again in December following the property purchases previously reported. Following these purchases, Committee agreed to an opportunistic rebalancing within the global equities mandate, which brought cash levels back to healthy levels.
- 5.3 Actual cash flow experience in the year to date has been largely influenced by the timing of transaction activity within the alternatives allocation, particularly the private equity and infrastructure mandates. The forecast shown indicates that cash levels are expected to remain roughly in line with current levels by the end of the quarter. No new known investments are being planned, which would impact upon cash flow. Additionally, the cash flows relating to Fund's legacy private equity and infrastructure investments are expected to net to zero, considering all estimated drawdowns and distributions.



Cash Flow Forecast (2025/26 – 2027/28)

- 5.4 Officers maintain a forecast of the Fund’s cash flows over the medium term to ensure that liquidity requirements are identified and managed in an orderly fashion. The cash flow forecast for the Fund based on existing investment commitments is summarised in the table below.

	2025-26 Q4 £m	2026-27 Full Year £m	2027-28 Full Year £m
Opening cash balance	132.8	172.8	282.1
Revenue			
Pensions contributions	81.3	326.0	339.0
Property income	6.7	14.8	29.0
Total inflows	87.9	340.8	368.0
Pensions payments	-77.8	-328.0	-337.6
Admin, governance and oversight	-7.0	-7.7	-7.9
Investment management fees	-1.0	-4.0	-4.2
Total outflows	-85.7	-339.8	-349.7
Net revenue cashflow	2.2	1.0	18.3
Investments			
YFM	0.1	45.9	38.2
Partners Group	8.0	83.4	96.5
HarbourVest	-8.2	31.0	53.1
Disposal of IPIF	38.0	0.0	0.0
Potential new infrastructure	0.0	-28.0	-104.0
Potential new private equity	0.0	-24.0	-70.0
Net investment cashflow	37.9	108.3	13.8
Closing internal cash balance	172.8	282.1	314.2
Total cash balance	172.8	282.1	314.2

- 5.5 The table shows that the Fund’s cashflow from pension contributions and property income is marginally net positive, after taking investment management

fees into account. As investments move into the pool, investment manager fees will not impact cash as they will be taken directly from underlying investment funds.

- 5.6 Following the Fund's triennial valuation as at 31 March 2025, the actuary will be certifying updated contribution rates for the next three years which will come into effect from 1 April 2026. The impact of the new contribution rates on the Fund's cashflow will be incorporated in the forecast as soon as it becomes available and will be reported to the next committee.
- 5.7 The figures in the table above include cash flows from planned commitments to private equity and infrastructure. The forecast for 25-26 includes proceeds from disposal of IPIF unit trust by Fund's property managers DTZ, As at the previous update, 2026-27 and 2027-28 expects the Fund's alternatives allocation to provide large inflows as a result of the existing alternatives allocation being mostly fully drawn and transitioning to distributing phase. However, in the coming months the Fund will be exploring opportunities for commitments within the alternatives portfolios with Border to Coast Pool to maintain allocation to this asset class. Initial estimates for cash flow from those commitments have been added. These figures are indicative and no decision has yet been made regarding BCPP propositions. Any recommendations will be brought to a future Committee meeting for decision.
- 5.8 The size and timing of the investment cash flows relating to the alternative investment allocations cannot be precisely predicted, and capital calls can be issued at relatively short notice (two weeks). Therefore, it is important that the Fund has adequate liquidity to manage this inherent uncertainty.
- 5.9 Given the current and forecast cash levels, officers have no concerns over liquidity.

6 Responsible Investment Update

- 6.1 Officers attended the quarterly Responsible Investment Group with Border to Coast partner funds in February.
- 6.2 The pool provided an update of their long-term RI Strategy which was signed off by the Border to Coast Board in November 2025. The focus is working on the structure around what the pool is already progressing on, rather than a "big bang" launch.
- 6.3 The implementation is being managed via four pillars to drive long-term value for the pool. These are:
 - Portfolio Resilience – building resilience into investment decisions
 - Stewardship & Voice – Promoting longer-term value through active ownership
 - Innovation- Innovating to meet emerging sustainability challenges and opportunities.
 - System Influence – shaping the system for long-term resilient outcomes

- 6.4 In addition to this, the annual “climate report” is in the process of being drafted. One notable update is this is due to be renamed the “sustainability and climate report” to meet FCA requirements regarding sustainability disclosure over a broader range of themes than climate.
- 6.5 Officers were notified of the Pool’s four engagement themes which are split into two core themes: corporate accountability and climate resilience and two targeted themes: Natural Capital & Biodiversity and Fairness in work, pay and prospects. Engagement throughout the year will be focused, but not limited to, these four themes.
- 6.6 Borders to Coast also have a priority watchlist consisting of 33 companies for focused engagement. 10 of these companies are on the Pool’s nature watchlist, which is new for the 2026 AGM season, this is aimed to mitigate nature risk at company and system level. They have used the world benchmarking alliances nature benchmark to identify laggards and prioritised companies based on holding size. 11 of these companies are in the top 40 highest emitters and the final 13 are on the pool’s human rights watchlist.
- 6.7 Companies on the watchlist will be written out to with the can explanation of the reasons why they are on the watchlist and concerns and expectations will be shared.
- 6.8 The Net Zero roadmap is due to be refreshed as the pool’s 2025 interim targets have already been met, and they are on target to meet 2030 targets. In addition to this, requirement to make adjustments necessary to align with the pool’s principles taking into consideration latest policy updates and to incorporate the views of the incoming partner funds.
- 6.9 Officers will be contacted by the pool in upcoming months to include Kent Pension Fund’s input in the refresh of the roadmap.

7 Voting Activity for the 3 months to 31 December 2025

- 7.1 The Fund regards the exercise of ownership rights, including voting rights, as a critically important activity that enhances value and supports the maintenance of a sustainable financial system in which the interests of the Fund’s beneficiaries are effectively accounted for when companies make important strategic decisions
- 7.2 Asset managers are required to conduct all voting decisions at company meetings on behalf of the Fund. For pooled assets, voting should be conducted in accordance with the ACCESS voting guidelines on a comply or explain basis. For non-pooled assets with voting rights, asset managers should adhere to their own voting policies.
- 7.3 Asset managers are required to provide feedback information on voting decisions on a quarterly basis. A summary of the voting activity of the managers for the quarter to 31 December 2025 is shown in the table below:

Manager	Fund Name	Number of Meetings	No. of votes for	No. of votes Against, Abstained or Withheld
ACCESS POOL				
Baillie Gifford	WS ACCESS Global Equity Core Fund	63	225	10
Schroders	WS ACCESS UK Equity Fund	5	56	11
Schroders GAV	WS ACCESS Global Active Value Fund	57	215	216
M&G	WS ACCESS Global Dividend Fund	7	91	31
Robeco	WS ACCESS Global Stars Equity	2	3	0
Robeco	WS ACCESS EM Equity Fund	6	23	4
Columbia Threadneedle	WS ACCESS Emerging Markets Equity Fund	19	85	26
Ruffer	WS ACCESS Absolute Return Fund	15	100	29
NON-POOLED				
Impax	Impax Environmental Markets (Ireland) Fund	4	38	1
Pyrford	Global Total Return	8	44	6

7.4 Officers also review the voting alerts received from LAPFF from time to time and share with the asset managers if it is identified that the portfolio holds the relevant shares. The voting alerts are intended to provide additional information on ESG issues related to upcoming voting opportunities and enable the Fund to discuss potentially important stewardship events with asset managers on a timely basis.

8 Engagement Activity

8.1 The Fund expects the investment managers who hold shares on its behalf to fully comply with the UK Stewardship Code 2020 (the Code) and to be a signatory to the UN supported Principles for Responsible Investment. Asset managers are expected to actively engage with companies to monitor and

develop their management of material ESG issues to protect and enhance the value of the Fund's investments

8.2 Managers regularly report on engagements carried out with companies in the Fund's portfolio. An example of an engagement reported by Columbia Threadneedle can be found in Appendix 2.

9 Securities Lending

9.1 The ACCESS pool has a common policy for securities lending. All the sub-funds participate in the programme, which is operated by Northern Trust, the Pool's custodian.

9.2 The Kent Pension Fund also has a securities lending programme with Northern Trust for the directly held segregated assets not yet in the pool.

9.3 Standard guidelines have been agreed in both the programmes to provide maximum protection for assets which include borrower/market restrictions as well as adequacy and type of collateral (cash) backing the loaned assets.

9.4 The programmes afford the managers the ability to recall shares for voting to meet their stewardship obligations. NTRS also operate a buffer management system which restricts a portion of lendable stocks to allow for representative voting

9.5 As well as increasing returns for shareholders, stock lending (and borrowing) provides liquidity to capital markets enabling more efficient pricing and supporting the viability of the capital markets in which investors such as the Kent Pension Fund participate on a long-term basis.

9.6 The Securities Lending performance for the quarter ending 31 December 2025 is set out in the table below:

Fund	Manager	Average Stock on Loan	% On Loan	Net Earnings
		£m		£m
WS ACCESS Global Equity Core	Baillie Gifford	105.191	10.8	0.069
WS ACCESS Global Dividend	M&G	139.527	8.9	0.040
WS ACCESS Absolute Return	Ruffer	113.246	23.2	0.046
WS ACCESS UK Equity	Schroders	55.216	5.5	0.020
WS ACCESS Global Active Value Fund	Schroders	22.145	4.4	0.015
WS ACCESS EM Equity Fund	Robeco	27.369	9.4	0.174
WS ACCESS Emerging Markets Equity Fund	Columbia Threadneedle	14.918	4.9	0.028
WS ACCESS Global Stars Equity Fund	Robeco	14.850	1.0	0.004
Total		492.462		0.396

9.7 Baillie Gifford Global Equity Core, Ruffer Absolute Return Fund, Robeco EM Equity Fund & M&G Global Dividend Fund, lent a total of five of the top ten

revenue earning stocks, which included: Rivian Automotive INC, United States of America Treasury Notes, Infosys Limited, Figma Inc. & VF Corp Com.

Appendices

Appendix 1 – Quarterly Performance Report (31 December 2025)

Appendix 2 – Engagement Example – Columbia Threadneedle

Sangeeta Surana (Pension Fund and Treasury Investments Manager)

Connor Steensel (Principal Accountant)

Jess Cunningham (Senior Accountant)

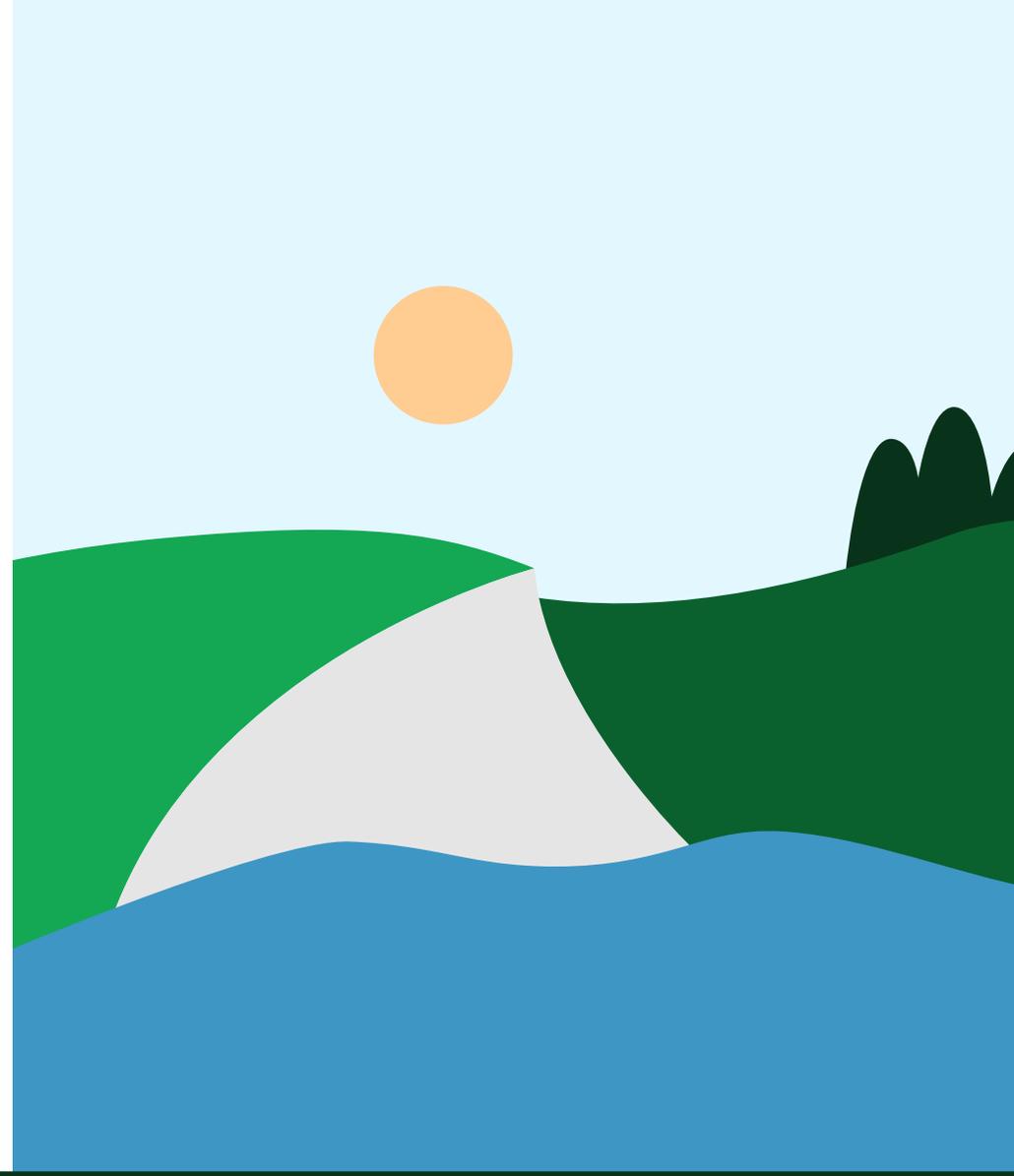
T: 03000 416738 / 03000 423231 / 03000 417248

E: sangeeta.surana@kent.gov.uk / connor.steensel@kent.gov.uk / jessica.cunningham@kent.gov.uk

26 February 2026

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Kent Pension Fund **Q4 2025 Fund Performance**



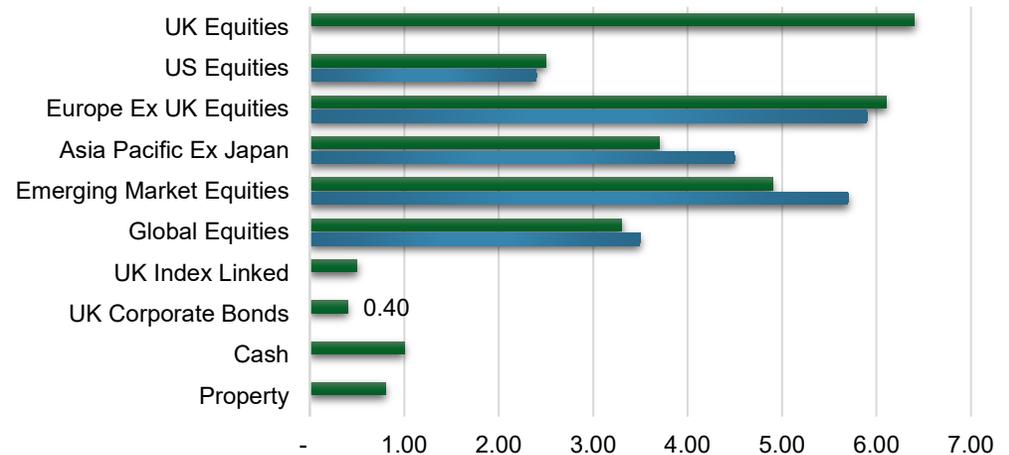
Market Commentary

- Over Q4, economic resilience and ongoing AI-led optimism drove financial markets, despite uncertainty driven by regional politics. While some developed market (“DM”) central banks continued cutting rates, the narrative of a sharp slowdown was brushed aside, supported by abating risks from tariffs and trade. In Q4, the US Federal Reserve (“Fed”) reduced its policy rate amidst a weakening labour market and cooling inflation. In Europe, political upheaval in France and German fiscal stimulus largely dominated market sentiments, and the ECB left rates unchanged. Meanwhile, fundamentals in the UK favoured a further rate cuts by the Bank of England (“BoE”), with the Autumn budget easing fiscal credibility concerns. In Japan, leadership under new President Sanae Takaichi and her fiscal plans stirred some volatility. The Bank of Japan (“BoJ”) continued hiking interest rates against the backdrop of favourable fundamentals. Overall, equity markets ended higher across DMs and bond yields were mixed during Q4.
- US real GDP rose 4.3% (q/q saar) in Q3 2025, up from the Q2 final estimate of 3.8%. Headline US inflation decreased to 2.7% in November 2025 from 3% in September 2025. Core inflation was at 2.6% in November, down from 3% at the end of September. The Fed, at its December meeting, decided to cut interest rates by 25 bps lowering the Fed funds rate to 3.5%-3.75%. In the Summary of Economic Projections, the median projection showed one Fed funds rate cut in 2026.
- In Q3 2025, seasonally adjusted GDP increased by 0.3% (q/q) in the euro area. The ECB kept interest rates unchanged for the fourth consecutive meeting, maintaining the deposit rate at 2.0%. It continued to unwind its two main quantitative easing programs, including the pandemic-related QE. Headline inflation in the eurozone fell slightly to 2.1% in November, from 2.2% in September.
- The UK economy grew by 0.1% (q/q) in Q3 2025 down from 0.2% recorded in Q2 2025. Headline inflation in the UK fell to 3.2% in November from 3.8% in September, primarily due to lower food and non-alcoholic beverages prices. In its December meeting, the BoE cut interest rates from 4% to 3.75%, the lowest since February 2023, citing concerns over weaker economic growth.

- Japan’s economy contracted by 2.3% (q/q saar) in Q3 2025, marking the fastest contraction since Q3 2023. In its December meeting, the BoJ raised its benchmark rates by 25 basis points to 0.75% as underlying inflation persists, the highest level since 1995.
- China's GDP grew by 4.8% (y/y) in Q3 2025, slowing for a second consecutive quarter from the 5.2% growth in Q2. China's inflation rose to 0.7% in November 2025 after a period of deflation in August and September. The People's Bank of China's 1-Year Loan Prime Rate (LPR) stands at 3.0%, unchanged since its reduction in May 2025.

Source: Mercer LLC

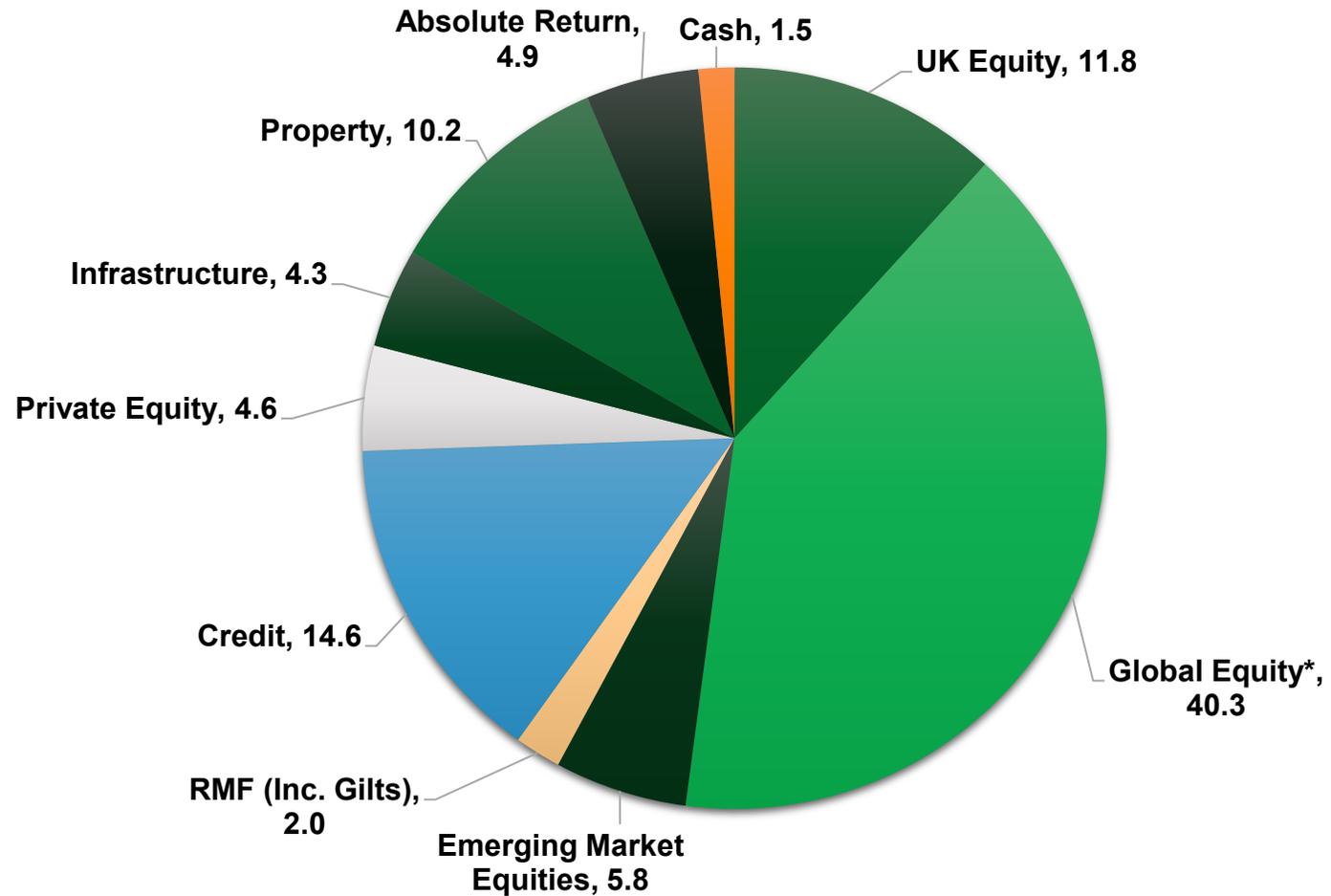
Market Returns (%)



Source: Mercer LLC, Refinitiv and Schroders



Asset Allocation – 31 December 2025



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

**Risk Management Framework is made up of Gilts, as well as Insight IWS contribution and Equity Protection collateral.

Source: Northern Trust, RADAR Reporting



Fund Manager Summary

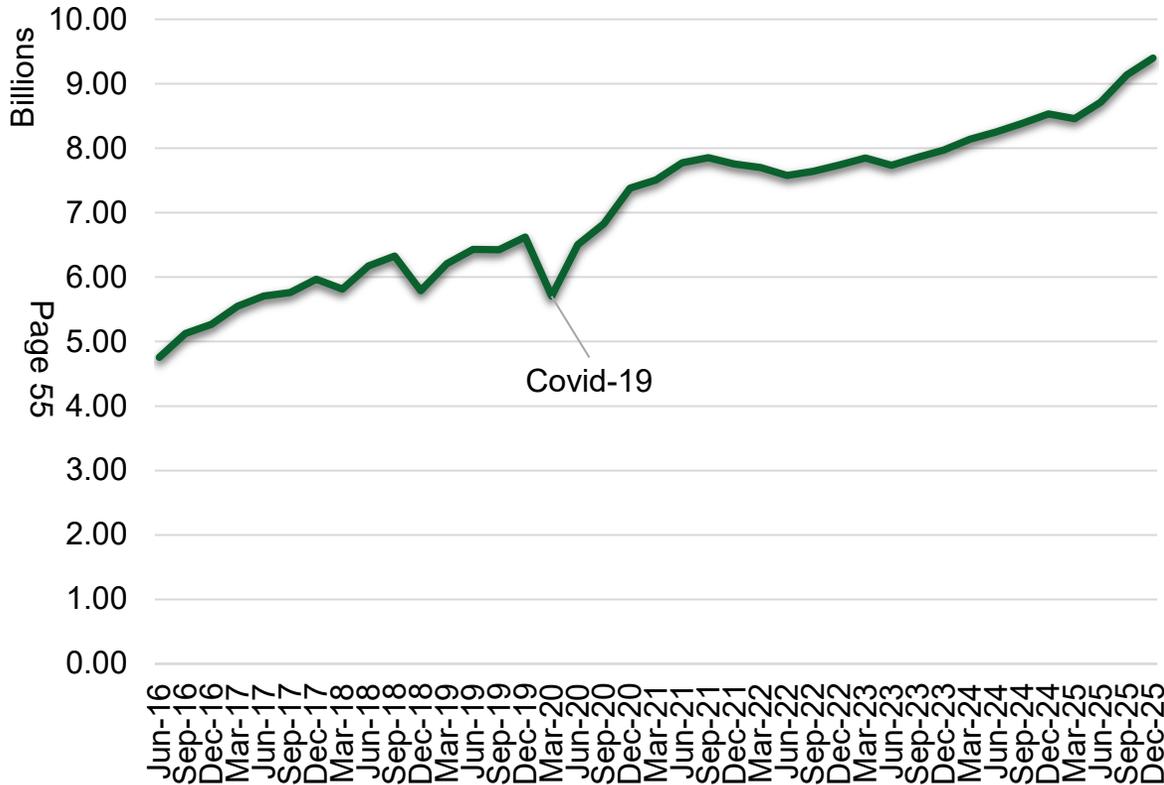
Asset Class	Fund Manager	Market Value as at 31 December	Market Value as at 30 September	Change in MV (£m)	% of Total
		2025 (£m)	2025 (£m)		
UK Equity	Schroders UK Equity	1,104	1,043	61	11.7
	Woodford Equity	2	2	0	0.0
Global Equity	Impax	71	73	- 2	0.8
	Baillie Gifford	1,032	1,134	- 103	11.0
	Robeco Global Stars	731	706	25	7.8
	Schroders Global Active Value	612	577	35	6.5
	M&G Global Dividend Fund	773	736	37	8.2
	Insight (Synthetic Equity Exposure)	571	559	12	6.1
Emerging Markets Equity	Columbia Threadneedle	265	253	12	2.8
	Robeco	276	257	20	2.9
Risk Management Framework (inc. Gilts)	Insight	190	270	- 80	2.0
Credit	CQS	298	293	5	3.2
	Goldman Sachs	465	457	8	5.0
	Schroders Strategic Bond Fund	298	293	5	3.2
	M&G Alpha Opportunities	309	307	2	3.3
Absolute Return	Ruffer	202	198	4	2.2
	Pyrford	260	254	5	2.8
Property	DTZ	711	535	176	7.6
	DTZ Pooled Property	140	126	14	1.5
	DTZ (previously Aegon)	27	27	0	0.3
	M&G Residential Property	34	34	0	0.4
	Fidelity	44	47	-3	0.5
Infrastructure	Partners Group	407	420	-14	4.3
Private Equity	HarbourVest	347	338	9	3.7
	YFM	83	79	4	0.9
Cash	Internal Cash	146	115	31	1.5
Total		9,397	9,135	263	100.0

Source: Northern Trust, RADAR Reporting

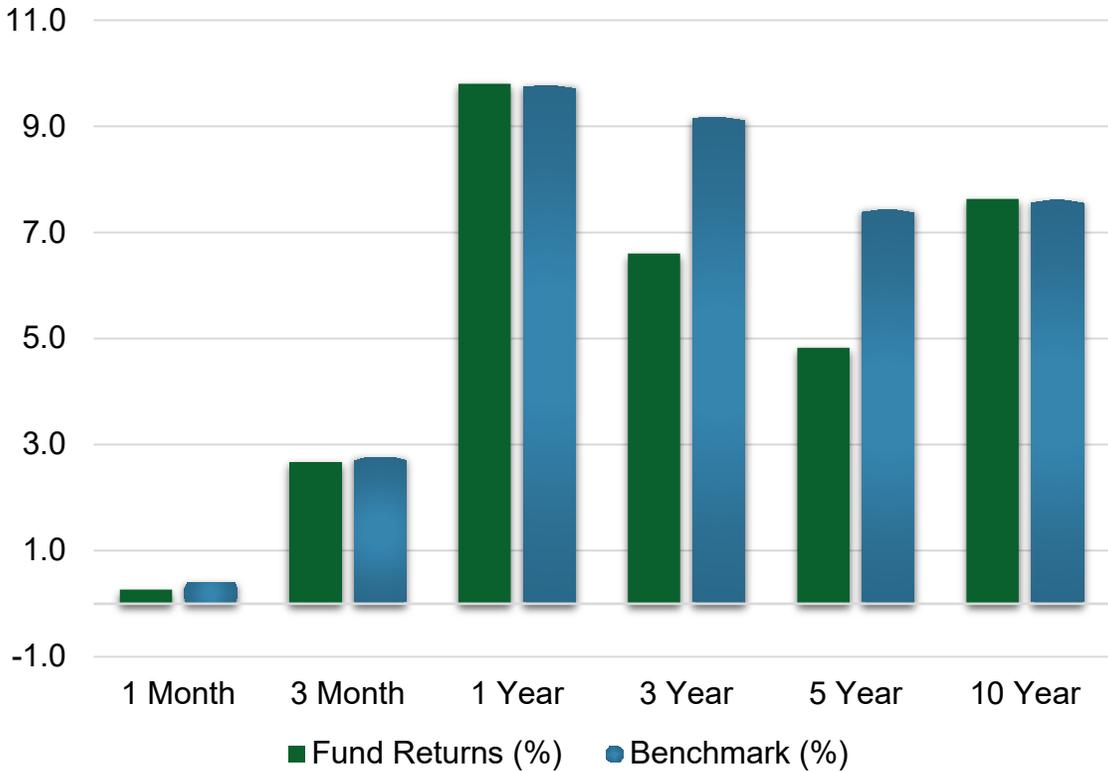


Historical Performance

Total Fund Value (£Bn)



Total Fund Performance vs Benchmark

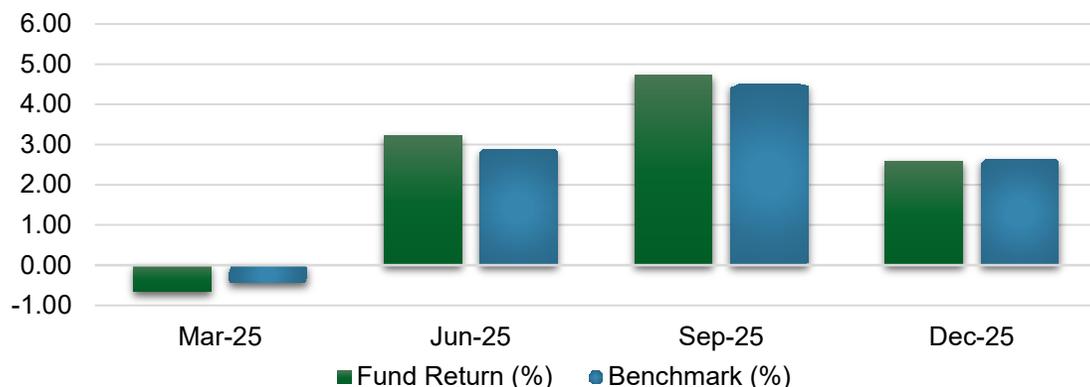


Source: Northern Trust, RADAR Reporting



Discrete Performance

Quarterly Returns



Over the five years to 31 December 2025, performance has reflected the changes in investor sentiment, with more recent periods showing improvement.

In 2025, the Fund returned 9.8% which was in line with the benchmark return. 2025 performance was driven by large relative returns in emerging markets and absolute returns across equities, as a result in changing investor sentiment and rotations away from the US. Credit and absolute return also performed very well as spreads tightened and investors added more defensive positions to their portfolios. This followed returns of 7.1% in 2024 vs a benchmark of 9.4% and 3.0% in 2023 which underperformed by 5.7%.

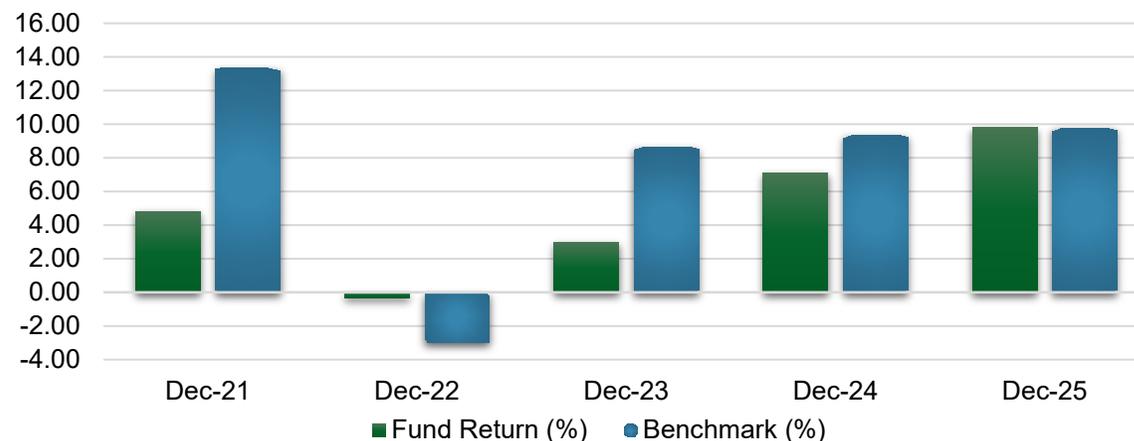
The earlier periods presented greater volatility for the Fund and for active management in general, whereas 2025 reflected a more balanced market backdrop.

Over the past four quarters, the Fund has broadly performed in line with its benchmark, with periods of slight outperformance.

In the quarter to 31 December 2025, the Fund returned 2.7% compared with a benchmark return of 2.8%, representing a slight underperformance. Returns in the period were more muted as a result of underperformance from global equities, following a rotation away from the US and growth stocks, as well as underperformance from infrastructure and property mandates.

In the previous quarter, the Fund delivered a strong return of 4.7%, which was a relative outperformance of 0.3%, as equity markets rallied amid interest rate cuts and resilient economic data. June also posted slight outperformance, though the earlier part of 2025 proved more challenging given increased market volatility around the US tariff shocks.

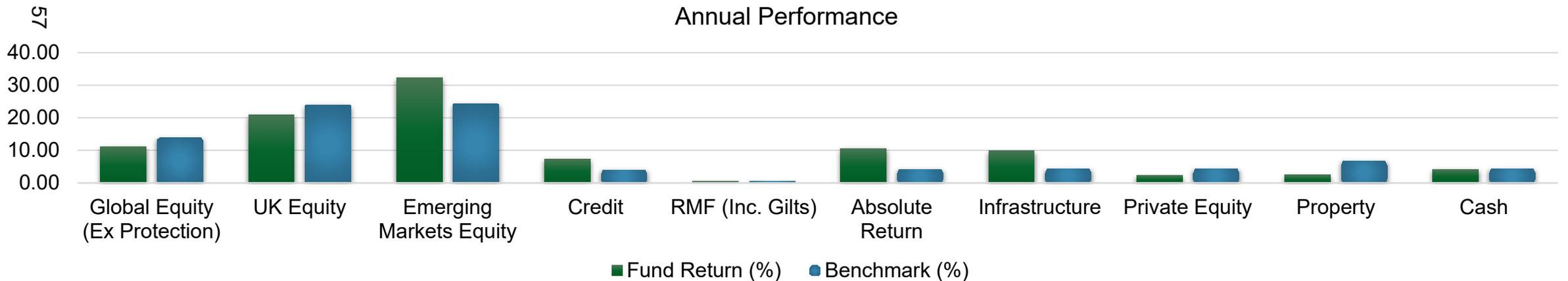
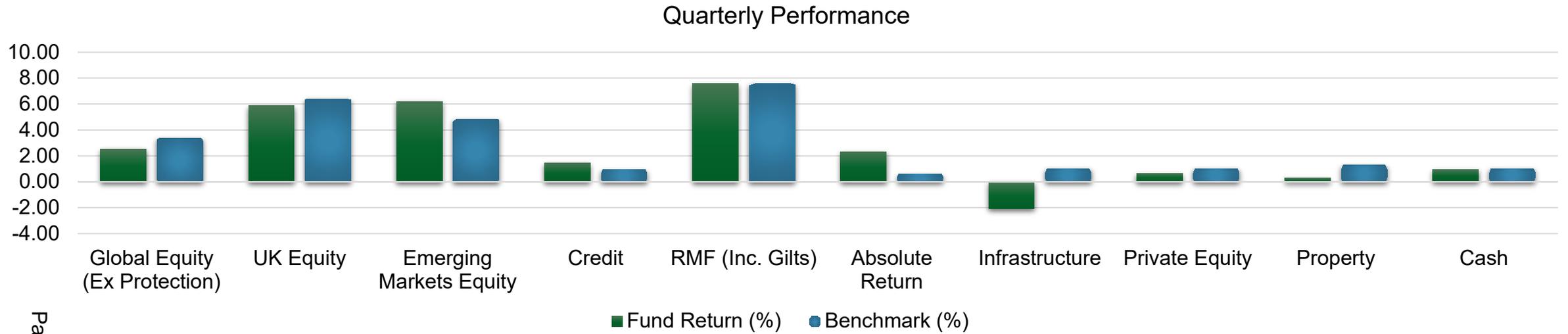
Annual Returns (last 5 years)



Source: Northern Trust, RADAR Reporting



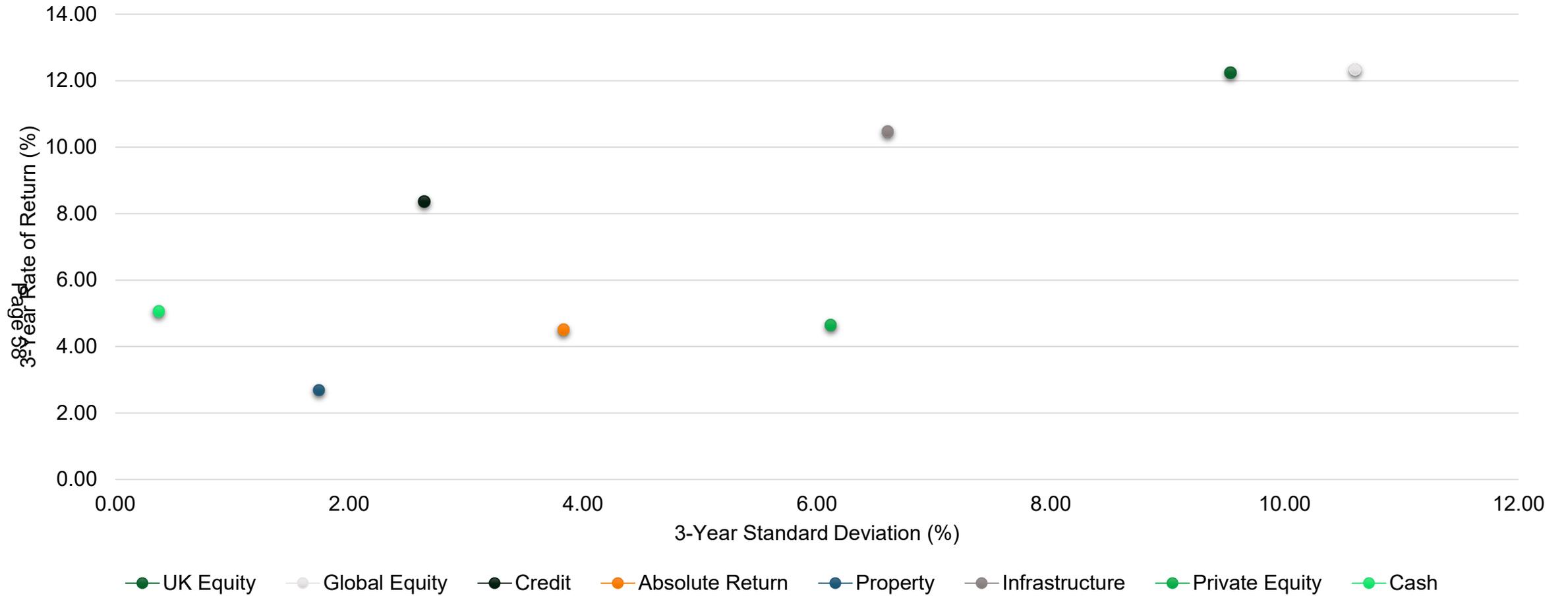
Asset Class Performance



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	2.7	2.8	9.8	9.8	6.6	9.2
UK Equity						
Schroders - WS ACCESS UK Equity Fund	5.9	6.4	21.0	24.0	11.9	13.6
Global Equity						
Baillie Gifford - WS ACCESS Global Equity Core Fund	-1.2	4.3	7.3	18.8	11.4	14.7
Robeco GS	3.5	3.4	--	--	--	--
Schroders - WS ACCESS Global Active Value Fund	6.1	3.4	24.0	13.9	15.2	16.2
Impax	-3.2	3.4	0.2	13.9	0.6	16.2
M&G - WS ACCESS Global Dividend Fund	5.0	3.4	12.9	13.9	14.4	16.2
EM Equity						
Columbia Threadneedle – WS ACCESS EM Equity Fund	4.7	4.8	41.5	24.4	--	--
Robeco – WS ACCESS EM Equity Fund	7.7	4.8	41.5	24.4	--	--
Credit						
Goldman Sachs	1.8	0.9	7.4	3.5	7.4	3.5
Schroders Fixed Income	1.5	1.0	9.8	4.4	7.8	4.8
CQS	1.5	1.0	7.3	4.2	10.4	6.8
M&G Alpha Opportunities	0.8	1.0	5.3	4.2	8.6	6.8
Property						
DTZ	0.4	1.3	2.3	5.7	2.2	3.1
Fidelity	-2.0	0.8	7.0	5.1	3.1	3.0
DTZ (Kames)	1.1	0.8	10.2	5.1	3.2	3.0
M&G Property	0.4	0.8	0.0	5.1	0.1	3.0
Private Equity						
HarbourVest	0.1	1.0	0.8	4.4	2.3	4.8
YFM	3.1	1.0	9.3	4.4	13.5	4.8
Infrastructure						
Partners Group	-2.1	1.0	9.8	4.4	10.5	4.8
Absolute Return						
Pyrford	2.5	0.6	9.5	4.2	6.2	6.3
Ruffer - WS ACCESS Absolute Return Fund	2.1	0.6	12.0	4.2	1.4	6.3

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Alternatives Performance

AS AT 31 DECEMBER 2025							
Name of Fund	Value of commitment (£m)	Date of original commitment	Cumulative contributions made (£m)	Distributions received (£m)	Net Asset Value at 31/12/2025 (£m)	IRR	TVPI
HIPEP VI-Cayman Partnership Fund L.P.	31	Oct-10	28.8	55.5	8.7	13.3%	2.12
HarbourVest Partners IX L.P.	53	Oct-10	40.9	91.4	18.7	17.1%	2.45
HarbourVest 2018 Global Feeder AIF L.P.	57	Oct-18	49.0	32.6	53.2	15.7%	1.74
HarbourVest 2019 Global Feeder AIF SCSp	57	Mar-19	47.5	21.3	54.6	16.3%	1.67
HarbourVest 2020 Global Feeder AIF SCSp	57	Mar-20	50.3	7.3	58.7	10.0%	1.35
HarbourVest 2021 Global Feeder AIF SCSp	57	Mar-21	44.0	2.8	47.8	9.0%	1.24
HarbourVest 2022 Global Feeder AIF SCSp	57	Dec-21	32.1	2.1	39.9	22.4%	1.43
HarbourVest 2023 Global Feeder AIF SCSp	57	Dec-23	27.3	0.7	31.8		1.28
HarbourVest 2024 Global Feeder AIF SCSp	123	Jun-24	30.1	-	33.5		1.15
Partners Group Direct Infrastructure 2011 S.C.A., SICAR	19	Oct-10	16.5	22.6	2.4	6.5%	1.41
Partners Group Global Infrastructure 2009 S.C.A., SICAR	50	Oct-10	43.3	59.9	3.6	7.1%	1.44
Partners Group Global Infrastructure 2018 L.P. INC	222	Oct-18	180.5	59.0	204.1	10.8%	1.41
Partners Group Direct Infrastructure 2020 LP SICAV RAIF	222	Nov-19	163.3	26.0	196.5	15.0%	1.41
Chandos	6	Oct-07	6.0	6.7	0.0		1.13
YFM Equity Partners Growth Fund 1	10	Oct-14	10.0	19.8	7.3		2.78
YFM Equity Partners Buyout Fund 1	20	Mar-16	18.3	33.9	19.7		3.14
YFM Equity Partners Growth Fund 2	10	Oct-18	10.4	0.4	13.0		1.30
YFM Equity Partners Buyout Fund 2	20	Oct-18	16.6	18.4	12.7		2.12
YFM Equity Partners Growth Fund 3	10	Jun-21	9.1	0.9	12.5		1.37
YFM Equity Partners Buyout Fund 3	20	Sep-23	13.2	-	14.6		1.11

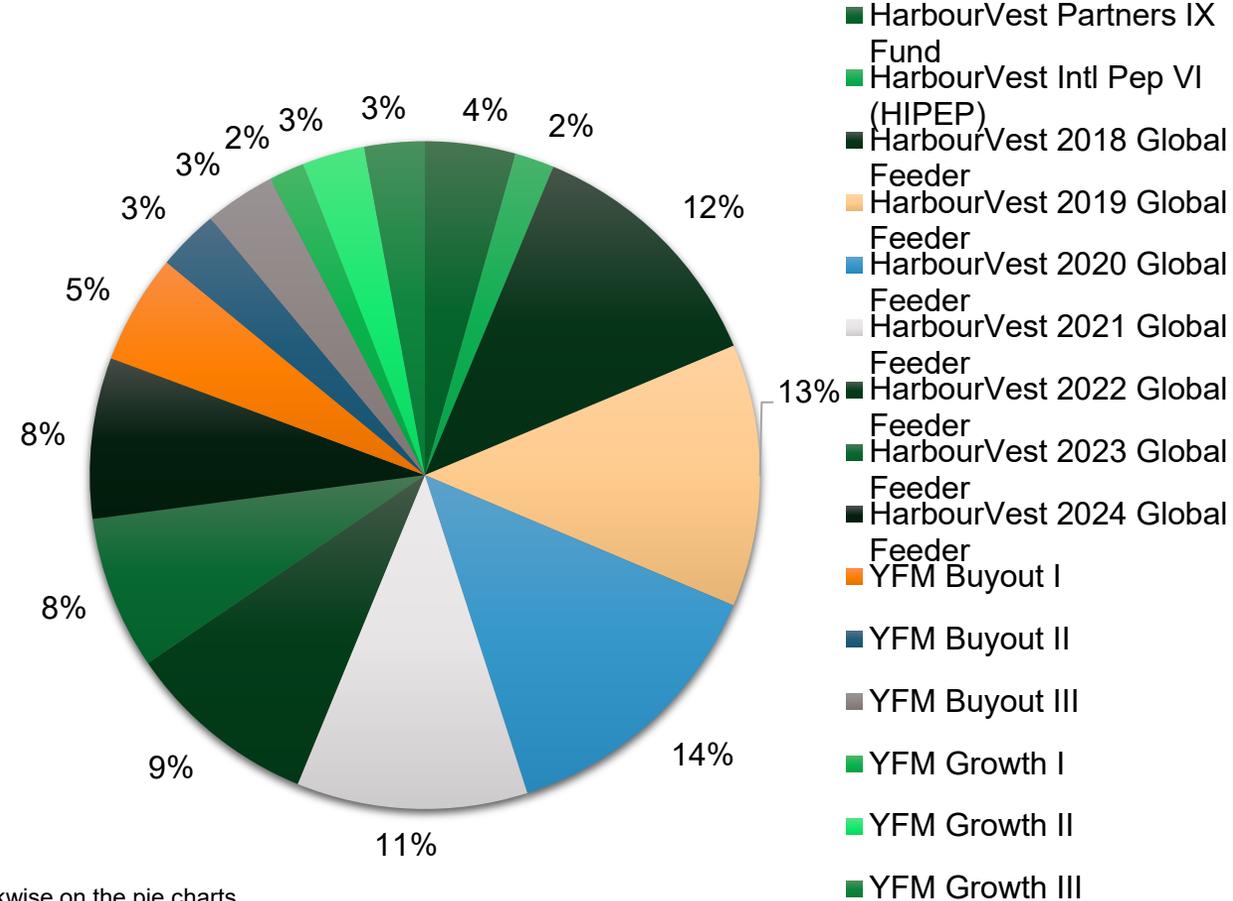
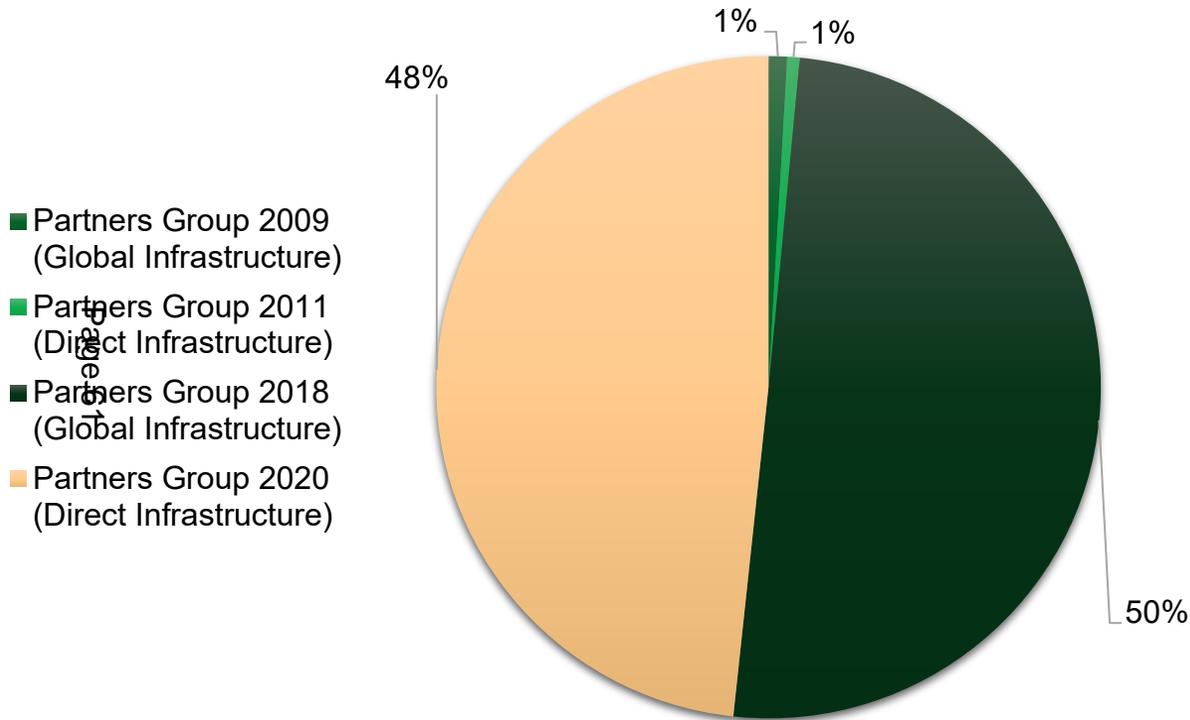
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Alternatives Breakdown

Infrastructure Allocation (£407m)

Private Equity Allocation (£430m)

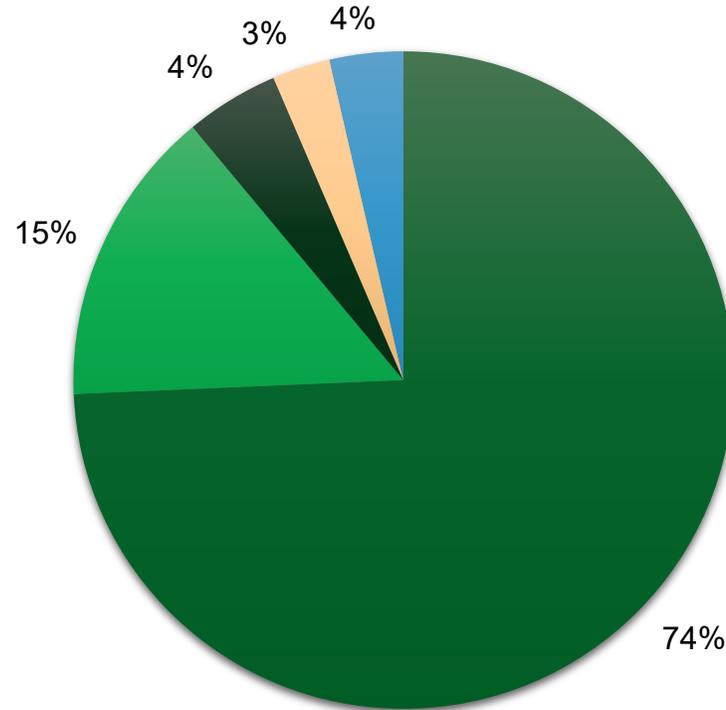


Note: The legend reads clockwise on the pie charts.



Property Breakdown

Property Allocation (£957m)

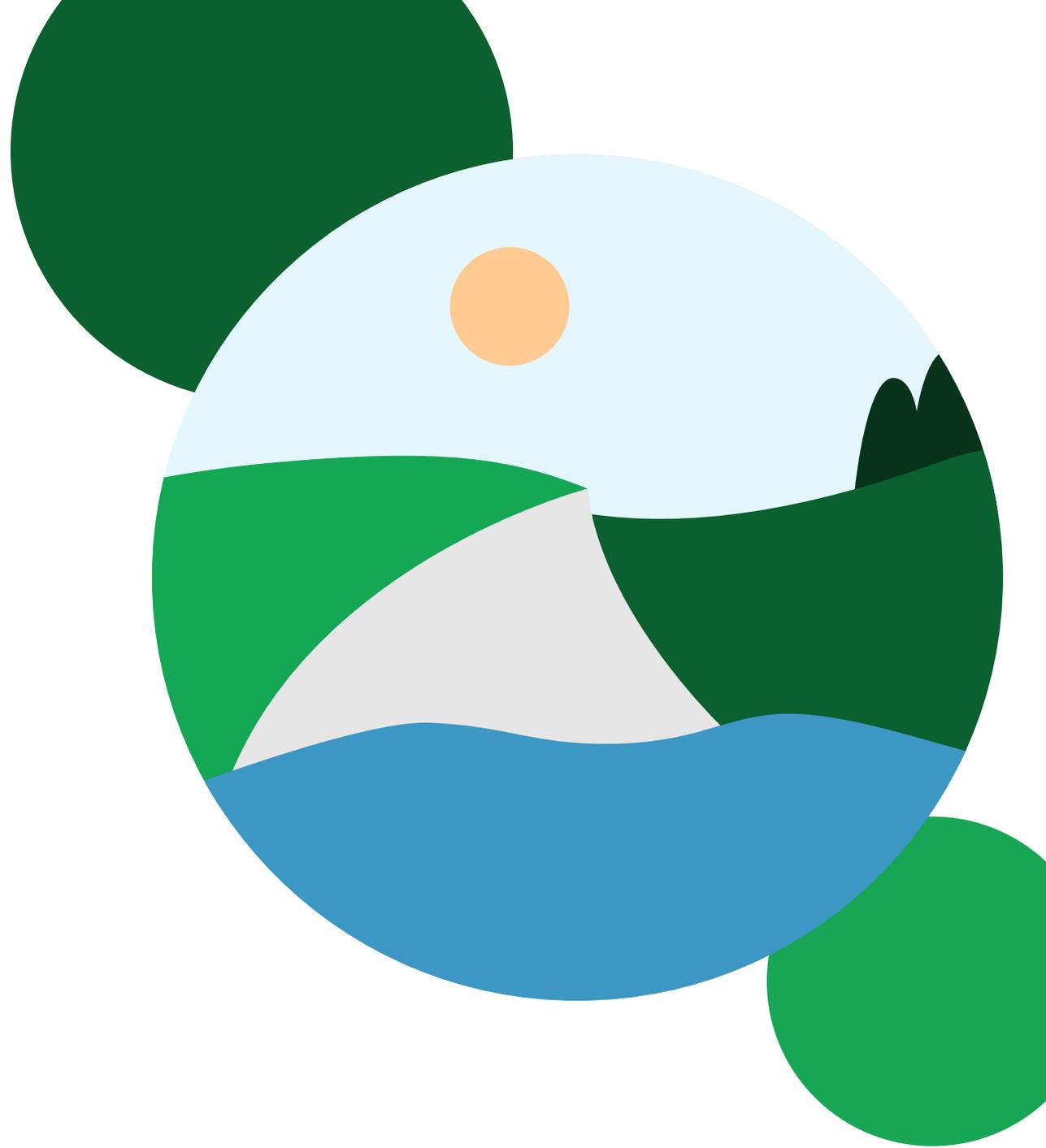


■ DTZ Direct Property ■ DTZ Pooled Property ■ Fidelity PUT ■ DTZ UKAV PUT (formerly Kames) ■ M&G Residential PUT

Note: The legend reads clockwise on the pie chart.



Appendix



Benchmarks and Targets

Appendix A

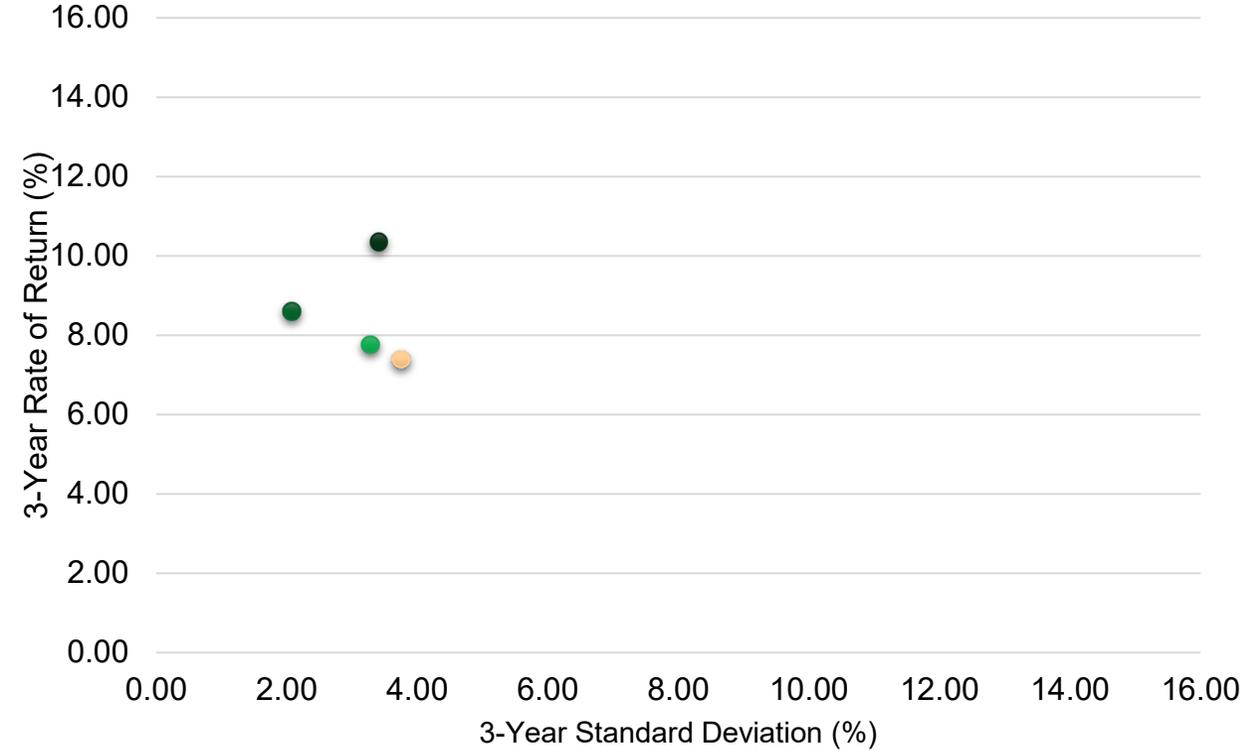
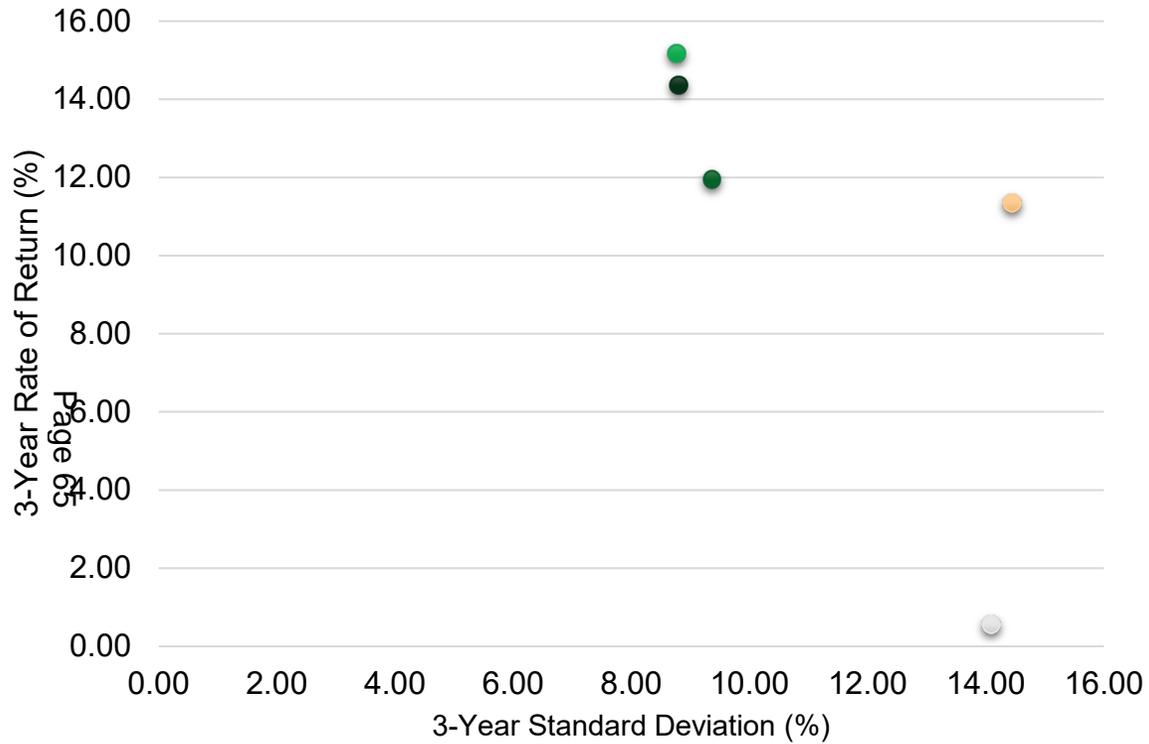
Asset Class / Manager	Performance Benchmark	Performance Target
UK Equities:		
Schroders - WS ACCESS UK Equity Fund	FTSE All Share	+1.5% pa over rolling 3 years
Woodford	FTSE All Share	Unconstrained
Global Equities:		
Baillie Gifford - WS ACCESS Global Equity Core Fund	Regional	+1.5% pa over rolling 3 years
Robeco GS	MSCI AC World Index NDR	
M&G - WS ACCESS Global Dividend Fund	MSCI AC World Index GDR	+3% pa
Schroders - WS 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
Emerging Market Equities:		
Robeco – WS ACCESS Emerging Market Equities Fund	MSCI Emerging Markets ND	
Columbia Threadneedle – WS ACCESS Emerging Market Equities Fund	MSCI Emerging Markets ND	
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	SONIA	SONIA
M&G Alpha Opprtunities	SONIA	SONIA
Property:		
DTZ	MSCI UK All Property Index	≥ 3 year rolling average of benchmark returns
Fidelity	MSCI UK All Balanced Property	
DTZ (Kames)	MSCI UK All Balanced Property	
M&G Property	MSCI UK All Balanced Property	
Alternatives: (Cash / Other Assets)		
Private Equity – YFM	SONIA	
Private Equity – HarbourVest	SONIA	
Infrastructure – Partners Group	SONIA	
Absolute Return – Pyrford	Retail Price Index (RPI)	RPI + 5%
Ruffer - WS ACCESS Absolute Return Fund	Retail Price Index (RPI)	
Internally managed cash – KCC Treasury and Investments team	SONIA	

Source: Northern Trust, RADAR Reporting; Manager reports



Risk vs Return – Equities and Fixed Income

Appendix B



- Schrodgers UK Equity
- M&G Global Dividend Fund
- IMPAX Funds
- Schrodgers Global Active Value
- Baillie Gifford Global Equity Core

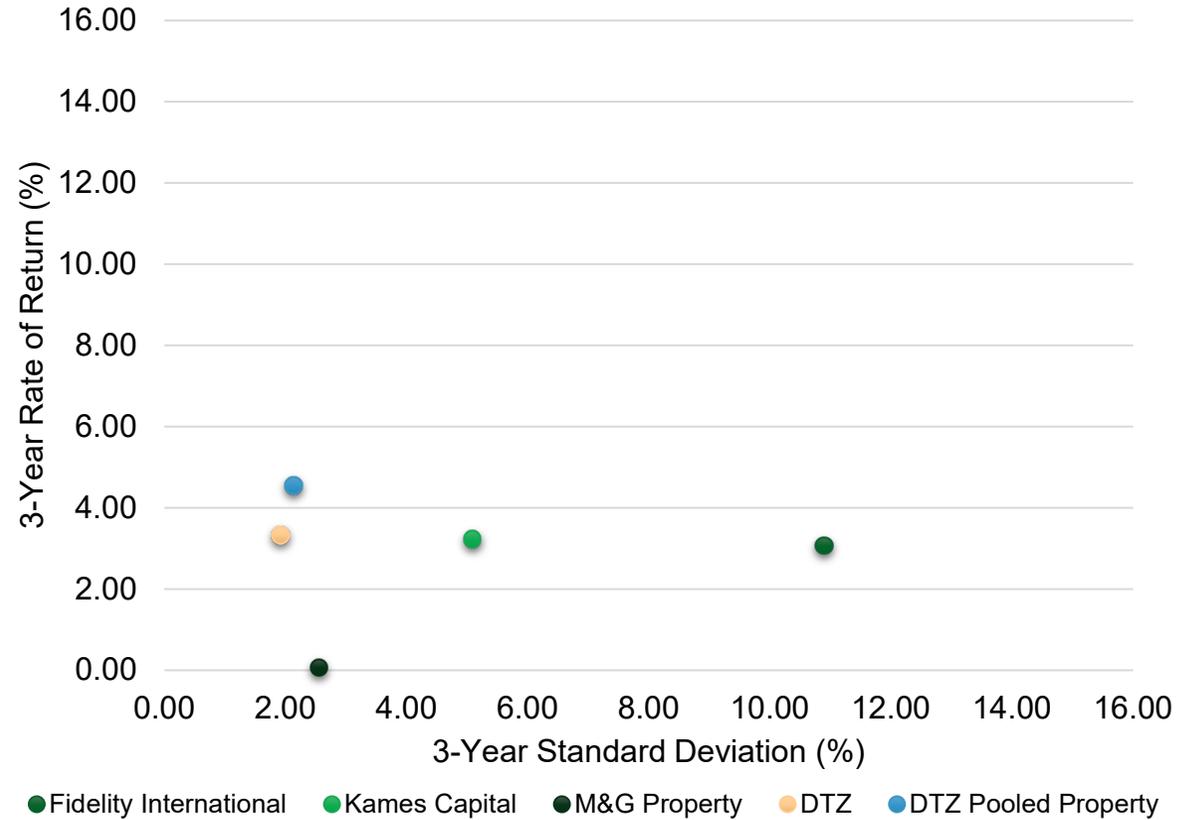
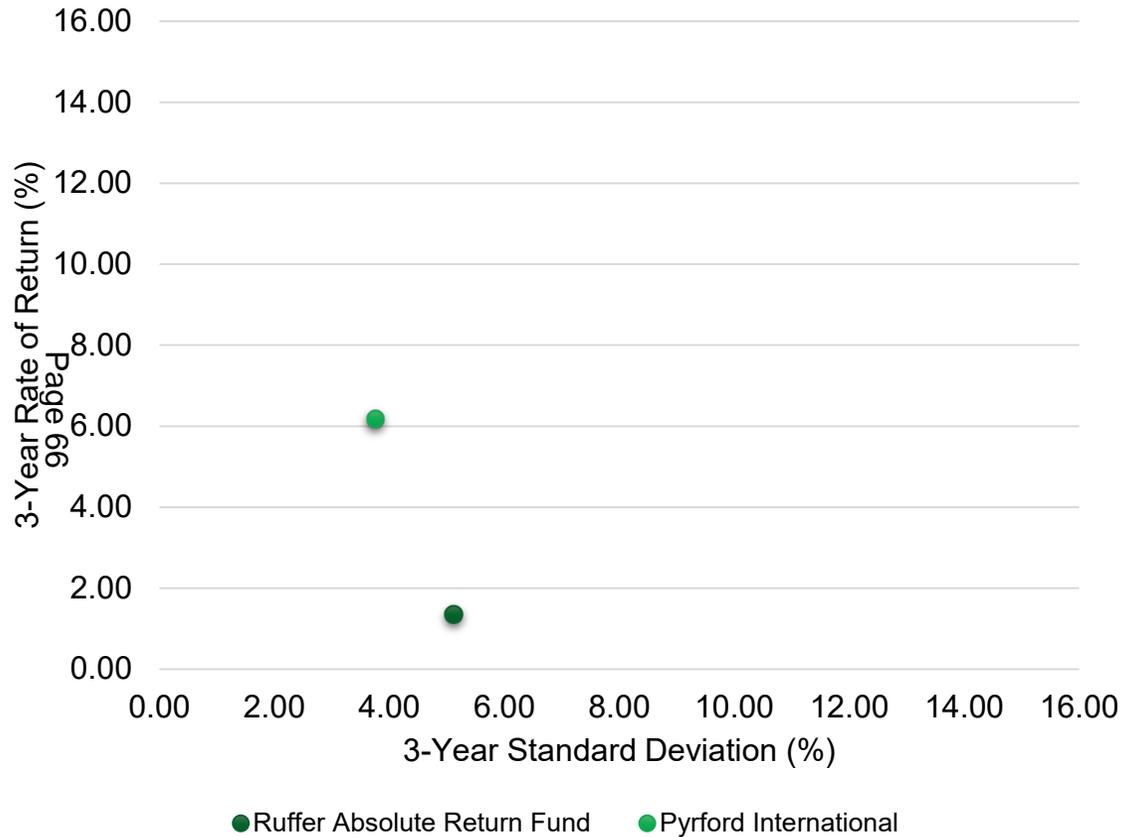
- M&G Alpha Opp Fund
- Schrodgers Fixed Income
- CQS Investment
- Goldman Sachs

Source: Northern Trust, RADAR Reporting



Risk vs Return – Absolute Return and Property

Appendix C

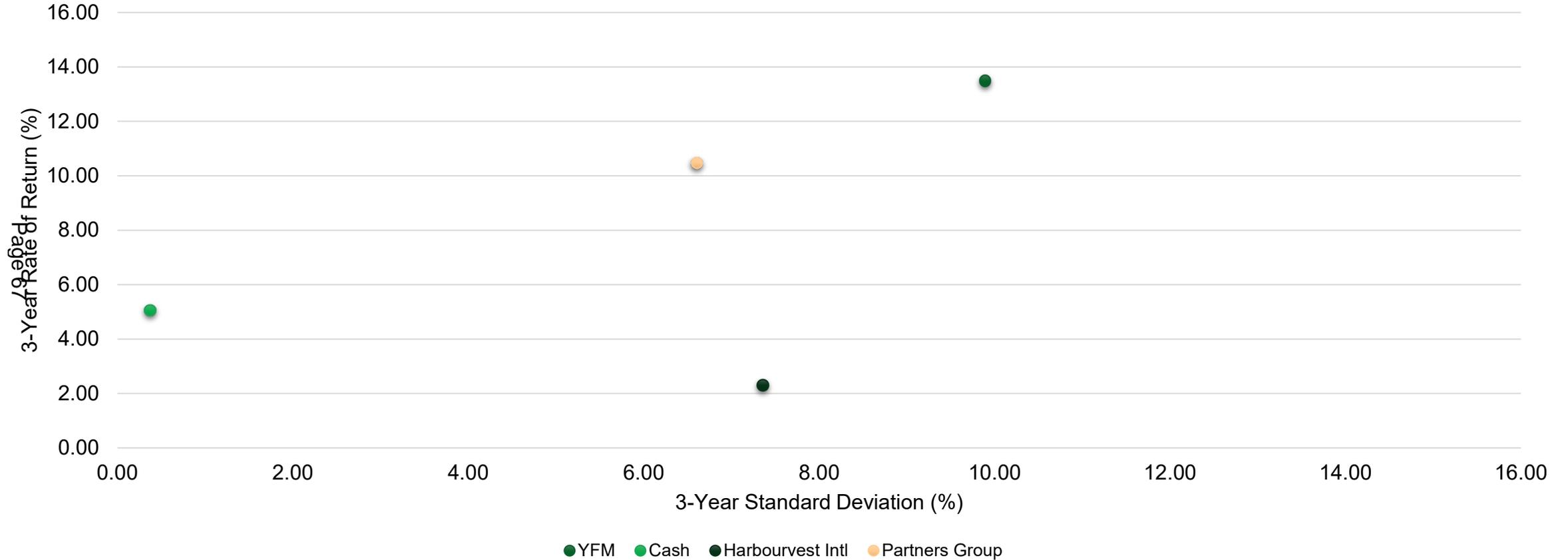


Source: Northern Trust, RADAR Reporting



Risk vs Return - *Alternatives*

Appendix D



Source: Northern Trust, RADAR Reporting





Kent Pension Fund

For more information, please visit

www.kentpensionfund.co.uk

Engagement case study



HDFC Bank Ltd

Background

HDFC Bank is India's leading private sector bank actively engaging with the Reserve Bank of India (RBI) regarding draft framework for climate-related financial risk disclosures. They expect final guidelines by the end of 2025 and plan to align disclosures with RBI requirements. The bank has strengthened board oversight through ESG and CSR Committee meeting three to four times annually, with carbon neutrality as a top priority alongside benchmarking against peers. Currently disclosing Scope 1 and 2 emissions, they find Scope 3 disclosure challenging due to the need for absolute certainty. Financed emissions have grown from 5%-7% of book, with improving data availability but accuracy remaining critical. The bank has made significant strides in financial inclusion with half of branch operations in rural areas and 35% of total book dedicated to private sector lending including retail, joint liability, and micro-lending.

Action

We engaged to understand their climate transition plan, biodiversity mapping, and workforce diversity progress. HDFC has started mapping nature dependencies in loans and investments, with updated materiality analysis showing biodiversity most material within shipping and salmon farming portfolios. The bank developed an ESG agent to collect better customer data on ESG issues from corporate clients. On workforce diversity, attrition reduced by 30% with junior attrition following the same trend. Gender diversity improved, reaching 25% representation one year ahead of schedule, remaining on track for 27% by FY27. Artificial intelligence became central to growth strategy, particularly enhancing customer experience and digital onboarding, while maintaining human oversight to mitigate algorithmic bias risks.

Verdict

HDFC demonstrates a systematic approach to climate risk management while preparing for evolving regulatory requirements. Their comprehensive financial inclusion efforts and improved workforce diversity metrics position them well for sustainable growth. The bank's proactive ESG integration and technology adoption support both operational efficiency and social impact objectives.

Engagement details:

- Sector: Financials

Engagement themes:

- Climate Change, Labour Standards

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To:	Pension Fund Committee – 26 March 2026
From:	Chair – Pension Fund Committee Interim Corporate Director of Finance
Subject:	Training Update
Classification:	Unrestricted

Summary:

The results of the Summer 2025 Member Knowledge Assessment are provided. The results have been used to inform the Fund's Training Plan and update the Fund's approach to training. Informal Hot Topic training sessions will be carried out regularly from June 2026 (with reference to pertinent agenda items), immediately before board and committee meetings commence. Other measures to support training are outlined in this paper.

Regulatory change is due to impact governance practices including training requirements for LGPS committees. Officers will review and update the Fund's training practices when the new regulations and guidance are announced by the Ministry of Housing, Communities and Local Government (MHCLG), expected to be later this year. As such time, further information and updates will be presented to the Fund's Board and Committee.

Recommendation:

To note the approach to training outlined in this report.

1. Background

- 1.1 Between August and September 2025, Members of Board and Committee undertook a knowledge assessment survey hosted online by Hymans Robertson. A report from Hymans Robertson summarising the results was provided to Officers in October 2025 (see **Appendix 1** - please note that Members undertook Hyman Robertson's 2024 National Knowledge in 2025, as a 2025 version was not available). The survey in 2025 followed previous assessment exercises undertaken by Kent Pension Fund Members in 2020 and 2022.
- 1.2 The 2025 report prepared by Hymans Robertson outlines the knowledge and skills of Kent's Members of Pension Board and Committee. The assessment covered topics within the CIPFA Knowledge and Skills Framework and the

Pensions Regulator’s (tPR) General Code of Practice. The assessment benchmarked Kent’s Members against 19 other LGPS funds and over 200 Members who undertook the same assessment in 2024.

1.3 In participating in the 2024 National Knowledge Assessment, individuals were asked to undertake multiple-choice online assessment to test their LGPS knowledge. Questions were split into three categories: (1) Technical questions (the majority of questions were in this area); (2) Roles & Responsibilities; and (3) Decision making.

1.4 Whilst there have been some changes to the membership of Board and Committee when the survey was completed in July-September 2025, the results provide an insight on the collective knowledge held amongst Kent’s Pension Board and Committee Members. All Members of Pension Board and Committee in post at that time were asked to complete the survey in Summer 2025. There was an excellent level of engagement with the survey - 14 out of the 17 Members of Committee completed the survey. All 8 Members of the Board completed the survey.

2. Key Findings Outlined in Hymans Robertson report (based on Member’s completion of the 2024 National Knowledge Assessment completed in 2025)

2.1 In the report, Members’ overall knowledge in Summer 2025, was ranked against other LGPS funds who participated in the same survey in 2024. Kent’s ranking was 18 out of 20 Funds, based upon the average score of assessed participants. At that time, many Members of Board and Committee were new to Kent Pension Fund and Kent County Council. Some introductory training and initial briefing sessions had been held for new Members, but in-depth training had not been undertaken.

2.2 Kent’s technical scores in the eight areas of ‘CIPFA’s Knowledge & Skills Framework for Local Pension Boards’ is shown in Table 1. The average scores by category are shown in Table 2.

Table 1: Average scores for technical knowledge, Summer 2025

Area of technical knowledge	Pension Fund Committee	Pension Board
Financial Markets & Product Knowledge *	50%	45%
Pensions Governance	83%	63%
Actuarial Methods, Standards & Practices *	50%	30%
Procurement and Relationship Management	73%	49%

Committee Role & Pensions legislation	77%	55%
Investment performance & Risk Management	81%	62%
Pensions Administration*	54%	45%
Pensions Accounting & Audit Standards *	58%	44%

**(Shaded rows) = Low scoring subject areas for Kent's Committee and Board Members, as at Summer 2025.*

Table 2: Average scores by category, Summer 2025

	Pensions Board & Pension Fund Committee combined average score
Technical (<i>the majority of questions covered this area</i>)	55%
Decision-making	54 %
Role responsibility	57 %

3. Report recommendations from Hymans Robertson

- 3.1 Hymans Robertson's report recommended follow-up work in all three categories (technical understanding, decision making processes and awareness of role responsibilities). Training will continue to be provided to increase technical knowledge. Details about decision making processes and information about role responsibilities will be provided at Pension Board and Committee as items arise.
- 3.2 The report recommended prioritising technical training based on subject knowledge scores. Low scoring subject areas for Kent's Committee and Board Members, as at Summer 2025, were as follows:
- Financial Markets & Product Knowledge
 - Actuarial Methods, Standards & Practices
 - Pensions Administration
 - Pensions Accounting & Audit Standards
- 3.3 **Financial Markets & Product Knowledge** – The Fund's London Investment Away Day in February 2026 provided Committee Members with some background information in this specialist area. At the Away Day, Members confirmed that this was an area where they would like further support and a working group. Officers have committed to providing this.
- 3.4 **Actuarial Methods, Standards & Practices** – As the 2025 Valuation activity has progress during 2025/26, actuarial specialists from Barnett Waddingham have been providing information and guidance during Committee and Board

meetings as part of agenda items. Members of Pension Fund Committee also undertook a ‘Hot Topic’ informal training session on Valuation immediately before the Committee meeting started in September 2025.

3.5 **Pensions Administration** – This is a complicated, broad topic. It has been identified as a training priority for 2026, and structured training workshops will be held to help build skills and knowledge. Please see the Training Plan in **Appendix 2**.

3.6 **Pensions Accounting & Audit Standards Administration** – The Fund is subject to annual external audits by Grant Thornton and various internal audits on different subject areas. The topic has been identified as a training priority for 2026, and structured training workshops will be held. Please see the Training Plan in **Appendix 2**.

4. **Training Requirements**

4.1 Training is undertaken, recorded and monitored as per the Kent Pension Fund Training Strategy (last updated and approved by Pension Fund Committee in 2024: [Kent-Pension-Fund-Training-Strategy.pdf](#)). The Strategy sets out strategic training objectives and the Fund’s training vision. Pensions Board and Pensions Fund Committee Members are required to have, and will be supported to achieve, sufficient skills and knowledge to undertake their role.

4.2 Regulatory change impacting LGPS training is expected in 2026. The proposed regulations are expected to tighten the governance measures put in place by LGPS Funds. Anticipated changes are as follows in Table 3, but no date for change has been confirmed yet by MHCLG and the precise details of the regulations and guidance have not been finalised yet.

Table 3: Summary of expected effects on LGPS training requirements from 2026 (these have not yet been confirmed by MHCLG)

Area	Expected Change
Pension training becomes a statutory requirement	Governance and training strategy mandatory; minimum knowledge requirements set out.
Standardisation of pension training	Committee and Board Members must meet aligned training standards.
Time-bound compliance	Authorities must ensure new appointees meet requirements “within a reasonable timeframe”.
Stronger oversight	Senior LGPS Officer role increases accountability for training delivery and compliance.
Regular external scrutiny	Regular Independent Governance Reviews will include training adequacy and

	implementation.
Greater regulatory risk	Poor compliance may trigger the Pension Regulator's (tPR) or MHCLG intervention.

4.3 Please also refer to the Governance Review paper and report within prepared by Barnett Waddingham; to be presented to Committee in March 2026.

5. Training Delivery

5.1 All Members of Pension Board and Committee are currently expected to attend the interactive 2-hour training workshops outlined in **Appendix 2**, held online via MS Teams video call. These workshops will be recorded and training material circulated after each event. Should new Members join at a date where subjects have already been covered in the Training Plan, Officers will provide support to Members on an individual basis.

5.2 To support the Training Plan in Appendix 2, other training methods/resources will be incorporated. Details and information related to training opportunities (such as external conferences) will be circulated to Members as opportunities arise. Monthly bulletins from the LGPC are circulated to Members to provide summary information, updates and local context.

5.3 Hot Topic Training will be undertaken immediate before Committee and Board meetings. These will be informal training sessions relevant to agenda items. They will not be recorded but will provide Members with an opportunity to build their technical knowledge.

5.4 It is expected that all Members will continue to take personal responsibility to maintain their LGPS knowledge. Furthermore, that Members ask Officers for assistance, where they feel they require extra support.

6. The Pensions Regulator's (tPR) E-learning Toolkit

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

6.2 Committee Members are expected to complete the toolkit and for the Local Pension Board members this is a mandatory requirement. The toolkit is an easy-to-use resource and covers short modules. These are:

- a) Conflicts of interest
- 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.
- h) Pension scams (an optional module)

6.3 All members are expected to complete their induction material and the tPR toolkit within 6 months of joining the Pensions Board or Pension Fund Committee. Where existing members and representatives have not completed the TPR's E-Learning Toolkit, they are expected to complete.

7. The LGA's Fundamentals Training Course

7.1 The Local Government Association (LGA) have a 'Fundamentals' training course held over three-day in-person sessions (or six sessions if undertaken online as each session is half-a-day). The course ties in with the aims and objectives of the Fund's Training Strategy and introduces the subject areas in the CIPFA knowledge and skills framework. Trainers are leaders in the field of LGPS pensions and are carefully selected by the LGA. Sessions were held in 2025 and are expected to be held again in 2026. This training option is available to all Kent Members, Officers and representatives who attend Board or Committee. Members new to the LGPS are strongly encouraged to attend this broad and useful training.

8. Enlighten (online portal)

8.1 Barnett Waddingham offers bitesize training via their online portal, Enlighten. The portal hosts a series of short (approx. 10 minute) pre-recorded videos and quizzes that can be accessed at any time. Enlighten is available for all Kent Board and Committee Members who would like access. Officers can help Members make arrangements for access, where accounts and usernames are setup.

9. Conclusion

9.1 Training opportunities will continue to be made available to Pension Board and Committee Members to allow them to correctly, suitably and appropriately undertake their roles for Kent Pension Fund. The expectation is that all Members of Board and Committee will engage with training. Re-assessment of Member's knowledge will be undertaken in 2026/27. Training logs will continue to be maintained to record training undertaken by Members.

9.2 Officers are aware that MHCLG's proposed regulatory changes in LGPS governance will require Kent's Training Strategy and approach to training to be reviewed in due course. Officers will take any necessary steps to ensure compliance with the new regulations and guidance when they are finalised (date currently unknown). Given that the Fund currently recognises the importance of training and has a rigorous and robust approach to training, Officers anticipate any necessary adjustments to be straight forward and complementary to the existing measures and controls already established.

Emma Green – Senior Pensions Programme Manager (Kent Pension Fund)
T: 03000 410 761
E: emma.green2@kent.gov.uk
March 2026

Appendix 1: Hymans & Robertson Report – 2024 Knowledge Assessment
(prepared by Hymans Robertson for Kent Pension Fund October 2025).

Appendix 2: Kent Pension Fund Training Plan

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2024 LGPS National
Knowledge Assessment
Kent Pension Fund

Overview

This National Knowledge Assessment (NKA) allows funds a direct insight into the knowledge and skills of their key decision makers and oversight body.

Participants answer a series of questions covering a broad spectrum of topics, for which they should be familiar to effectively perform their role. Based on their responses, a score is recorded for each member, and also collectively for both the Committee and Board.

This information can be incredibly valuable in helping shape and plan training sessions at both group and individual level.

This report includes benchmarking against the results of all other Funds who took part in the 2024 assessment. The assessment will help your Fund assess and report on the Knowledge and Skills of Committee and Board members, demonstrating they're meeting the requirements laid out in The Pensions Regulator's General Code of Practice.

Background

The Kent Pension Fund agreed to participate in the NKA using our online assessment. This report provides an overview of the participants' results broken down into 8 key areas.

This assessment was originally conducted in late 2024. The Fund elected to participate in 2025. The online assessment opened in September 2025, and there were weekly progress updates provided to the Fund confirming participation levels.

Each participant received their individual results report following completion of the assessment.

A national report was also produced aggregating all participating Fund's results, as at December 2024.

The questions posed in the assessment are split into 3 categories:

- Technical questions
- Roles and responsibilities
- Decision making

Technical questions, made up around two thirds of the questions. The remaining questions were split between the categories of Roles and Responsibilities as well as Decision Making. This helps to provide more in-depth analysis of the results and provides further context to the proposed training plans.

The National Knowledge Assessment is a challenging multiple-choice assessment of participants' knowledge and understanding of key pension areas. There was no expectation that participants would score 100% on each subject area tested. Rather, the goal was to gain a true insight into members' knowledge in the areas covered by the CIPFA Knowledge and Skills Framework and the recently launched Pensions Regulator's (TPR) General Code of Practice.

Why Does this Matter?

While fund officers may deal with the day-to-day running of the funds, members of the Committee play a vital role in the scheme as decision makers.

To execute their roles effectively, Committee members must be able to address all relevant topics such as investment matters, issues concerning pension funding, pension administration and governance. All topics which require a level of knowledge and understanding from the Committee.

Similarly, the Pension Board members must have a sound knowledge of these topics in order to be able to offer critical challenge in the oversight of Fund decisions.

The Assessment

The members of the Kent Pension Fund Committee and Board were invited to complete an online knowledge assessment. In total there were 14 respondents from the Committee and 8 respondents from the Board.

Each respondent was given the same set of 48 questions on the 8 areas below:

Section	Names
Section 1	Committee Role and Pensions Legislation
Section 2	Pensions Governance
Section 3	Pensions Administration
Section 4	Pensions Accounting and Audit Standards
Section 5	Procurement and Relationship Management
Section 6	Investment Performance and Risk Management
Section 7	Financial Markets and Product Knowledge
Section 8	Actuarial Methods, Standards and Practices

Under each subject heading, there were 6 multiple choice questions to answer. Each question had 4 possible answers, of which one answer was correct.

Participants were also given the option of selecting “I have no knowledge of this area”, where they were unsure.

This allows us to build a picture of the knowledge levels of each individual member in each of the topics, but crucially to help inform you of the overall levels of knowledge in each area.

Results

The responses for all members who participated have been collated and analysed. For each section we have shown:

- The average score for each of the 8 subject areas, for both the Committee and Board.
- Results split by the categories of “**technical**”, “**roles and responsibilities**” and “**decision making**”.
- Each score compared with the results of the previous assessment taken by the fund in 2022, to show growth or regression in each area.
- Engagement levels for both the Committee and Board
- The most requested topics for training.

Based on the results and the responses received from participants, we have also compiled some proposed training materials for the Fund, as well as some other “next steps” to consider.

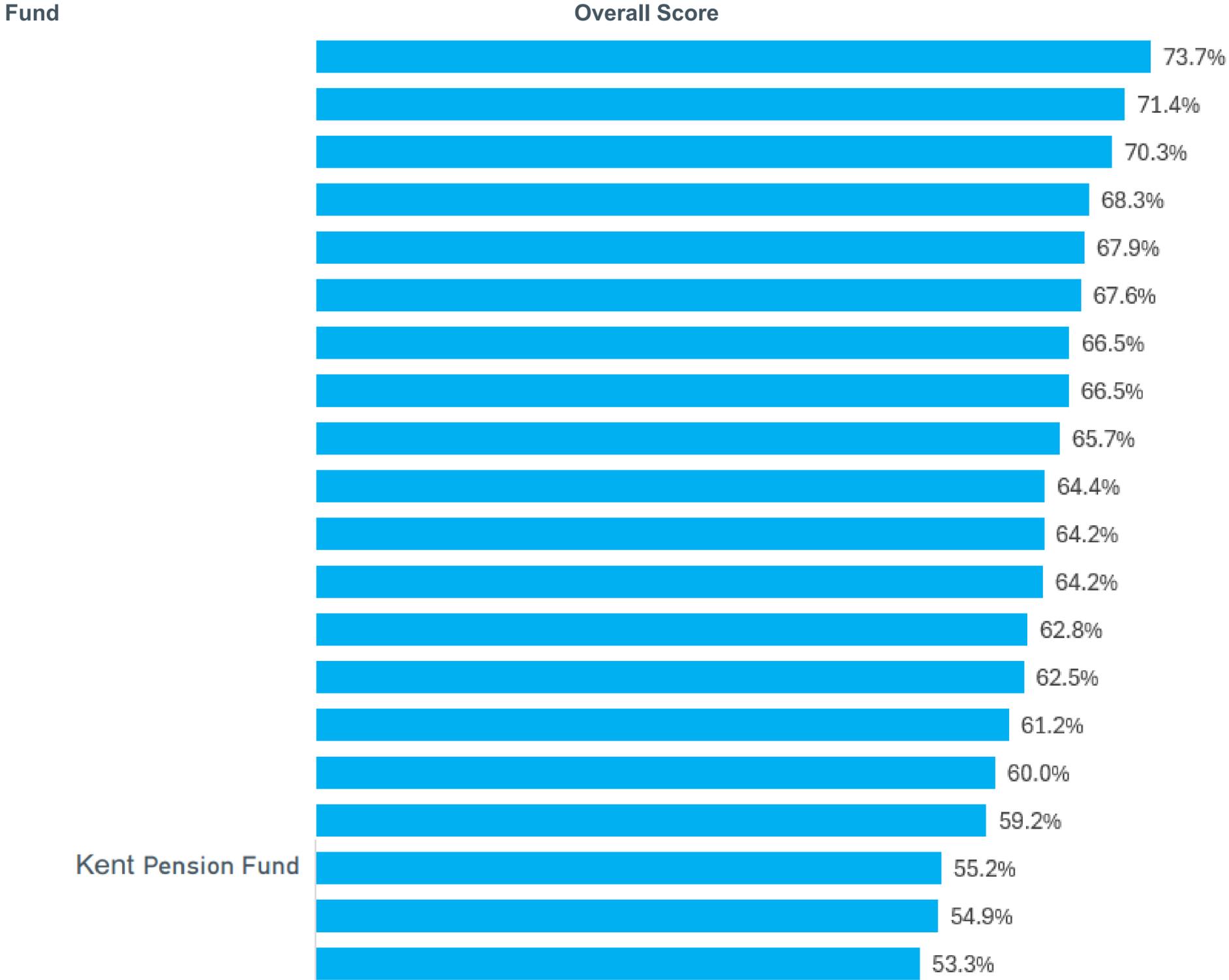
Overall Results

The chart on the right shows how the overall average score for your Fund compares with that of all other funds who took part in the Assessment. The “score” shown is the average score of all participating Committee and Board members from each Fund.

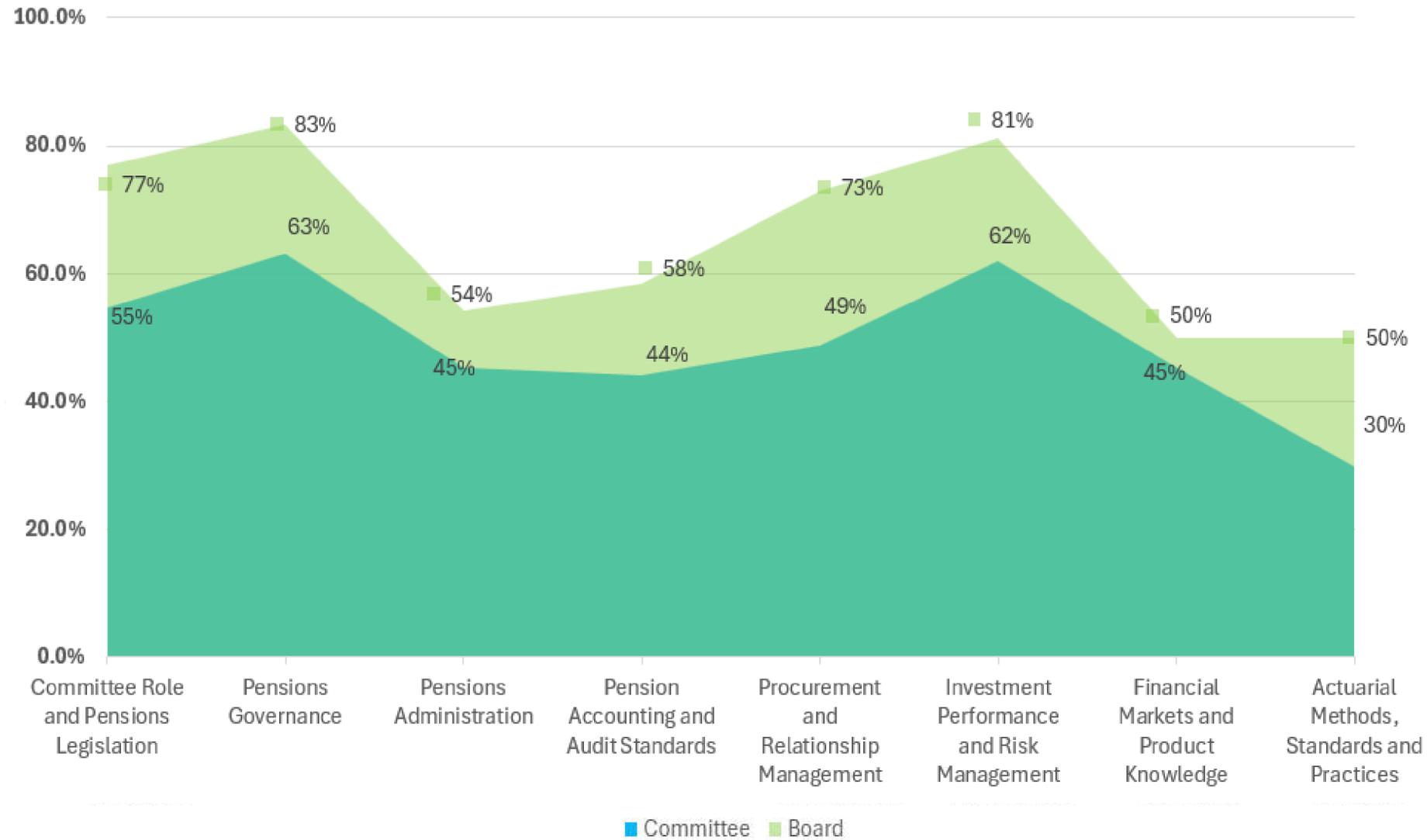
Kent Pension Fund ranked 18th out of 20 Funds

For each of the assessment’s 8 areas we have shown the results of both the Committee and Board.

There is also a summary showing the average scores across all sections for the Committee and Board.



Average Score for Board & Committee



For each of the assessment's 8 areas we have shown the results of both the Committee and Board.

These have been shown in the order in which the sections appeared in the survey.

There is also a summary showing the average scores across all sections for the Committee and Board.

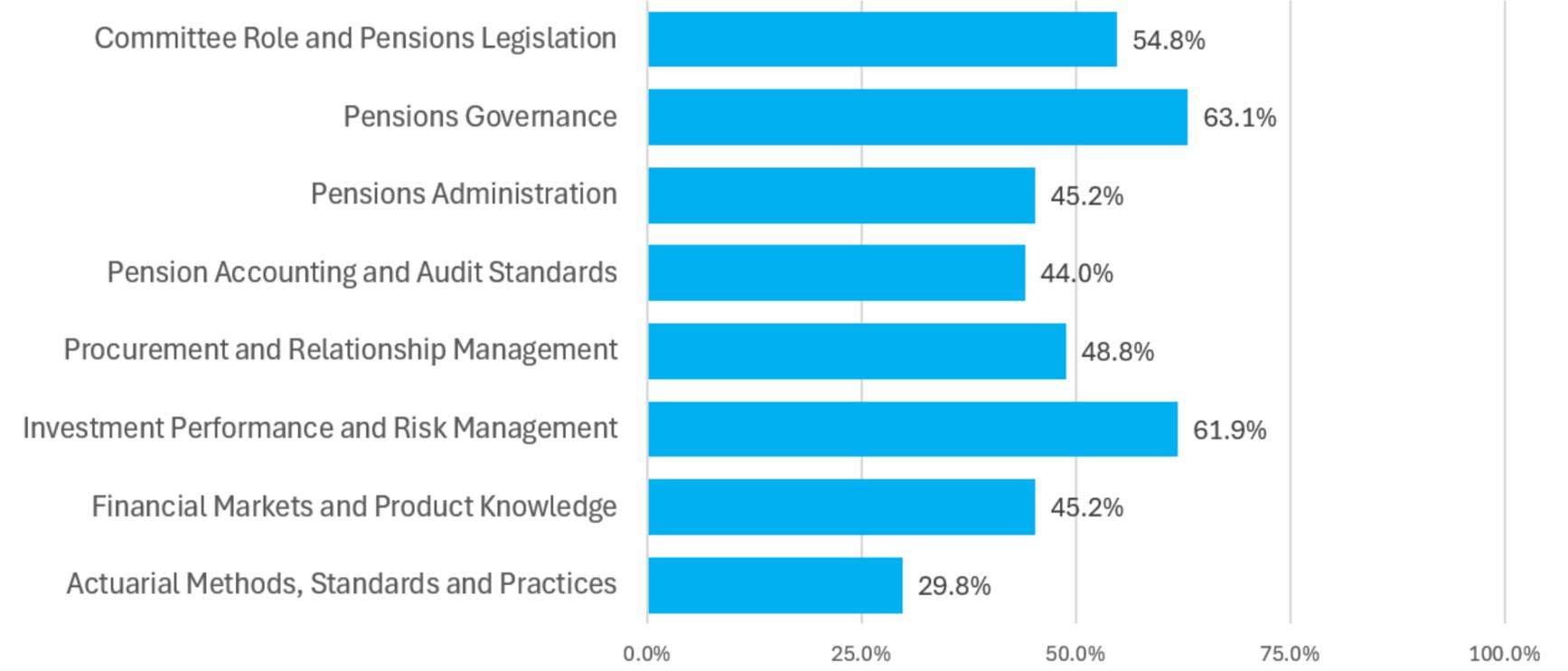
- The performance of the Board (average overall score of 65.9%) was significantly stronger than that of the Committee (average overall score of 49.1%).
- The performance for the Committee and Board diverged the most in the Committee Role & Pensions Legislation section, when Board were 22.0% higher than the Committee.
- The Committee performed most strongly in the areas of Pensions Governance and Investment Performance and Risk Management.

The Board areas of strongest knowledge were also Pensions Governance and Investment Performance and Risk Management

Committee

The results show that Pensions Governance and Committee Role and Pensions Legislation have the highest levels of knowledge. But the areas to focus any specific training on might be Actuarial Methods, Standards and Practices, as well as Administration, Financial Markets and Product knowledge and Accounting and Audit Standards for the Committee.

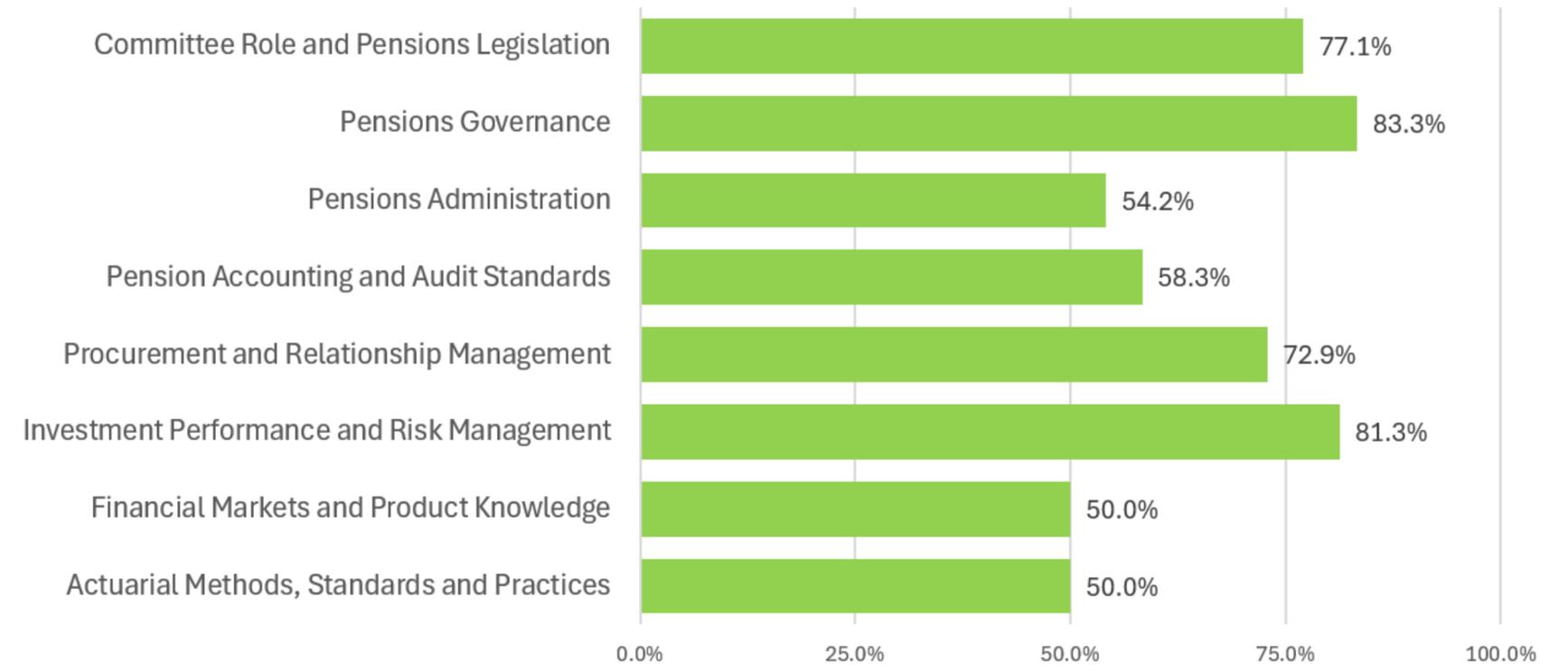
In general, the Committee’s performance could have been stronger. There are areas which could be improved on with focused training as outlined above.



Local Pension Board

The results show that Pensions Governance, the Committee Role & Pensions Legislation and Investment Performance and Risk Management have the highest levels of knowledge, but the areas to focus any specific training on might be Financial Markets & Product Knowledge and Actuarial Methods, Standards and Practices.

The next step would be to try and develop the knowledge of the lower scoring areas. You might already have a training plan in place, in which case we recommend using these results to tailor the specific training support ensuring it aligns with your priorities.



Benchmarking

As this assessment is conducted at a national level across 20 LGPS funds, we are able to provide details of how your Fund's results compare to those across the average of all funds who have taken part.

We've provided a comparison of the results for both your Fund's Committee and Board, versus the average scores nationally for each group. This gives an idea of the knowledge levels across these groups, relative to the national average.

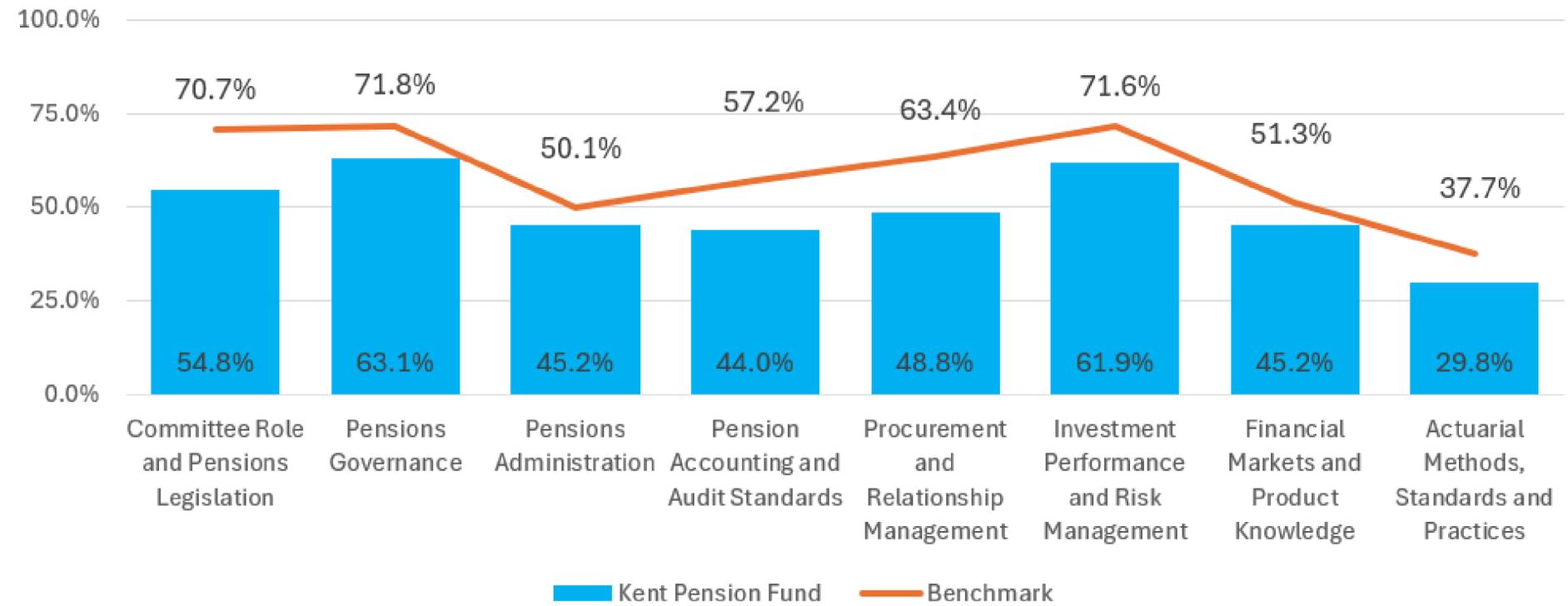
The intention is that training plans and/or timetables can be tailored to focus on the areas of least knowledge, whilst ensuring the Committee and Board maintain the high level of knowledge in the stronger areas.

It is apparent that for the Committee, knowledge levels are lower than the national average in all topics.

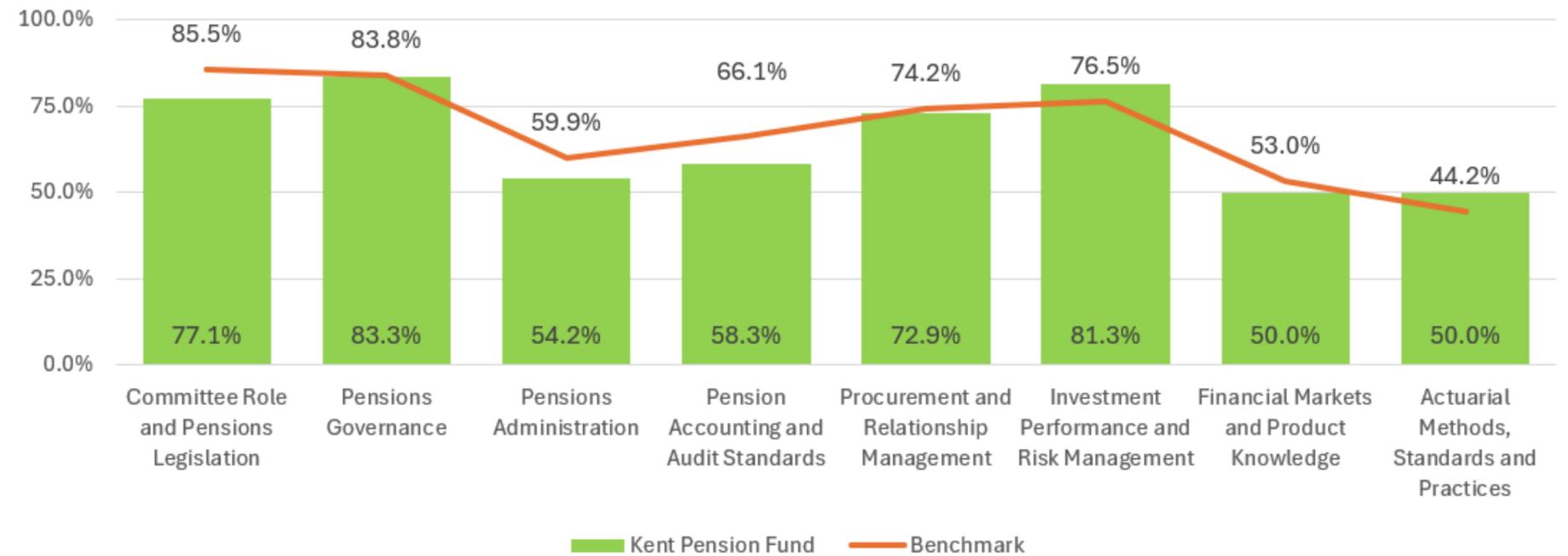
It's pleasing to see that the Board's performance was in line with the national average in a number of topics.

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Committee vs Benchmark



Board vs Benchmark



Commentary on results

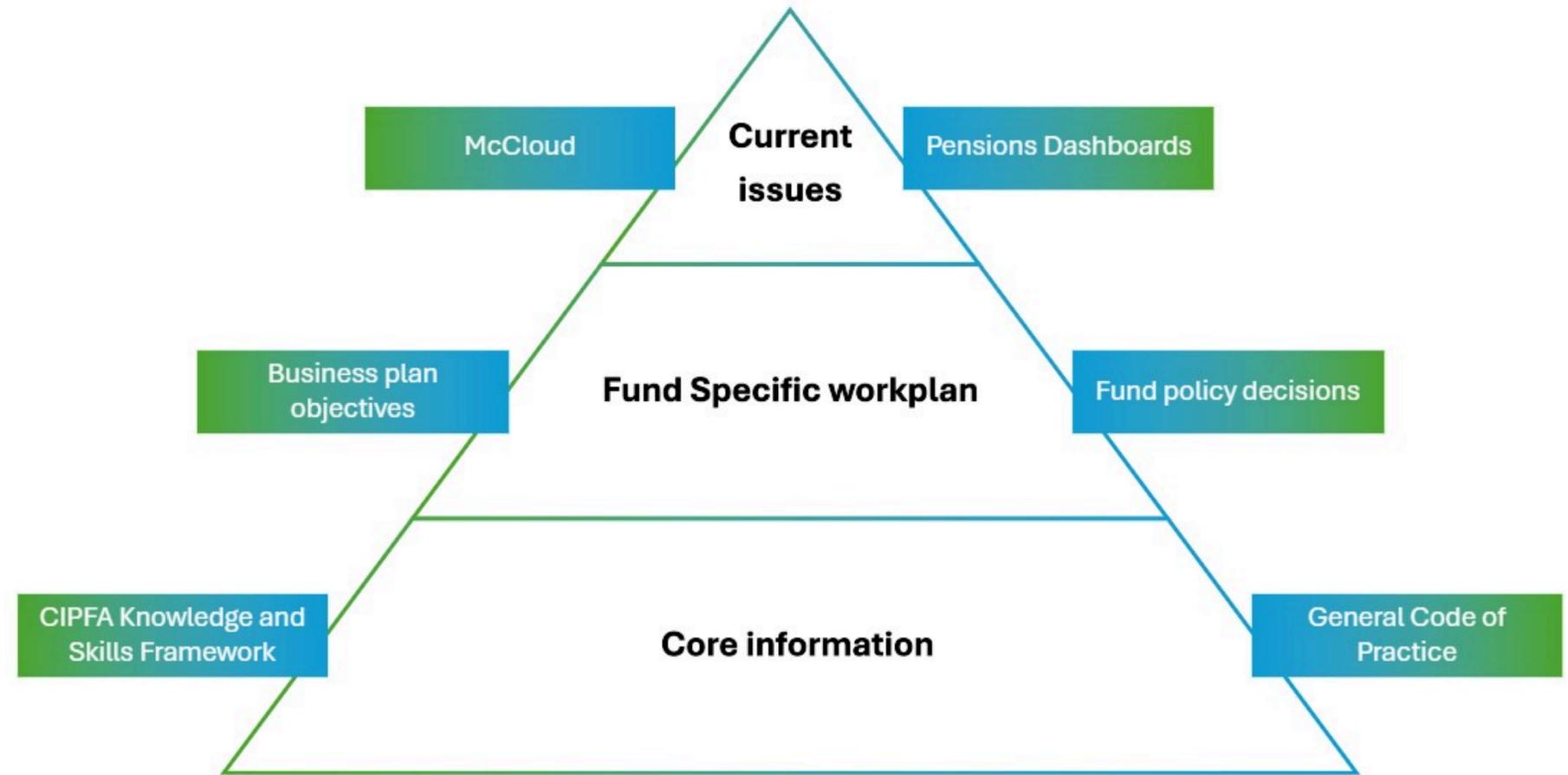
It's encouraging that the Fund took part in the assessment. Overall, the results were positive for the Board, but less so for Committee and it's clear that there are areas of greater knowledge levels as well as areas in which knowledge should be developed over time.

We would fully expect there to be gaps in the knowledge of all members, no matter their role on the Committee/Board, their tenure or indeed their background in terms of pensions experience.

The most important thing to emphasise is that not everybody needs to be an expert in all areas, rather there should be a spread of knowledge across your Committee and Board which is supported by advice from officers and professional advisors.

Just as important as gaining the relevant knowledge and understanding expected of a Pension Committee or Board, is the application of that knowledge and understanding, including the utilisation of an individual's own background and perspective.

Many funds have implemented training plans that follow the pyramid diagram of LGPS training areas. Fundamentally, a plan based on this example pyramid would provide a LGPS fund with a robust training program for its Committee and Board.



Further Analysis

In order to gain further insight into the knowledge and understanding, the questions posed covered 3 distinct areas. These were:

- **Technical** – 66% of questions
- **Decision Making** – 17% of questions
- **Roles and responsibilities** – 17% of questions

The purpose of this was to drill deeper into the collective understanding of these categories, and to provide further analysis on which areas to target when creating training plans. The following chart shows the average score for each of these sections, for the Committee and Board combined.



From this chart, the lowest scoring area was Decision Making. Bearing this in mind, a particular focus could be put on this over the coming months.

Some next steps to consider are:

Decision making – A review of the Fund's decision-making procedures, and updating/creating a decision-making matrix, and sharing this with the Committee and Board to ensure visibility of the role of each group in across a broad spectrum of potential decisions.

Roles and responsibility – A specific training session covering the roles and responsibilities of different parties covering different points in the annual cycle of the Fund. This could include preparation of annual report, annual benefit statements, business planning and investment performance reviews for example. It would also be good to cover more niche topics such as the IDR process, review of suppliers and cyber risk.

Technical – The majority of the questions in the assessment were technical and related to core areas of knowledge and skills for Committee and Boards. We would expect the Fund's training strategy and training plan to reflect requirements here.

Collective Knowledge

It is not just the overall average scores which are important, we realise that you need to be aware of the collective knowledge of your members. All Committee and Board members will bring different experience and perspectives, and will feel more comfortable providing challenge in areas they are more knowledgeable in. As such, the spread of detailed knowledge in each subject is important.

For this reason we feel it is important to understand how many members scored highly in each of the topics, to provide an insight into the breadth of knowledge across topics. Where a Committee or Board have individuals with high knowledge levels in each of the topics, you can feel more assured that members will be able to provide challenge or guidance to the rest of the group, as and when required.

A well rounded Committee or Board will have a number of members scoring highly in each topic. To measure this, we have analysed the number of members who correctly answered at least 5 of the 6 questions in each topic. The assumption is that these members are particularly knowledgeable in these areas, and can lead the group in these topics. This is shown in the chart below.

It is also important that it is not just the same individuals who score highly in each topic. A spread of individuals with detailed knowledge across different topics, is more likely to create an effective Committee or Board.

Methodology

We have analysed the number of members who correctly answered 5 or 6 questions in at least one topics. This gives an indication of the spread of knowledge.

For the Committee there were 8 members who scored highly in at least 1 topic. There were 7 Board members who scored highly in at least 1 topic.

This is a positive result, as you would hope that most members would have specialist, detailed knowledge in at least one subject area

Knowledge Spread



Comparison with previous results

Kent Pension Fund also took part in a previous Assessment. The results for each of the 8 topics can be compared to measure progress in each area.

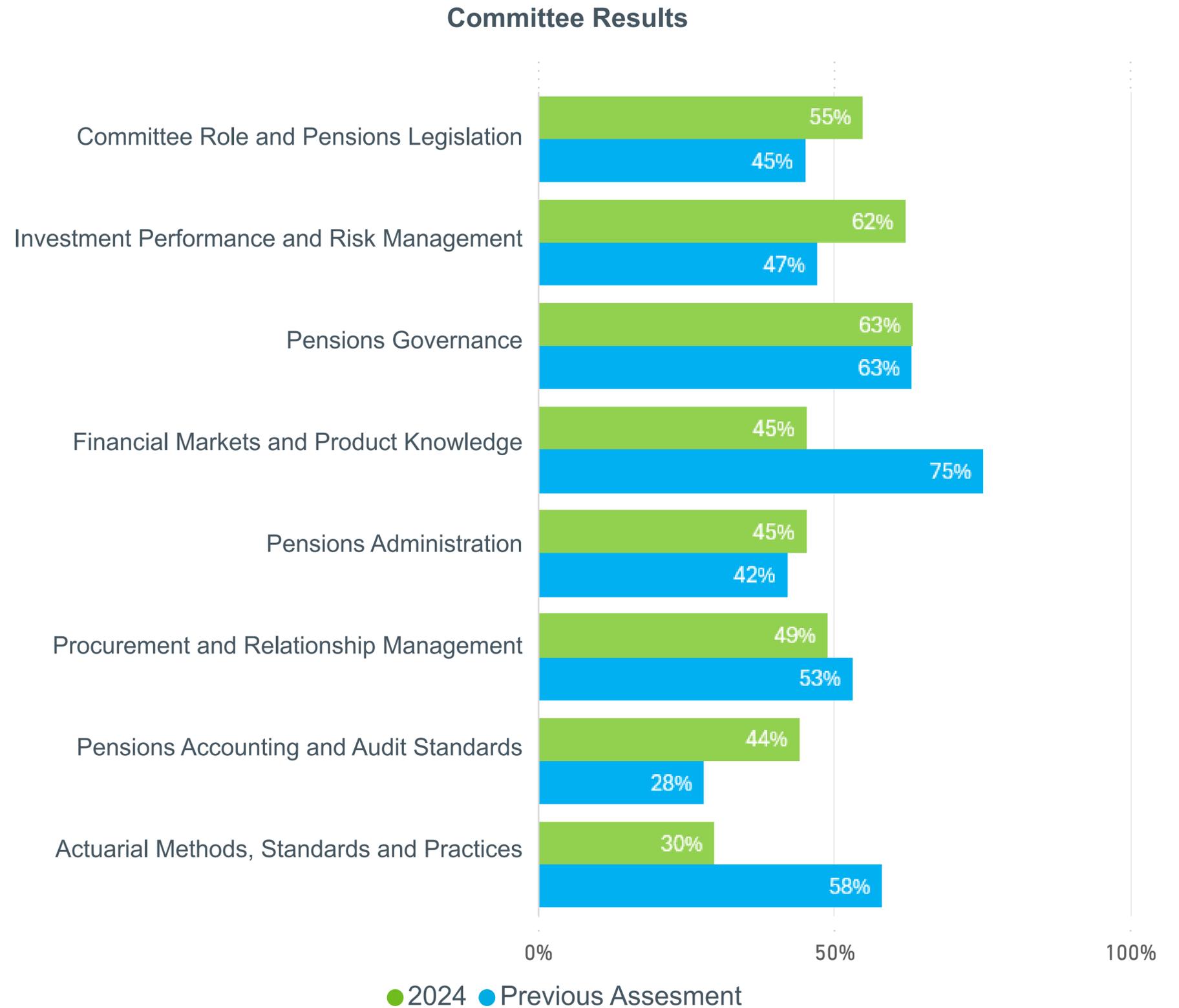
This is shown in the following chart.

The average score for each topic this year is compared with that from the previous assessment. This has been broken down to show the results for the Committee and Board separately.

It's worth noting that while there will be differences in the members who actually participated in each assessment, it's the collective knowledge of each group which is important.

Page 89 Knowledge levels seem to have progressed in four areas for the Committee, but have regressed in three areas. It is worth noting, that the regressions have been greater than the progression.

It is encouraging to see that the higher score in Governance has been maintained and that the scores for Investment Performance and Risk Management and Pensions Accounting and Audit Standards have increased so much.



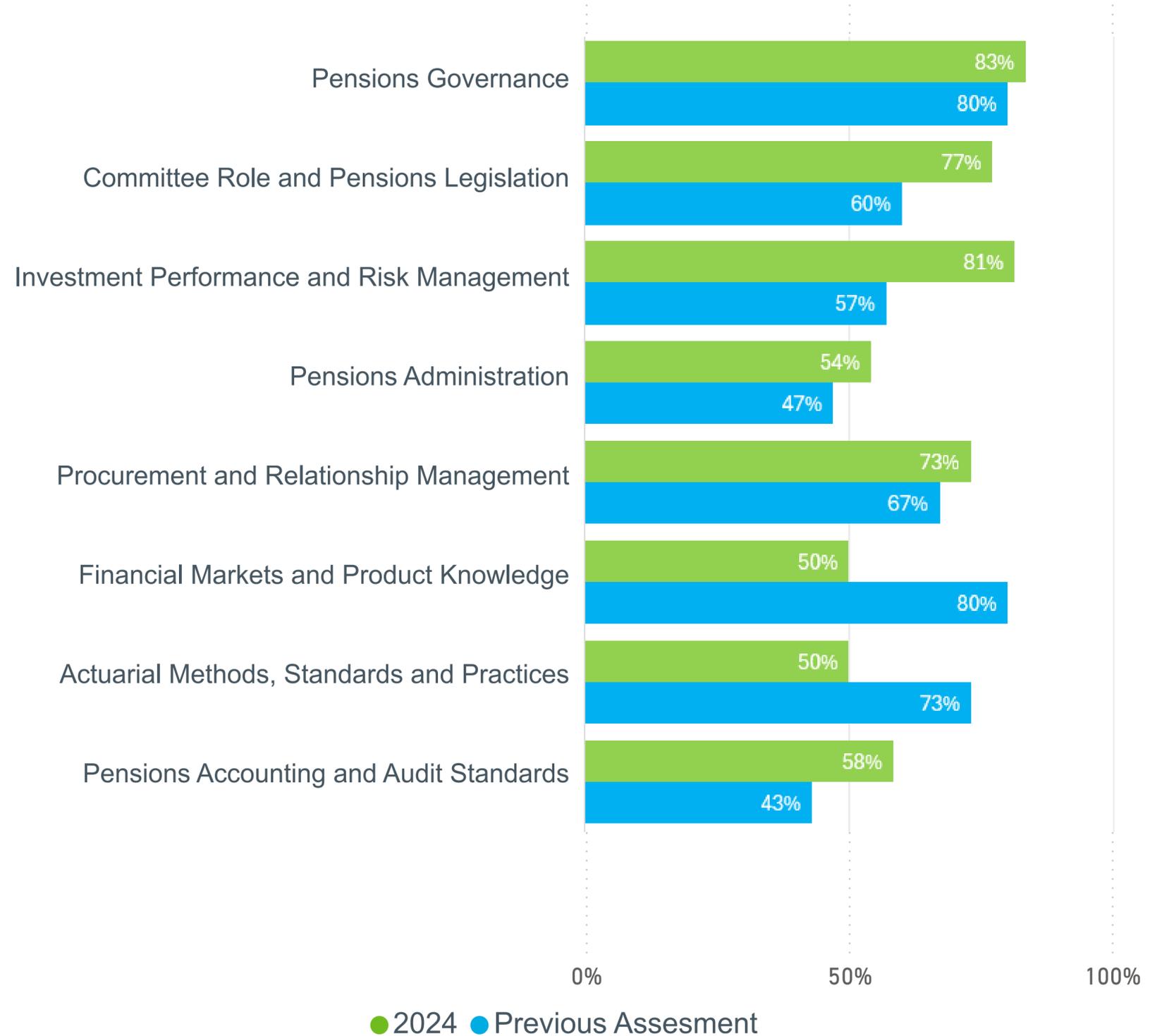
The same comparison can be made for the Board. The chart on the right shows these results.

The areas in which knowledge appears to have developed most for the Board is Committee Role and Pensions Legislation and Investment Performance and Risk Management which is encouraging. On the other hand, knowledge levels seem to have regressed significantly in two areas - Financial Markets and Product Knowledge and Actuarial Methods, Standards and Practices.

It's worth noting that the underlying questions have changed between both assessments, and for the 2024 assessment there was an additional option given to answer "I have no knowledge of this area", whereas in previous assessments that option was not there.

This might account for some small differences in the results.

Board Results



Engagement

One of the key areas that we recommend funds focus on is Committee and Board training engagement.

With the ever-increasing pace of change in the pensions and investments world, engagement is critical to maintaining strong collective knowledge. There is an expectation that they need not only be willing, but keen to develop their knowledge and understanding across the raft of topics upon which they will need to make, or ratify, decisions.

One measure of the engagement of members is their willingness to participate in training. As such, we have used the participation level of this survey to measure the engagement of your Committee and Board members.

The chart below shows the breakdown of the total number of participants from the Kent Pension Fund, as a proportion of those who could have responded.

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Role	Participants	Sum of Possible Participants	Participation rate
Board	8	8	100%
Committee	14	17	82%
Total	22	25	88%

The overall engagement scores for the Fund were very good.

With the number of changes to the LGPS in recent years, it is vital that Committee and Board members remain abreast of the latest developments and feel confident that they have the knowledge required to make the decisions required of them.

Their level of engagement is a key driver of this. Overall engagement has improved significantly since the previous assessment. It is important to try and maintain this.

One of the biggest challenges in this area is how to improve engagement. The combination of in-person, online and hybrid meetings might be one way of achieving this. The move to online learning and tackling topics in bitesize chunks can also help.

The way in which information is shared with the Committee and Board can also promote engagement.

There have been moves by some funds to issuing short timely bulletins and newsletters to increase training knowledge and engagement, which we very much encourage.

Training Feedback from Participants

One of the final sections of the survey asked participants to indicate which topics they would like to receive training on.

There was a list of options available, covering a broad spectrum of the topics we believe are most relevant to allowing Committee and Board members to effectively perform their roles. Members were also given the option to indicate any other areas in which they would benefit from further training.

The table on the right summarises the areas in which members indicated training would be beneficial.

Training requirements

● Board ● Committee



Training plan

Based on the results from this assessment, we have prepared the adjacent training sources that you may wish to adopt or include as part of your training plans.

This has been prepared based on what we believe would be most valuable to your Fund at the current moment.

The intention is to make the planning and delivery of these sessions more efficient for the Fund.

You may want to create separate plans for the Board and Committee - further *tailoring* the training plan to their distinct priorities.

We would be happy to discuss the options for delivery of any of these training sessions. Hymans can support in the preparation of this suite of sessions.

As detailed on the page '**Commentary on results**', we recommend that training plans include elements on:

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- Core information
- Fund specific workplan
- Current issues / Hot topics

The key output for your Fund is to have a clear training plan and the delivery dates (or delivery vehicle i.e. training paper) set aside for these sessions.

Feedback from participants

We also asked the participants to provide comments on the areas they would most appreciate training in. Based on these comments, the most requested areas for training were the Committee Role and Pensions Legislation, Pensions Governance and Good Governance.

More detail is shown in the chart on the previous page.

Training Sources

Recommended LGPS Online Learning Academy Modules & Videos

We offer an on-demand package of training videos covering the majority of the topics contained within this assessment. These videos provide the key details we would expect members to be familiar with in each of the topics. We can provide you with further details if that is of interest.

Webinar Library

We have a bank of webinars available. Some webinars which might prove useful to help develop knowledge in the lower scoring areas would be:

- Navigating the 2024 LGPS accounting disclosures
- LGPS 2022 Valuation - the big picture
- The LGPS Investment Outlook series

Training Sessions

There are also some in-person training sessions we can deliver which may be of interest to Committee and Board member based on both the results of this assessment and their individual training requests. These include:

- Roles and Responsibilities of key stakeholders
- Pension scams
- Introduction to the General Code of Practice
- The role of the Actuary

If you would like access to any of the above or to discuss training plans and/or training strategy, please get in touch.

Next Steps

Based on the results, we would suggest that there should be consideration to the following next steps:

- This report should be **reviewed** by the Fund's officers and results shared with the Committee and Board.
- Set up a **structured training plan** or adjust the existing training plan for the next 18 months covering the main areas highlighted in this report.
- Plan for the **delivery** of training over the immediate 6-month period following these results and communicate that intention with the Committee and Board.
- Consider the most **pressing** training requirements in the coming months. Importantly, look at the **frequency** of training engagement with your Committee and Board.
- **Assess** the tools available to the Fund to assist with training, and whether any new methods should be deployed.
- Consider ways of **maintaining** and **increasing** the engagement of both the Board and Committee. This could include providing them with more information, training materials, briefing notes etc.
- Ensure that the Fund's training strategy is up to date and **appropriate** for purpose.

If you wish to discuss the contents of this report further, please get in touch.

Prepared by Hymans Robertson LLP.

Alan Johnson



LGPS Governance, Administration and Projects (GAP) Consultant

Reliances and Limitations

This report has been prepared for the Kent Pension Fund.

This report must not be released or otherwise disclosed to any third party except with our prior written consent, in which case it should be released in its entirety.

Hymans Robertson LLP do not accept any liability to any party unless we have expressly accepted such liability in writing.

This report has been prepared by Hymans Robertson LLP, based upon its understanding of legislation and events as of October 2025.

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Appendix 2: KPF Training Plan

Workshops

It expected that these formal 2-hour workshops (held online via MS Teams video call) will be attended by Members that are on Kent's Pension Board or Committee. Training will be delivered by Officers and external partners via structured, interactive, presentations. The workshops will be recorded and slide deck information circulated after each event.

Indicative Timeframe (dates to be confirmed and outlook invitations sent)	Core Topic(s)
May 2026	<p>An introduction to Pensions Administration and Pensions Governance</p> <p><i>Administration -To provide a general understanding of LGPS pensions administration and the Fund's polices and discretionary powers.</i></p> <p><i>Governance - To provide a general understanding of the controls and measures in place to manage risks, conflicts and interests of the Fund, whilst ensuring the right skills and experience are available. Scope of presentation will include regulatory changes.</i></p>
September 2026	<p>Pensions Dashboards within the context of Pensions Administration (Pensions Dashboards being a national pensions initiative to help the UK's general public know more about the pensions that they hold)</p> <p><i>To provide information on KPF's statutory requirements and the Fund's data cleansing preparations ahead of go-live (expected 2026/27)</i></p>
November 2026	<p>Pensions Accounting & Audit Standards</p> <p><i>To provide a general understanding of the Accounts and Audit Regulations, the role of internal and external audit</i></p>
February 2027 (London Investments Away Day)	<p>Financial Markets & Product Knowledge and Investment Performance & Risk Management</p> <p><i>Financial Markets - To provide a general understanding of the</i></p>

	<p><i>financial context of the Fund, and the products relating to the Fund.</i></p> <p><i>Investments - To provide a general understanding of the relationship between assets and liabilities and the structure, operation and purpose of investment pooling arrangements.</i></p>
May 2027	<p>Board and Committee Role & Pensions Legislation</p> <p><i>To provide an overview of the Board's and Committee'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></p>
September 2027	<p>Procurement & Relationship Management</p> <p><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></p>
November 2027	<p>Actuarial Methods, Standards & Practices</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 covenants)</i></p>

Hot Topic Training – Informal, brief, training sessions, delivered immediately before Committee and Board and held in-person. These briefings will not be recorded. Subject topics will be dependent upon agenda content.

To:	Pension Fund Committee – 26 March 2026
From:	Chair – Pension Fund Committee Interim Corporate Director of Finance
Subject:	Governance Review by Barnett Waddingham
Classification:	Unrestricted

Summary:

Barnett Waddingham have undertaken a Governance Review to assist the Fund. The report is to help the Fund prepare for the regulatory changes impacting LGPS governance, proposed by MHCLG in 2026.

Recommendation:

To AGREE to accept the recommendations contained in the Appendix of the Barnett Waddingham report, repeated in Paragraph 1.3 below, and ask officers to update the Committee and Board on progress made at future meetings.

1. Governance Review completed

- 1.1 As part of the Government's Fit for the Future review of the LGPS a number of changes to Fund Governance have been proposed. The Fund commissioned Barnett Waddingham to review and make recommendations to the Committee. Their review, report, and recommendations is attached at **Appendix 1.**
- 1.2 Barnett Waddingham will be attending Pension Fund Committee on 26 March 2026 to present the report to Members and to highlight the key findings.
- 1.3 The key findings and recommendations are contained in a checklist in the appendix of the Barnett Waddingham report, and it is recommended that this schedule of actions is accepted and work commences on implementing. This checklist of recommendations is repeated on the following page:

Barnett Waddingham Recommendations/ checklist:

1. New strategies and policies	
1 (a)	Schedule review of the existing policies and approval of the new policies taking into account the timing of Board and Committee meetings in the next 6-9 months
1 (b)	Wait and see if the new Governance Strategy will replace the current Governance Compliance Statement for the 2025/26 report and accounts
2. Constitution changes - needed for the senior LGPS officer and independent person	
2 (a)	Check the process for approving changes to the Constitution, Terms of Reference, Scheme of Delegation and raise with senior officers e.g. the Section 151 Officer, Monitoring Officer, Chief Executive and possibly the HR Director. Timetable the process to take to full Council and Selection and Member Services Committee
3. Senior LGPS Officer	
3 (a)	Review the current role of Head and Pensions and Treasury and either amend it reflect the new requirements or create a new senior LGPS officer role
3 (b)	Review the Constitution, Scheme of delegation and Pension Fund Committee's Terms of Reference to allow for the role
3 (c)	Review any sub-scheme of delegation to allow for the role
3 (d)	Ensure the senior LGPS officer represents the Fund on any officer working group of Border to Coast Pensions Partnership, as shareholder representative
3 (e)	Consider what the appointment process will be, which may depend on whether a new role is created or an existing officer role is designated to this role.
3 (f)	Consider the appropriate level of remuneration
3 (g)	Appoint to the new role within 6 months of the regulations coming into force
4. Independent Person	
4 (a)	Review the Constitution and Pension Fund Committee's Terms of Reference to allow for the role - noting the current expectation that it is a non-voting committee member
4 (b)	Review the scheme of Delegation, sub-scheme of delegation and possibly the Administering Authority's discretions policy, to identify where the independent person's support could or should be included
4 (c)	Consider what the appointment process will be, and consider starting the recruitment process early to navigate HR processes
4 (d)	Consider the appropriate level of remuneration
4 (e)	Appoint to the new role within 6 months of the regulations coming into force
5. Knowledge and Understanding	
5 (a)	Build on the Fund's existing approach, keep records of all training and ensure the new training plan is adhered to
5 (b)	Encourage Committee and Board members to feed in thoughts on the existing approach
5 (c)	The senior LGPS officer should ensure training logs are reviewed regularly and identify any non-compliance
5 (d)	Put the new training strategy on the agenda for the Pensions Board and Pensions Committee March meetings
5 (e)	Review and amend the Board and Committee's terms of reference to reflect the new knowledge and understanding requirements
6. Independent Governance Reviews	
6 (a)	Consider the previous governance review and if any additional actions should be carried out before the Independent Governance Review
6 (b)	Decide who will carry out the independent governance review
6 (c)	Decide on the scope of the review i.e. whether to include additional areas not required in the final guidance which would nevertheless add value for the Fund
6 (d)	Decide when the first independent governance review will be carried out before 31 March 2028
6 (e)	Consider when the subsequent IGRs will be carried out
6 (f)	Consider if Kent County Council want to enter the LGPS peer support process (this is not just for funds which require active support)

- 1.4 Further details will be presented to Pension Board and Committee in the future, as and when additional information about LGPS Fund Governance is announced by MHCLG.
- 1.5 Officers will report on progress against these recommendations at future meetings.

Emma Green – Senior Pensions Programme Manager (Kent Pension Fund)
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March 2026

Appendix 1: Barnett Waddingham's 2026 Governance Review

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Kent Pension Fund Governance Review: Fit for the Future

Alison Murray | Principal and Head of LGPS Governance

17 March 2026



Contents

This report is divided into the following sections:

- Executive Summary 3
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Executive Summary

MHCLG's *Fit for the Future* consultation and subsequent technical consultation on draft Regulations set out significant governance reforms for the Local Government Pension Scheme (LGPS) in England and Wales. The proposals are linked to the passage of the Pension Schemes Bill which had been expected to come into force on 1 April 2026. At the time of writing the Pension Schemes Bill is at the report stage in the House of Lords.

This paper summarises the Fit for the Future governance changes, as set out in the draft LGPS (Amendment) Regulations 2026 and accompanying draft statutory guidance and makes a number of recommendations to Kent County Council as administering authority of Kent Pension Fund as to how those changes might be implemented.

The proposed changes comprise:

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- New statutory strategies and policies
- Appointment of a senior LGPS officer
- Appointment of the independent person
- New Knowledge and Understanding requirements
- Independent Governance Reviews

Recommendations

In our view Kent Pension Fund is well placed to implement the changes:

- it has internal governance expertise and Fund officers have started planning for some of the changes, including liaising with counterparts at Border to Coast Pensions Partnership to understand what others are doing
- it already has a number of the proposed new policies in place, albeit these will need to be reviewed against the new requirements once the guidance and regulations are finalised
- there is already a Head of Fund role, although the responsibilities are wider than is expected to be permissible for the senior LGPS officer role

- the Fund's training plan (and hence application of knowledge and understanding requirements) already covers Committee members as well as Board members
- the Fund has carried out governance reviews on a regular basis in the past to ensure that its arrangements remain effective and fit for purpose, so arguably the proposed new Independent Governance Reviews are a continuation of the Fund's existing approach (albeit the Fund will need to reflect on the scope of the new reviews once this is finalised)

A checklist of recommendations is provided at the end of this paper, in Appendix 1.



Introduction

MHCLG's *Fit for the Future* [consultation](#) and subsequent [technical consultation](#) set out significant governance reforms for the Local Government Pension Scheme (LGPS) in England and Wales. The proposals accompany wider reforms on pooling and investment and are intended to strengthen oversight, accountability and compliance across administering authorities (AAs) and LGPS pool companies.

This paper considers the governance reforms only, so does not cover any of the pooling or investment proposals. It has been commissioned by, and is addressed to, Kent County Council (KCC) as administering authority to Kent Pension Fund (the Fund), part of the LGPS. It has two key elements:

- Firstly, it summarises the governance changes, as set out in the draft LGPS (Amendment) Regulations 2026 and accompanying draft statutory guidance and
- Secondly, it makes a number of recommendations to KCC as to how the Fit for the Future governance changes might be implemented

A comprehensive review of the Fund's governance arrangements was carried out by Barnett Waddingham in 2020/21, culminating in many recommendations. We understand that the implementation of those recommendations is ongoing and view this work as being supplementary to that review. We have therefore focused solely on the regulatory changes and considered short-term actions to help ensure the Fund will be compliant with those changes.

Regulatory Background

The Fit for the Future governance changes have their roots in the Scheme Advisory Board's Good Governance review, whose [final report](#) was published in 2021. However, whilst most of those changes have been expected for a number of years, they have been wrapped in a wider UK Pensions Review, the first phase of which has led to a Pension Schemes Bill going through Parliament.

We suspect that the governance changes being considered alongside significant changes to the investment and pooling framework in the LGPS, including the winding up of two of the eight asset pools, has delayed the draft Regulations and associated statutory guidance.

The current position is summarised in the table below.

What	Current position
Pension Schemes Bill 2026	Report stage in the House of Lords
Amendment Regulations 2026	Technical consultation closed on 2 January 2026
Governance guidance (MHCLG)	Consultation closed on 12 January 2026
Supporting SAB guidance	Not yet developed

There is very little within the Pension Schemes Bill which relates to the governance changes (the key provision being the power to make regulations to require periodic and ad hoc independent governance reviews), but our understanding is the regulations and guidance will not be finalised until the Bill has received Royal Assent, which may not be until close to (or even after) 31 March 2026. At the LGA Governance Conference at the end of January, officials from MHCLG suggested that the implementation date of 1 April 2026 was not expected to change and this has also been reconfirmed to us informally. MHCLG also cited the proposed 6 month period to appoint to the proposed new roles as being adequate to enable those changes to be implemented.

Some of the proposed changes, most notably the appointment of the two new roles, cannot be implemented by the Fund alone. They are likely to require:

- amendments to the KCC Constitution
- liaison between Fund officers and senior KCC officers
- consideration by the Pensions Committee (and Board)

- final approval by Full Council

This means that KCC as the administering authority to the Fund should not delay in considering what changes it will need to make in order to be compliant with the new requirements, whilst at the same time being aware that some of the details of the proposals may be subject to change. We consider the proposals in the following sections.



New Strategies and Policies

Draft regulatory requirements

The draft regulations state that administering authorities will need to prepare the following strategies and policies:

- a new governance strategy to replace the governance compliance statement
- a new training strategy which will set out how new knowledge and understanding requirements will be met
- a conflicts of interest policy for the Fund
- a pensions administration strategy

The proposals provide that the governance strategy, training strategy and conflict of interest policy can be a single document or separated into different documents. These documents must be reviewed in each triennial valuation period or after any significant change to certain matters.

The draft regulations provide some high-level provisions on the content of the documents, to be supplemented by statutory guidance.

Draft statutory guidance

There is a lack of detail in the draft guidance produced to date (on which the MHCLG consulted) and our understanding is that this is being developed. The timing of its publication nor whether there will be a further consultation on the guidance before it is adopted is not yet clear.

Implications for Kent Pension Fund

The Fund already has a governance compliance statement, a training strategy, conflicts of interest policy and pensions administration strategy. Once the final guidance is published, including any supplementary (non-statutory) guidance from the Scheme Advisory Board is available, the Fund should review those policies to ensure compliance with the new requirements.

Governance Strategy

The draft guidance does not cover the expected content of the new governance strategy. Due to the uncertainty of the timing of final Regulations and guidance, it is not clear if the new Governance Strategy will replace the current Governance Compliance Statement for the 2025/26 report and accounts. However, as the report and accounts do not need to be signed off until later in 2026, we think KCC can adopt a “wait and see” approach in relation to the Governance Compliance Statement.

Training strategy

The training strategy may need to be revisited to reflect the final knowledge and understanding requirements, including consideration of who they apply to (e.g. officers or others supporting the Committee or Board) and to ensure it is clear on how the new knowledge and understanding requirements will be met.

We understand that the Fund already applies its training policy to Committee as well as Board members and should continue with that approach. The content of any training will depend on the new Knowledge and Understanding requirements, which we cover in a later section.

Conflict of Interest Policy

The new requirements are clear that the conflicts of interest policy should apply to all those involved in the management of LGPS funds. This goes beyond the current requirements which relate to the need to identify and manage conflicts of interest in relation to Local Pension Board members only, with some administering authorities relying on the Members’ and Employees’ Codes of Conduct for Committee members and officers. However, we note that the Fund’s [current conflict of interest policy](#) is already a comprehensive document covering all those involved in the Fund so our expectation is that there should not be material changes needed once the new requirements are in force. Please note however that we have not reviewed the Fund’s conflicts of interest policy in any detail.

Pensions Administration Strategy

The draft Regulations propose to amend the current provisions which give administering authorities the discretion to develop and publish an administration strategy to make it a requirement. They also clarify that the matters to be included in the strategy should be as set out in Regulation 59, removing the flexibility in the current regulation for administering authorities to decide some of the listed matters are not appropriate.

However, it should be noted that the current requirements are almost exclusively focused on the relationship between the administering authority and the fund employers. We believe that the document should be renamed to reflect its employer focus or the requirements expanded so that it also covers the relationship with members (whilst recognising there is a separate statutory requirement for a communications policy). As an aside the Fund's communications policy is going to the Pension Fund Committee for approval in March 2026.

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There is currently no guidance drafted on the pensions administration strategy (although we understand that the Local Government Association does have this on its worklist). We do not know whether the final requirements will retain their employer focus, but note that The Pensions Regulator recently issued [guidance](#) for schemes to help them comply with the administration elements of the General Code and makes reference to the need for a written administration policy or strategy. The Regulator's Code of Practice and the new guidance do apply to the LGPS and this supports our view that an administration strategy should focus on members as well as employers.

We have not reviewed the Fund's Administration Strategy but if it has been developed in light of the current regulations, we assume it is heavily focused on employers (Regulation 59 does permit administering authorities to include other matters within their pension administration strategy but in our experience most funds focus principally on the employer relationship and requirements).



Conclusion and recommendations

Additional work will be required for the Fund in reviewing its policies and strategies once the new requirements are confirmed. However, we do not expect this to be onerous for the Fund in light of its:

- Internal governance expertise and
- Existing approach and policies

The Fund should still ensure it makes appropriate plans to adhere to the changes once they are confirmed. Our key recommendation is therefore that KCC as administering authority should plan the review of its existing policies and approval of the new policies, taking into account the timing of Board and Committee meetings in the next 6-9 months. We are aware that this may have already happened as part of the business planning process, although there may need to be some fluidity in timing depending on when the final requirements are known.

Senior LGPS Officer

Draft regulatory requirements

The senior LGPS officer is a new role which will be required by Regulation 53A of the LGPS Regulations 2013 assuming the amendment regulations are implemented as proposed. The appointment must be made within 6 months of the Regulations coming into force. As the Regulations are (or were) expected to come into force on 1 April 2026, the first appointment is expected to be made by 1 October 2026. The draft Amendment Regulations define the role as follows:

“The senior LGPS officer.. has a senior responsibility across all pension functions.... must ensure.. [the] fund.. is appropriately managed and resourced in respect of all matters (such as administration, investment and governance).”

Other key provisions:

- The senior LGPS officer cannot be the Section 151 Officer, the Monitoring Officer or Chief Executive (Head of Paid Service)
- If any functions are delegated to the senior LGPS officer an independent person must be appointed to support that officer
- The appointment must be made within 6 months of the Regulations coming into force and then within 6 months of the post becoming vacant in future
- The appointment must be made in accordance with guidance issued by the Secretary of State

Draft statutory guidance

Responsibilities

The draft guidance lists 16 responsibilities of the senior LGPS officer. The list is not intended to be exhaustive and we note that the Scheme Advisory Board’s [response](#) to the closed consultation on the guidance suggests a few additional areas that it believes should be included within the guidance.

We have reproduced in Appendix 2 the list of responsibilities as set out in the guidance. The key points to note are that the role should be responsible for managing **all** aspects of the LGPS, from day-to-day management and implementation of strategies (whether the strategies themselves are a responsibility of the pension committee or an officer) to resourcing and budget-setting, risk management and **“representing the interests of the LGPS fund within the local authority’s senior leadership team”**. They should also participate in the governance of the asset pool as client or shareholder representative.

Importantly, the guidance provides that the senior LGPS officer will have a demanding workload and significant responsibility and therefore administering authorities should

“carefully consider what other roles the person may perform, in order to ensure that the officer can dedicate the overwhelming majority of their time and capacity to their LGPS responsibilities.”

Other provisions:

- the senior LGPS officer is expected to be at Director, Assistant Director or Head of Service level and be part of the authority’s senior leadership team
- the senior LGPS officer should have a direct relationship with the independent person
- where the administering authority chooses to delegate LGPS functions to an officer, it should be to the senior LGPS officer.
- there must be only one officer and the role must not be split between functions (a job-share is permissible as long as the functions are not split).

Interaction with S151 Officer

The guidance also acknowledges that the Section 151 officer will remain responsible for the “proper administration of the local authority’s financial affairs” and provides that the senior LGPS officer:

- must not be combined or attached to other senior roles, in the administering authority or elsewhere



- should be clearly separated from the S151 officer, with clear and robust boundaries and expectations between the two roles
- should approve the pension fund accounts with the S151 officer

Competencies

There are no specific criteria in terms of professional competencies for the senior LGPS officer and the draft guidance provides that administering authorities need to satisfy themselves that the person appointed has the knowledge and skills to perform the role. It acknowledges that administering authorities may have officers who already fulfil a similar role, and states that these officers may be appointed as the senior LGPS officer, provided that they meet these requirements.

Appointment process

The draft guidance suggests that the appointment should be made by the Head of Paid Service. It also says that administering authorities should be aware of key person risk and have robust succession planning, and contingencies for any longer absences, e.g. appointing a deputy or acting officer.

Implications for Kent Pension Fund

We understand that there is a current Head of Pensions and Treasury role at Kent County Council. The guidance does provide for an officer who already fulfils a similar role to be appointed as the senior LGPS officer provided they meet the requirements set out in the regulations and guidance.

Recommendations

Kent County Council as administering authority should:

- review the job description of the Head of Pensions and Treasury and consider whether this role could be the senior LGPS officer. Any material non-pension responsibilities would need to be removed in order to fulfil the requirements of the proposed regulations and guidance, which suggest that any Treasury responsibilities in particular should be considered for removal

- review its Constitution to refer to the new role and ensure that any Scheme of Delegation and sub-scheme of Delegation which delegate functions to an officer, delegate to the senior LGPS officer role. It could also take the opportunity to review the Pension Fund Committee's Terms of Reference and reflect on what would be the most appropriate split of functions between the Committee and senior LGPS officer
- check the process for approving changes to KCC's Constitution, including the timing of any meetings (Full Council, Selection and Member Services Committee, Pension Fund Committee and Local Pension Board and any supplementary council committees/groups involved in approving the Constitution)
- ensure that the senior LGPS officer represents the Fund on any officer working group of Border to Coast Pensions Partnership and participates in the governance structures of the pool as shareholder representative. This should be considered as part of the changes to the Fund's pooling arrangements (the governance arrangements relating to Border to Coast should also be reflected in the Council's Constitution).
- consider what the appointment process should be, which we understand may depend on whether the senior LGPS officer is created as a brand new role or whether an existing officer is designated with this role
- consider the appropriate level of remuneration for the role (the guidance is clear that this remains a local decision but with 86 funds needing to appoint to this role it is possible that there is competition within the industry, noting that London funds in particular may not have an existing role which can easily be mapped across)



Independent Person

Draft regulatory requirements

An independent person is a new role which will be required by Regulation 53A of the LGPS Regulations 2013 assuming the amendment regulations are implemented as proposed. The appointment must be made within 6 months of the Regulations coming into force. As the Regulations are (or were) expected to come into force on 1 April 2026, the first appointment is expected to be made by 1 October 2026. The draft Amendment Regulations specify:

“If an administering authority delegates its functions.... to a committee or sub-committee ... it must appoint an independent person as a non-voting member of that committee or sub-committee to advise on investment strategy, governance and administration.”

“If an administering authority delegates its functions.... to the senior LGPS officer ... it must appoint an independent person to support that officer.”

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Although the wording of the Regulations is not completely clear, our assumption is that there would be one independent person supporting both the committee and the senior LGPS officer and not two separate independent person roles.

Other key provisions:

- The appointment must be made within 6 months of the Regulations coming into force and then within 6 months of the post becoming vacant in future
- The appointment must be made in accordance with guidance issued by the Secretary of State

Draft statutory guidance

Responsibilities

The draft guidance explains that the role of the independent person is to help the committee to scrutinise and challenge the advice they receive:

“The independent person should contribute to ... committees ... by providing independent and professional expertise...to support ... to scrutinise and challenge the advice given to them.”

The draft guidance suggests that the role is similar to that of a Non-Executive Director or Professional Trustee and specifies that the independent person role should include all functions of the pension committee. In particular:

- Investment strategy, with their duties including scrutiny of advice from the pool and of performance against the fund’s strategies
- governance, with their duties including supporting on any action plan arising from the Independent Governance Review and on scrutiny of administration performance
- The administering authority’s role as a shareholder or client with its asset pool company

The independent person should also support the chair of the Local Pension Board to help it ensure the administering authority is fulfilling its statutory duties with regards to effective governance and administration of the fund.

Other provisions:

- the independent person must be a non-voting member of the Committee or Sub-Committee
- the senior LGPS officer should have a direct relationship with the Independent Person
- the same person can be the independent person across multiple administering authorities so long as those administering authorities are satisfied the independent person can devote sufficient time to each administering authority
- it is likely to be a legally defined as a politically restricted post
- pension committees should regularly review the contribution of the independent person

It is also worth noting that the Knowledge and Understanding section of the draft guidance suggests that the knowledge and understanding requirements apply to the independent person (see paragraph 2.10 of the draft guidance).



Competencies

The draft guidance lists 3 items and states that the independent person should have at least one of these:

- a trusteeship qualification from the Pensions Management Institute
- membership of the Association of Professional Pension Trustees
- Significant experience of pensions which is very broad

Perhaps surprisingly, the draft guidance notes that LGPS experience is “preferable” but not a requirement. Our view on this is that whilst the appointee need not be an LGPS expert, an understanding of the local authority context and governance structure within which the LGPS operates should be a requirement given the proposed remit of the role. In addition, if LGPS experience is only preferable, it is not obvious what level of knowledge and understanding should be considered appropriate for the role. It may be that this will be clarified in supplementary Scheme Advisory Board guidance on knowledge and understanding.

Independence

The draft guidance clarifies what is meant by independent and the independent person **cannot be employed by any company that:**

- provides paid pensions advice to the administering authority
- conducts the Independent Governance Review
- conducts the actuarial valuation

These criteria are to ensure independence.

It is clear that administering authorities should not automatically assume that an existing investment adviser can perform the role. The draft guidance suggests that this would only be appropriate if the person also has significant experience of governance and administration.

We have also heard, informally, from MHCLG that their preference/intention is for the independent person to be an individual appointment rather than a firm/company appointment. As this isn't currently specified in the guidance that we can see, we don't know if it will be clarified in the final guidance, but should perhaps be kept in mind.

Appointment process

The draft guidance says that if a pension committee already has someone who meets the requirements of Regulation 53A for the independent person, then the authority can officially appoint that person.

The draft guidance also suggests that the selection of the candidate is expected to be delegated to officers or to an appointments committee or a sub-committee of the pensions committee which is advised by officers. If the selection is delegated to officers then the committee should consider the shortlist/recommended candidates before the Head of Paid Service makes the final decision on appointment.

The guidance is clear that Remuneration should be decided by the administering authority.

Appointments should be made by contract which include provision for removal and for no longer than 3 years at a time, and total terms by the same person should not exceed 9 years in total.

Implications for Kent Pension Fund

We understand that Kent Pension Fund is currently recruiting an Independent Member for the Pension Board. For the avoidance of doubt, the requirement in the draft regulations for an independent person for the Pension Fund Committee would be a separate role and not fulfilled by the same person.

We understand that Kent Pension Fund does not currently have any independent investment advisers (although the draft guidance is clear that such an adviser could only be appointed as the independent person if they have significant governance and administration experience as noted above). The Fund would therefore need to take measures to appoint a suitable independent person. At least one fund has already started advertising for an independent person and there are concerns that with 86 funds needing to appoint to the role there may be more roles than there are candidates (although as noted above an individual can have multiple such roles if the funds to which they are appointed believe they have the capacity to fulfil the role).

Our advice would be that as this is clearly a key appointment for the Fund, it is important not to rush the process and to consider whether the Fund has any requirements beyond those set out in the draft guidance. We are also of the view that the breadth of the role as currently articulated is likely to be a material barrier to identifying appropriate individuals.

In addition, the Scheme Advisory Board's [response](#) to the consultation on the draft guidance includes a number of comments relating to the independent person requirements. These include that:

- The guidance should further define the scope of the role, appointment process, reporting lines, and whether advice should be professional (which would require the independent person to have liability insurance) or non-professional and
- Further consideration is needed on whether the independent person role is supporting, as opposed to being a member of, the committee

In our view whether or not liability insurance is needed and whether or not the independent person is a committee member or simply supports/advises the committee are quite fundamental and therefore funds should consider carefully how far they can go with preparations for this new role and whether they should wait for further clarity before finalising a role description and advertising the role. That is not to say that KCC should not start preparing for the appointment.

Recommendations

Kent County Council as administering authority should plan its approach to the appointment of the independent person sooner rather than later. This should include the following steps:

- ensuring senior officers outside of the Pension Fund, e.g. the Section 151 Officer, Monitoring Officer and Chief Executive and possibly even the Assistant Director of People Operations, are aware of these changes (which we believe is already the case)
- check the process for approving changes to KCC's Constitution, including the timing of any meetings (Full Council, Selection and Member Services Committee, Pension Fund Committee and Local Pension Board and any supplementary council committees/groups involved in approving the Constitution)
- reviewing the Constitution, including the Pension Fund Committee and Pension Board's terms of reference to ensure the new role is appropriately referred to (which should assume it a non-voting committee member given that is the current expectation)
- reviewing any Scheme of Delegation within the Constitution and sub-scheme of Delegation relevant to the Fund to identify where the independent person's support could or should be included within the exercise of any delegations. This could also be extended to the Administering Authority's Discretions Policy although most discretions may be too detailed for the independent person to be involved in.
- deciding on the remuneration of the independent person, and whether (if the final requirements are for the role to be as a non-voting committee member) this has any implications for member allowances
- considering what the appointment process should be, and starting it early to navigate HR processes and taking into account the Council's current procedures.



We understand that Fund officers are liaising with their counterparts at other funds across the country, including in particular (soon to be) partner funds at Border to Coast Pensions Partnership, to see what others are doing. This seems to us to be a very sensible course of action and we would recommend that this continues. Whilst not a formal recommendation for the Council, we would also encourage Fund officers to keep a close eye on developments, to ensure that they are aware of any changes to the draft guidance on the independent person role as soon as practical. As the Fund's advisers we will of course share intelligence on this, but without final published guidance it is not possible to be 100% sure what the confirmed changes will be.



Knowledge and understanding

The draft LGPS (Amendment) Regulations 2026 introduce Knowledge and Understanding requirements for “relevant persons”.

Draft regulatory requirements

The Knowledge and understanding requirements will apply to:

- Pension Committee members and members of any sub committees to who an administering authority has delegated its functions
- The senior LGPS officer and officers to who an administering authority has delegated its functions

The Amendment Regulations don't refer to local pension board members as they are already subject to knowledge and understanding requirements as per Section 248A of the Pensions Act 2004.

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The regulations state that the knowledge and understanding requirements apply within “a reasonable period after being appointed” and the requirement is for relevant persons to have the appropriate level of understanding for their role.

The requirements mirror those for local pension board members, i.e. relevant persons should be familiar with ***the rules of the Scheme [LGPS] and any document which records policy about the administration of the Fund.***

Relevant persons should also have knowledge and understanding of the law relating to pensions.

Draft statutory guidance

The guidance suggests the independent person may also be subject to the knowledge and understanding requirements and that there should be the same knowledge and understanding requirements for pension committee members and local pension board members.

The new Knowledge and understanding requirements are expected to come into force on 1 April 2026. By this date, the training strategy should set out how the new knowledge requirements will be met.

The draft guidance states that comprehensive inductions should take place for new individuals within three months of joining or before their first meeting, whichever is sooner.

The guidance sets out nine key areas of knowledge and understanding. These have been taken from the current CIPFA Knowledge and Skills framework. We are slightly disappointed that this is the case as the Framework is incredibly detailed and we think it would have been helpful for the principal statutory guidance to give a better steer on which areas apply to committees, boards and the independent person role. We are also concerned that whilst “skills and behaviours” is very important from a governance perspective, it is arguably completely different to knowledge and understanding. The Regulations make no reference to skills and behaviours so it seems odd for proposed statutory guidance on the knowledge and understanding requirements to include this.

The nine key areas listed within the draft guidance are as follows:

- Pensions legislation and guidance
- Pensions governance
- Funding strategy and actuarial methods
- Pensions administration and communications
- Pensions financial strategy, management, accounting, reporting and audit standards
- Investment objectives, strategic asset allocation, pooling, and pooling performance management
- Risk management
- Pension services procurement, contract management, and relationship management.
- Key skills and behaviours



Further guidance (possibly issued by the Scheme Advisory Board rather than additional statutory guidance) is expected, to help set out how these areas should apply to the different roles.

Expectations of new regulations

- Training requirements and expectations should be provided to new members before their appointment
- Relevant knowledge should be assessed annually and used to tailor training plans
- If gaps are identified, the Training Strategy should cover how they will be addressed
- Funds must be able to demonstrate the knowledge and understanding of their relevant persons and keep records of training attendance
- Individuals are responsible for keeping a training record and share with the fund and funds should communicate regularly with committee and board members
- Joint training for committee and board members is encouraged.
- Funds should make the training needs assessment and all monitoring documents available to the Independent Governance review.

Training resources

The senior LGPS officer has a responsibility to ensure there are sufficient resources so the Training Strategy can be met.

There should be a commitment to expert training resources and reimbursement for training time.

Implications for Kent Pension Fund

We believe that the Fund should be well-placed to meet the new knowledge and understanding requirements, for the following reasons:

- The Fund has an existing training plan and has historically offered a wide-range of training opportunities for Committee and Board members which we understand have typically attracted good take-up.

- The Fund participated in a knowledge assessment in September 2025 which we understand is being used to develop the training programme for 2026.
- The Fund's Business Plan includes a budget for training which will be tabled for approval at the March 2026 Pension Committee meeting.

It is of course important not to be complacent, noting that Board and Committee members do change over time and the Fund should ensure any new members undertake appropriate induction training and that existing members maintain their levels of knowledge and understanding. In addition, the Fund should review its approach to training and ensure that the new requirements (once confirmed) are adhered to.

We have not reviewed how the Fund reports on training undertaken by the Board and Committee but future action should include reporting and it should be borne in mind that officers fall within the scope of the proposed new requirements and hence any reporting should include their attendance at training. Finally, it may be useful to review how information on training attended is shared with the Fund to ensure that any external training undertaken is appropriately logged and then reported.

Recommendations

The Fund should build on its existing approach to training; ensure adequate records are kept and its training plan is adhered to so that it can demonstrate compliance with the new requirements in due course.

Committee and Board members should be encouraged to feed in thoughts on any enhancements or changes to the current approach which would support them in achieving the required knowledge and understanding requirements.

The senior LGPS officer should ensure training logs are reviewed regularly so that any potential non-compliance with the training plan is identified in advance so that remedial steps can be taken.

The Board and Committee's terms of reference should be reviewed and amended to reflect the new knowledge and understanding requirements.

Independent Governance Reviews

Pension Schemes Act 2026

Section 5 of the Pension Schemes Act 2026¹ makes provision for the Secretary of State to make regulations in relation to the carrying out of governance reviews for LGPS funds. This includes *periodic governance reviews* and *ad hoc governance reviews*. The Act also requires that any such regulations must make provision for these reviews to be carried out independently of the Secretary of State and the administering authority and for a report to be prepared and published as soon as practicable after the review is completed.

Draft regulatory requirements

The draft regulations propose to add a new regulation, Regulation 117. In summary:

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- Administering authorities must prepare, commission and publish Independent Governance Reviews. An administering authority must arrange for the first review to be carried out before 31 March 2028.
- The Secretary of State may require the administering authority to carry out a governance review before 31 March 2028.
- The cost of the governance review is to be treated as an expense incurred in administering the Fund, so should be paid for by the administering authority.

The governance review should be carried out by a *suitable person*, which is defined as any person who:

- is independent of both the Secretary of State and the administering authority
- has sufficient knowledge and understanding to carry out the review

The draft regulations also provide that:

- reviews must be carried out in accordance with guidance issued by the Secretary of State

- a report should be prepared as soon as practicable after the review is completed and sent to the Secretary of State and the administering authority
- the administering authority should publish the report as soon as practicable after receiving it and must act in accordance with guidance issued by the Secretary of State

Draft statutory guidance

The draft guidance states that the purpose of Independent Governance Reviews is to ensure that administering authorities review their governance processes and are subject to independent scrutiny. This is to provide assurance to members and employers that the Funds comply with legislation, including the additional requirements introduced by the LGPS (Amendment) Regulations 2026 and guidance for example the senior LGPS officer, independent person and Knowledge and understanding requirements.

Independent of the administering authority means a company or person who is not otherwise engaged with the administering authority in any capacity at the time of the review being undertaken. The guidance clarifies that the assessor cannot be the same company or person who conducts the actuarial valuation.

The assessor should be suitably qualified or experienced to conduct such a review and the administering authority must decide who is suitable.

Administering authorities are expected to consider the Actuarial, Benefits and Governance Consultancy Framework, in particular Lots 3 and 5 are likely most relevant but administering authorities can choose an assessor not on this framework.

An Independent Governance Review could be directed by the Secretary of State but the draft guidance is clear that this would only be under rare circumstances for example if the Fund had been flagged for concern by the Government Actuary's Department in the Section 13 Review of Actuarial Valuations.

¹ This is still a Bill and is currently at Report stage in the House of Lords



What period of review will the governance reviews cover?

The Secretary of State can ask the administering authority to carry out an ad hoc governance review covering any period of time.

If the Secretary of State do not ask the administering authority to do this, then a first governance review must be carried out by 31 March 2028. The review should cover the period from 31 March 2025 to the date of the review.

Future reviews must be arranged within subsequent valuation periods but there is flexibility for administering authorities, so the period covered by a future review could be more or less than 3 years. The guidance provides an example that if the administering authority carries out its first review in June 2026 and then the next review in February 2031 then this second review must cover the period from June 2026 to February 2031 i.e. a period of 4 years and 9 months.

What will be the outcome of a review?

The report should give a green/amber/red rating to each of the key areas set out in the statutory guidance which are discussed below. Green means excellent practice or best in sector, amber means meets requirements, red means doesn't meet all requirements. A red rating does not necessarily mean any intervention from MHCLG will follow.

We are aware that some funds, and the Scheme Advisory Board have raised concerns about the proposed ratings noting that an amber rating might be construed as a fund requiring improvement when in fact all legal requirements are being met. We understand from comments made by MHCLG at the LGA Governance Conference in January that the proposed ratings are being reviewed and the final guidance may therefore be different.

The draft guidance also states that a review should make recommendations for improvement which the administering authority should consider (more of which below).

What should a governance review cover?

Administering authorities and assessors can decide together what the review will cover. There are no set questions or templates however there are three key areas that the draft guidance suggests must be covered as a minimum:

- **Business planning and performance delivery**

The administering authority should have a business plan with an associated budget which should be approved by the Pensions Committee and senior LGPS officer.

Performance information which covers investment strategy, administration, funding, governance and communications should be provided to those responsible for governing the administering authority to help identify any changes needed.

- **Effective systems of governance and internal controls**

The administering authority must ensure that it complies with all relevant legislation, regulations and guidance related to the Fund.

Ensure that the Pensions Committee, senior LGPS officer and leadership act honestly in the interests of scheme members and have appropriate levels of knowledge and understanding. It is for Funds to consider who is in a position of leadership.

Funds should keep minutes of meetings including any decisions made at or outside a meeting and who took part in making the decision.

Administering authorities should prepare a remuneration policy to cover all major persons or corporate bodies who carry out key functions for the Fund. The remuneration policy should be reviewed at least every 3 years.

Administering authorities should have a risk management policy that is approved by the Committee and reviewed at least every 3 years. The policy should identify key risks to the Fund and monitor and manage these risks.

Communications with members should be clear and accessible and in plain English. Communications should promote understanding of pensions to members and account should be taken of member feedback.

Communications with employers should be timely and accurate and support informed decision making. Employer engagement and feedback should be encouraged.

- **Compliance with all legislation, regulations and statutory guidance**

This includes compliance with the LGPS Amendment Regulations 2026, statutory guidance on governance, ISS and pooling. Any failures to adhere to the statutory requirements will mean a breach should be reported to The Pensions Regulator.

The Pensions Bill is expected to clarify the power of the Secretary of State under the Public Service Pensions Act 2013 to force a compulsory merger between funds. Therefore, in theory, in extreme cases of non-compliance, the Secretary of State could use their powers of intervention to force funds which don't comply with the legislation, regulations and statutory guidance to merge with another fund.

We have reproduced in Appendix 3 the Independent Governance Review minimum standards from the draft guidance.

What happens after the governance review is complete?

A report must be drafted following completion of a governance review and shared with the Secretary of State (MHCLG) and the administering authority. The administering authority should publish the report as soon after receipt as practical.

The administering authority should also publish an action plan within six months of the review to address any recommendations but the guidance is clear that this should not delay publication of the report.

Peer support

There are no provisions within the Fit for the Future recommendations which require administering authorities to be part of the proposed Local Government Association peer support offer for LGPS funds. However, there is a reference to peer support within the draft guidance on Independent Governance Reviews. The draft guidance suggests that regardless of the recommendations for the Independent Governance Review, administering authorities may wish to consider entering into the LGPS peer support process, and clarifies that the peer support process is not just for funds which require active support to meet minimum requirements.

Implications for Kent Pension Fund

We understand that KCC already commissions regular governance reviews to test the effectiveness of its governance arrangements and compliance and these are considered to be constructive and positive. This should ensure the Fund is well-placed when the new requirements are implemented, although it is important not to be complacent and there may be areas considered by an Independent Governance Review that have not historically be part of previous reviews.

Our view, based on the draft guidance, is that the Independent Governance Review could be really extensive, although it is not yet clear what level of detail will be involved in assessing each of the areas and that may depend upon the views of both the Administering Authority and the assessor. It is also not clear whether the Secretary of State will review the reports in any detail to form a view on whether the requirements are being implemented as it intended. We have not heard anything to suggest that will be the case, but it would seem to us that this may be required to ensure that all administering authorities fully embrace the new requirements. We believe that it would be unhelpful if those funds who take their governance responsibilities most seriously were to commission more detailed reports which then lead to more findings and recommendations, giving the impression there are more improvements to be made for those funds than others who have taken a minimalist approach to the Independent Governance Reviews.

Recommendations

KCC as administering authority should:

- Consider if any additional actions need to be carried out following the previous governance review and other improvements or enhancements that have previously been considered before any independent governance review is commissioned*
- Decide who will carry out the independent governance review of the Fund
- Reflect on the precise scope of the review, i.e. whether it should include additional areas not required in the final guidance which would nevertheless add value for the Fund
- Decide when the first independent governance review will be carried out (which must be before 31 March 2028). This should consider factors such as the capacity of those involved to provide the information which may be needed for the review to be carried out, and form part of the agenda planning for Board and Committee meetings
- Consider when the subsequent independent governance reviews will be carried out (this decision does not need to be made immediately)
- Consider if KCC want to enter the LGPS peer support process (this is not just for funds which require active support)

*in our experience administering authorities are already starting to fall in one of two camps – those who are keen to see what recommendations come out of the review on a “warts and all” type basis, and those who are keen to get as clean a bill of health as possible in their first review. Our view is that as long as the overall intention and direction of travel is to demonstrate good governance for the benefit of the fund’s stakeholders, neither approach should be taken as better or more appropriate than the other. It is therefore for KCC as administering authority to take a view on how much preparation it would like to do before its first Independent Governance Review which may, in turn, dictate the timing of that review.

This paper has been drafted for discussion at the Pensions Committee and Board meetings at the end of March 2026. We would be happy to answer any questions which Committee or Board members may have.

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Appendix 1: Checklist

New strategies and policies

- 1a Schedule review of the existing policies and approval of the new policies taking into account the timing of Board and Committee meetings in the next 6-9 months
- 1b Wait and see if the new Governance Strategy will replace the current Governance Compliance Statement for the 2025/26 report and accounts

Constitution changes - needed for the senior LGPS officer and independent person

- 2a Check the process for approving changes to the Constitution, Terms of Reference, Scheme of Delegation and raise with senior officers e.g. the Section 151 Officer, Monitoring Officer, Chief Executive and possibly the HR Director. Timetable the process to take to full Council and Selection and Member Services Committee

Senior LGPS Officer

- 3a Review the current role of Head and Pensions and Treasury and either amend it reflect the new requirements or create a new senior LGPS officer role
- 3b Review the Constitution, Scheme of delegation and Pension Fund Committee's Terms of Reference to allow for the role
- 3c Review any sub-scheme of delegation to allow for the role
- 3d Ensure the senior LGPS officer represents the Fund on any officer working group of Border to Coast Pensions Partnership
- 3e Consider what the appointment process will be, which may depend on whether a new role is created or an existing officer role is designated to this role.
- 3f Consider the appropriate level of remuneration
- 3g Appoint to the new role within 6 months of the regulations coming into force

Independent Person

- 4a Review the Constitution and Pension Fund Committee's Terms of Reference to allow for the role - noting the current expectation that it is a non-voting committee member
- 4b Review the scheme of Delegation, sub-scheme of delegation and possibly the Administering Authority's discretions policy, to identify where the independent person's support could or should be included
- 4c Consider what the appointment process will be, and consider starting the recruitment process early to navigate HR processes
- 4d Consider the appropriate level of remuneration
- 4e Appoint to the new role within 6 months of the regulations coming into force

Knowledge and Understanding

- 5a Build on the Fund's existing approach, keep records of all training and ensure the new training plan is adhered to
- 5b Encourage Committee and Board members to feed in thoughts on the existing approach
- 5c The senior LGPS officer should ensure training logs are reviewed regularly and identify any non-compliance
- 5d Put the new training strategy on the agenda for the Pensions Board and Pensions Committee March meetings
- 5e Review and amend the Board and Committee's terms of reference to reflect the new knowledge and understanding requirements

Independent Governance Reviews

- 6a Consider the previous governance review and if any additional actions should be carried out before the Independent Governance Review
- 6b Decide who will carry out the independent governance review
- 6c Decide on the scope of the review i.e. whether to include additional areas not required in the final guidance which would nevertheless add value for the Fund
- 6d Decide when the first independent governance review will be carried out before 31 March 2028
- 6e Consider when the subsequent IGRs will be carried out
- 6f Consider if Kent County Council want to enter the LGPS peer support process (this is not just for funds which require active support)

Appendix 2: Responsibilities of the Senior LGPS Officer

Responsibilities of the senior LGPS officer as set out in the draft statutory governance guidance.

- Responsibility for the day-to-day management of the administering authority across all pension functions, including (but not limited to) investments, administration, funding, and governance and communications;
- Ensuring that draft strategies such as the Investment Strategy Statement, Funding Strategy Statement and Administration Strategy, are prepared in accordance with legislation and guidance (the final strategy is a delegated responsibility of the pension committee or officer)
- Responsibility for implementation of strategies set by the pension committee;
- Responsibility for administration of the scheme and ensuring compliance with scheme regulations, statutory guidance, other relevant legislation and the Pension Regulator's General Code.
- Responsibility for meeting expectations for timely and accurate pension payments, including managing suppliers and holding them to account for performance;
- Ensuring that LGPS functions are well resourced and structured;
- Ensuring that LGPS functions deliver good value for money;
- Ensuring that the decision making body – be it pension committee or delegated to an officer - has access to adequate professional advice on all areas, including actuarial, governance, legal and procurement advice;
- Ensuring that the local pension board is adequately resourced to carry out its role effectively;
- Ensuring training needs analysis is undertaken by the Committee and Board and the recommendations implemented;
- Identifying and managing risks to the administering authority with a strong culture of risk management;

- Supporting the effective governance of the administering authority and appropriate implementation of the governance strategy in accordance with guidance;
- Ensuring that the administering authority carries out the Independent Governance Review as required by Regulation 117 and develops an action plan in response to any recommendations or findings;
- Representing the interests of the LGPS fund within the local authority's senior leadership team; working with senior stakeholders and ensuring that plans, policies, and resource allocation by the local authority's senior leadership team take into account the requirements and duties associated with the LGPS fund;
- Participation in the governance structures of the investment pool as shareholder or client representative;

Appendix 3: Independent Governance Review minimum standard

The Independent Governance Review (IGR) minimum standard is set out in the draft guidance and is reproduced below:

The IGR minimum standard is an assessment of the following areas:

- Business planning and performance delivery
- Effective systems of governance and internal controls
 - Pensions Committee, Senior Officer, and Leadership
 - Remuneration and fee policy
 - Risk Management
 - Communications with members
- Compliance with all legislation, regulations, and statutory guidance, including on:
 - Training strategy and policies
 - Conflict of Interest policy and implementation
 - Pooling legislation, regulation and guidance
 - Administration strategy and implementation
 - Investment Strategy Statement
 - Annual Reports



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However, this report is not intended to provide and must not be construed as regulated investment advice. Returns are not guaranteed, and the value of investments may go down as well as up, so you may get back less than you invest.

The information in this report is based on our understanding of current taxation law, proposed legislation and HM Revenue & Customs practice, which may be subject to future variation.

To: Kent Pension Fund Committee – 26 March 2026

From: Chairman Pension Fund Committee
Corporate Director - Finance

Subject: Employer governance matters

Classification: Unrestricted

Executive Summary:

This report provides an update on Fund employers' governance, and admission matters.

An update is provided on the completed 31 March 2025 triennial valuation and details of activity following the Committee's previous delegations to the Head of Pensions and Treasury for approval of new employer and employer cessation cases.

Summary of key employer governance statistics and employer activity:

- The total number of employers in the Fund has increased from 462 to 465 over the quarter to 31 December 2025.
- Contribution income for this quarter totalled £90.1m.
- The Fund received an average of 100% of contributions measured by value and an average of 98% of contributions measured by employer on time during this quarter.
- An update is provided on the completed 31 March 2025 triennial valuation where the whole Fund was 104% funded. A draft Fund final valuation report is attached at Appendix One.
- A number of new admissions and exiting employer arrangements have been agreed by the Head of Pensions and Treasury as routinely reported to the Committee, detailed in the attached Appendix Two.

Recommendation:

The Committee is recommended to note the report.

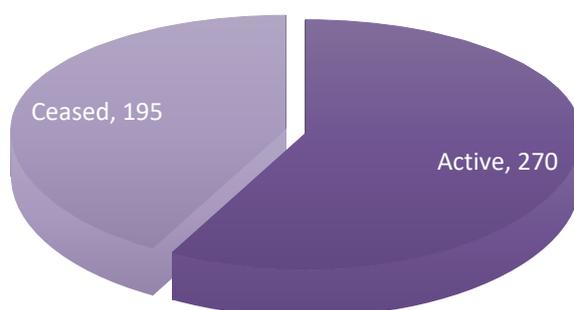
FOR INFORMATION

1. Employer update for the 3 months to 31 December 2025

1.1 On 30 September 2025 there were 462 employers in the Fund. This number increased by 3 overall since then to 465 employers in the Fund on 31 December 2025.

1.2 During this period, 2 admitted bodies and 1 resolution body joined the Fund.

Split of Employers between Active and Ceased



Type	New Employers	Effective Date
Resolution Body	Sutton at Hone & Hawley Parish Council	1 October 2025
Admitted Body	Churchill Contract Services Ltd (re Alethia Academy Trust)	18 December 2025 (backdated to 01 April 2024)
Admitted Body	Nourish Contract Catering Ltd (re Stour Academies Trust)	17 November 2025 (backdated to 01 August 2025)

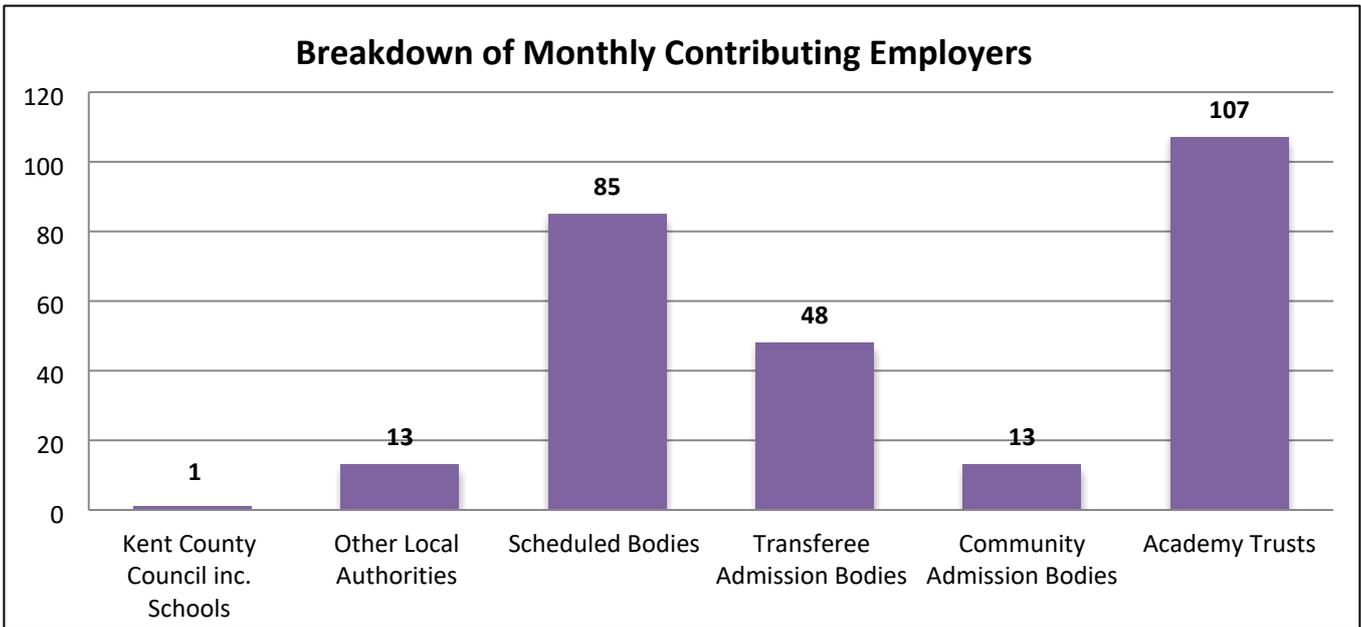
1.3 In quarter 3 the Fund received £90.1m in respect of monthly contributions (employer and employee) as follows:

	Received Early	Received on 19 th	Received Late	Total
	£	£	£	£
October	20,020,856.38	9,780,634.63	128,397.86	29,929,889
November	18,879,709.52	11,077,981.74	8,909.33	29,966,601

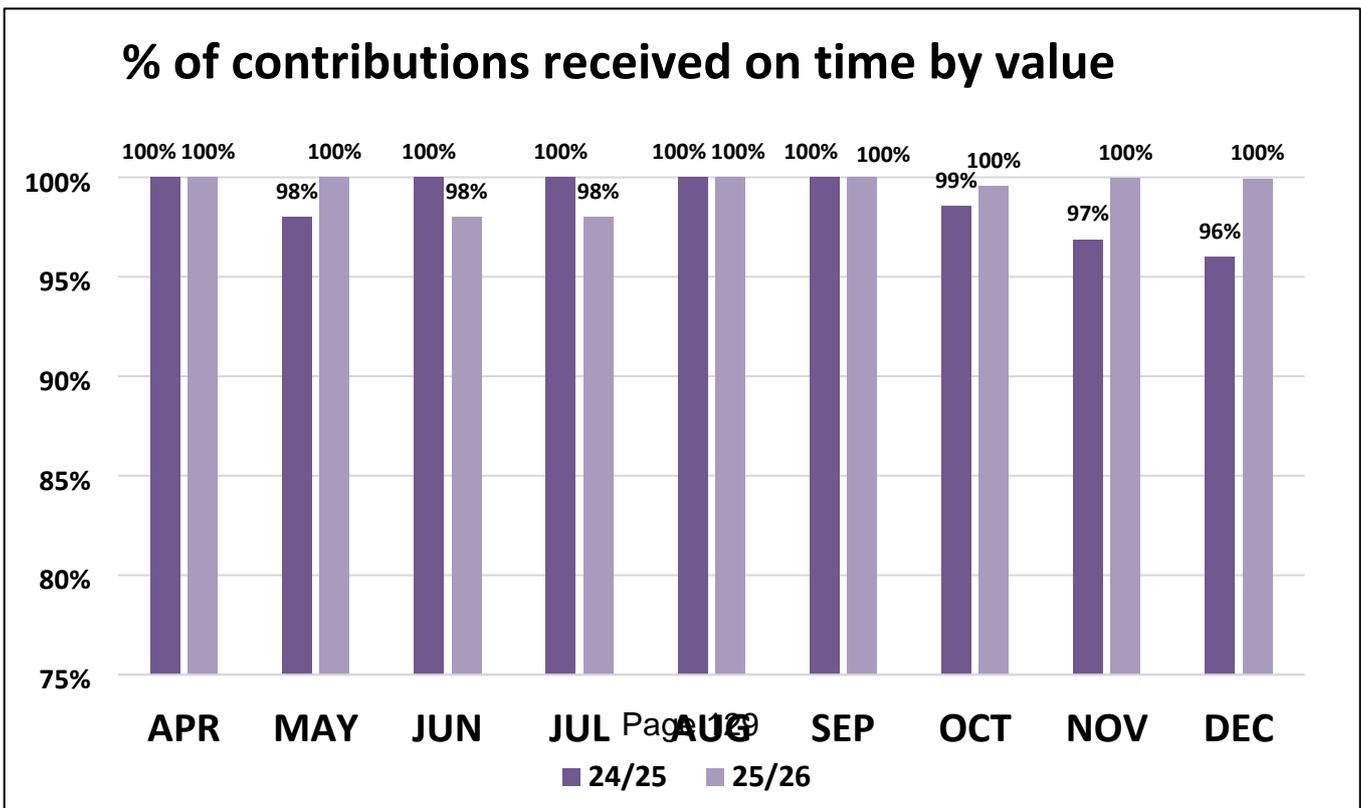
December	19,461,471.31	10,770,644.74	19,897.63	30,252,014
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1.4 The £90.1m compares with contributions received for quarter 3 of 2024/25 of £85.4m as employer and employee membership will have changed and some employers have a stepped increase in their employer contributions.

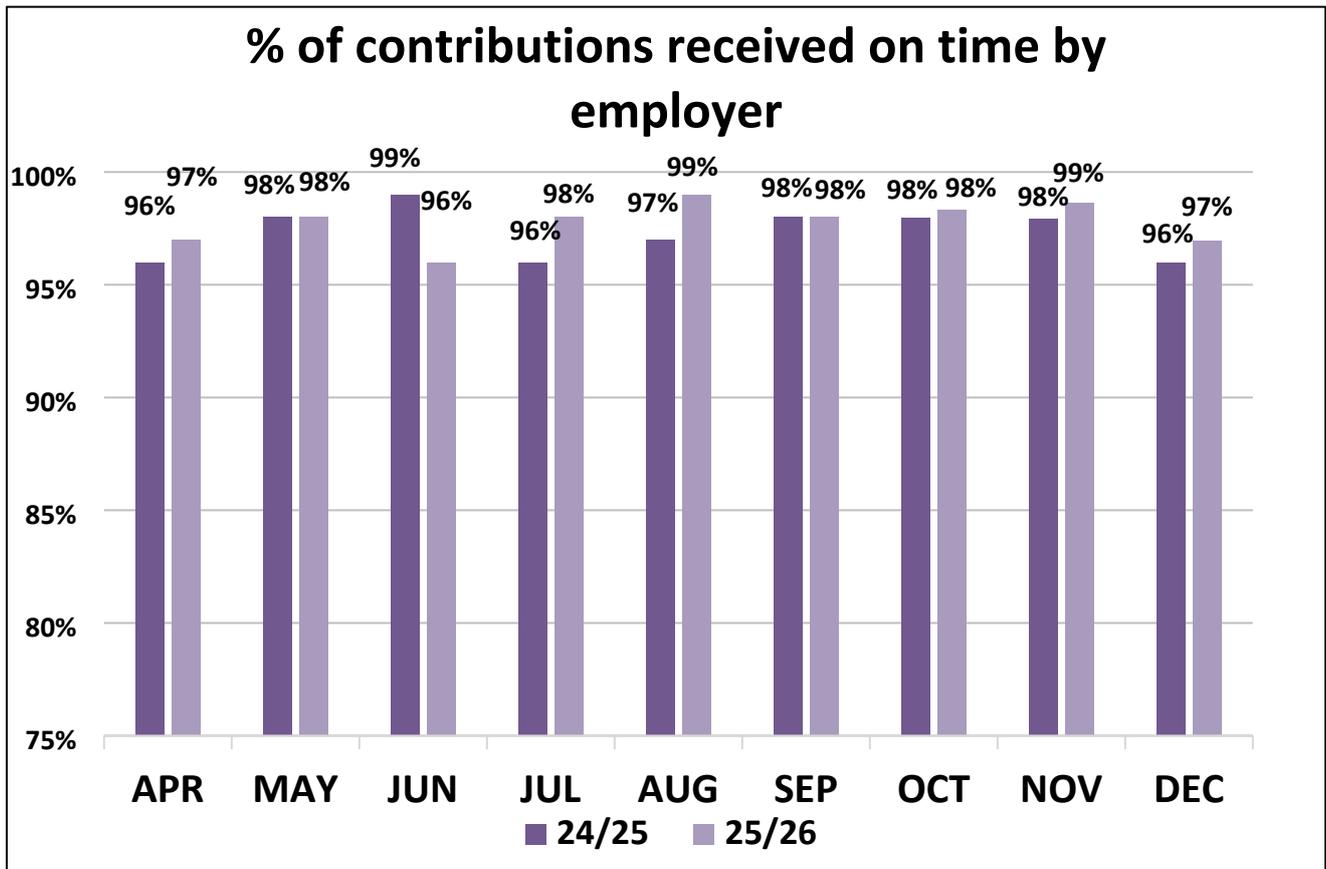
1.5 The following chart shows employers from whom the Fund receives monthly contributions by Employer Group. We note that two employers are not included, as they contribute annually.



1.6 The following table shows the % of contributions received on time by value:



1.7 The following table shows the % of contributions received on time by employer:



2. 31 March 2025 triennial valuation

2.1 As discussed at the Committee’s meetings in September and December, for the 31 March 2025 triennial valuation the whole Fund is 104% funded, being a marginal improvement of the 31 March 2022 triennial valuation position when the whole Fund was 102% funded. Employer results can be different to the whole Fund’s funding position.

2.2 The employer results from the 31 March 2025 triennial valuation have now been sent to employers including the existing LGPS funding pool for academies, the existing funding pool for colleges and the new funding pool for town and parish councils who all received a single employer report for their respective pools. For employers not in LGPS funding pools, these employers were sent their own specific report.

2.3 The above reports confirm employers’ funding levels for 31 March 2025 on a triennial valuation basis and certify employer contributions for the three years from 1 April 2026 to 31 March 2029. These employer contribution rates reference the draft Funding Strategy Statement as recommended to the Committee elsewhere at today’s meeting.

- 2.4 A draft whole Fund final valuation report is attached at Appendix One.
- 2.5 The final Fund valuation report will be signed by the Fund actuary Barnett Waddingham and submitted to government on or before 31 March 2026 including its Rates and Adjustment Certificate. This will be published on the Fund's website on 1 April 2026.

3. Committee delegation to the Head of Pensions and Treasury

- 3.1 The Committee has previously agreed in their December 2024 meeting, to delegate approval of decisions for new employers joining the Kent Pension Fund as admitted bodies and employer cessation cases to the Head of Pensions and Treasury. These cases are as routinely reported to the Committee and Board, detailed in the attached Appendix Two.
- 3.2 This delegation was reviewed by officers to ensure it is working as intended and at the Committee's December 2025 meeting the Committee agreed this delegation can continue with a further review at the Committee's meeting in December 2026.
- 3.3 The Committee also asked officers to provide a full list of delegations and legal obligations to the Head of Pensions and Treasury to members of Board and Committee for them to better understand what is being agreed on their behalf.

New employers joining the Kent Pension Fund

- 3.4 Decisions from Committee, or otherwise decisions from the Head of Pensions and Treasury under Committee's delegation, are not required for employers who have an entitlement to be in the Fund as per the [LGPS regulations](#) and as such for whom no legal agreement or security is required. Examples of these employers are –
- a) [SCHEDULE 2 PART 1](#) employers such as academies, schools and district/borough/county/city councils for whom no action is required on their part to be an employer in the Fund, save a new employer report from Barnett Waddingham which certifies the employer contribution rate required together with fulfilling the Fund's usual administrative requirements including payment of the associated fee for the actuary's report; and
 - b) [SCHEDULE 2 PART 2](#) employers such as town/parish councils, urban development corporations and local authority trading companies who join the Fund as per SCHEDULE 2 PART 1 employers above, once they have made a written resolution to do so.
- 3.5 In contrast to employers in categories a) and b) above, [SCHEDULE 2 PART 3](#) employers who wish to join the Fund require a legally binding admission agreement and security (either a bond or guarantee). The admission agreement is usually a 3-way agreement between KCC as Administering Authority, the scheme employer (usually the letting authority) and the admission

body (contractor). Security in the form of a bond or a guarantee is also a 3-way agreement being between the guarantor or bond provider, KCC as Administering Authority and the admission body.

- 3.6 Under KCC's constitution and given the commitments involved in many legal agreements, KCC will often require a Member decision which is why these matters were, prior to the delegation of authority, always brought to Committee for their decision.
- 3.7 The Head of Pensions and Treasury is therefore currently agreeing under delegation by the Pension Fund Committee, that subject to satisfactory legal and actuarial advice and including due diligence by Fund officers, SCHEDULE 2 PART 3 employers may join the Fund and that any associated legal documents may be executed on behalf of KCC as Administering Authority.

Employers exiting the Kent Pension Fund

- 3.8 At their meeting on 21 June 2019 Committee agreed the following delegation to officers in respect of employer cessations -
- *Termination letters re returns of surplus up to £20k and notifications re deficits, as described in the actuary's reports: - Treasury and Investments Manager (Alison Mings) / Senior Accountant – Pension Fund (Steve Tagg) / Investments Accountant (Sangeeta Surana) / Pension Fund Business Partner (Nick Vickers).*
- 3.9 At their meeting on 3 December 2024 Committee agreed to -
- *to delegate authority to the Head of Pensions and Treasury to discharge associated security (a bond or guarantee) and issue a Termination Certificate to an exiting employer.*
- 3.10 Further to completion of due diligence by Fund officers, the Head of Pensions and Treasury is therefore agreeing on behalf of the Pension Fund Committee to the signing of any termination letters including the return of cessation surpluses over £20,000, and bond or guarantee discharge certificates on behalf of the Fund.

Reporting of new employer and employer exit decisions agreed under delegated authority

- 3.11 All new employer and employer exit decisions made by the Head of Pensions and Treasury are routinely reported to the Committee and Board as seen in the attached Appendix Two.

Appendices:

Appendix One - Draft Fund final valuation report Barnett Waddingham.
Appendix Two - Employer admissions and associated matters.

Steven Tagg, Employers' Governance, Compliance and Funding Principal Accountant.

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10 March 2026

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Page 135

Kent Pension Fund

Actuarial valuation as at 31 March 2025

Barry McKay FFA | Partner

Roisin McGuire FFA | Principal

Barnett Waddingham LLP

9 March 2026



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Executive Summary

Some of the key results contained within this report are set out below:

1. Funding position

- Using the agreed assumptions, the Fund had a funding position of 104% as at 31 March 2025, which has increased from 102% at the 2022 valuation.

2. Contributions

- Individual employer contributions are set out in Appendix 8 in the Rates and Adjustments Certificate to cover the period from 1 April 2026 to 31 March 2029.

3. Methods and assumptions

- The assumptions are set out in Appendix 2 and we believe they are appropriate for the 31 March 2025 valuation. The key assumptions used are a discount rate assumption of 4.9% p.a. and a CPI inflation assumption of 2.7% p.a.
- Inflation experience has been significant since the 2022 valuation, with pension increases of 10.1% in 2023 and 6.7% in 2024, increasing the liabilities.

4. Investment performance

- Investment returns have been generally positive since the previous valuation though slightly lower on average than the discount rate set at 2022. However, an increase in future anticipated investment returns net of inflation (i.e. an increase in the real discount rate) has improved the funding level.

5. Regulatory developments

- There have been a number of important regulatory developments since the 2022 valuation which have impacted the valuation including McCloud, Climate risk and the additional reporting requirements on Gender Pensions Gap.
- Details of how we have approached each development, as well as any relevant outcomes, is detailed in this report.

Comparison with other LGPS funds

The funding position and resulting contributions are based on assumptions about future factors such as investment returns, inflation and life expectancy. As these are uncertain, different assumptions and funding parameters are used by each LGPS fund to reflect their own views, circumstances and strategic objectives. These differences (amongst other factors including crucially the previous funding level and employer short and long-term affordability) will lead to differences in funding positions and contributions across LGPS funds.

To support comparison, LGPS funds are required to report a funding position on a consistent set of assumptions (called the "SAB funding level"). The Fund's SAB funding level at 31 March 2025 is 106%.

IMPORTANT NOTE: the SAB assumptions are to allow comparison only, they are not intended to be appropriate for funding purposes or setting contribution rates. As such, this result has no impact on the Fund's funding strategy or employer contribution rates.



Background

We have been asked by Kent County Council, the administering authority for the Kent Pension Fund (the Fund), to carry out an actuarial valuation of the Fund as at 31 March 2025. The Fund is part of the Local Government Pension Scheme (LGPS), a defined benefit statutory scheme administered in accordance with the Local Government Pension Scheme Regulations 2013 (the Regulations) as amended.

The purpose of the valuation is to review the financial position of the Fund and to set appropriate contribution rates for each employer in the Fund for the period from 1 April 2026 to 31 March 2029 as required under Regulation 62 of the Regulations.

This report is provided further to earlier advice dated 11 September 2025 which sets out the background to the valuation and explained the underlying methods and assumptions derivation.

We would be pleased to discuss any aspect of this report in more detail.

Compliance statements

This advice is provided in our capacity as Fund Actuary.

This report summarises the results of the valuation and is addressed to the administering authority of the Fund. It is not intended to assist any user other than the administering authority in making decisions or for any other purpose and neither we nor Barnett Waddingham LLP accept liability to third parties in relation to this advice.

This advice complies with Technical Actuarial Standards (TASs) issued by the Financial Reporting Council – in particular TAS 100: General Actuarial Standards and TAS 300: Pensions.

Valuation methodology

Setting contributions

The contribution rates consist of two elements, the primary rate and the secondary rate:

- The **primary rate** for each employer is the employer's future service contribution rate (i.e. the rate required to meet the cost of future accrual of benefits) expressed as a percentage of pay.
- The **secondary rate** is an adjustment to the primary rate to arrive at the total rate each employer is required to pay (for example, to allow for deficit recovery) over a specified "recovery period". The secondary rate may be expressed as a percentage of pay or a monetary amount.

Regulation 62 specifies four requirements that the actuary "must have regard" to:

- 1 The existing and prospective liabilities arising from circumstances common to all those bodies
- 2 The desirability of maintaining as nearly a constant a primary rate as possible
- 3 The current version of the administering authority's Funding Strategy Statement (FSS)
- 4 The requirement to secure the "solvency" of the pension fund and the "long-term cost efficiency" of the Scheme, so far as relating to the pension fund

The wording of the second objective is not ideal in that it appears to be aimed towards the primary rate rather than taking into account the surplus or deficit of the employer. We believe that if we achieve reasonably stable total individual employer rates (which seems like a preferable objective) then we will also meet the regulatory aim.

The FSS guidance includes further details in the glossary, as follows:

- "**solvency**" means contributions should be set at "such a level as to ensure that the scheme's liabilities can be met as they arise". It is not regarded that this means that the pension fund should be 100% funded at all times, and

- **“long-term cost efficiency”** means that contributions must not be set at a level that gives rise to additional costs. The contributions set will be deemed to ensure long-term cost efficiency if the rate of employer contributions is sufficient to make provision for the cost of current benefit accrual, with an appropriate adjustment to that rate for any surplus or deficit in the fund.

Secondary rate “recovery period”

The recovery period for individual employers varies across the Fund. The administering authority’s approach to setting recovery periods is set out in the FSS. Where there is a surplus, this may also be reflected in contribution rates in line with the Fund’s FSS.

The primary and secondary rate of the individual employer contributions payable are set out in the Rates and Adjustments Certificate in Appendix 8. These will differ from the whole Fund primary rate and differ from each other, as they are either based on the employer’s own membership and experience or they are the employer’s share of the contributions payable within a pool of employers.

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Assumptions used

We have considered these four requirements when providing our advice and choosing the method and assumptions used.

A number of reports and discussions have taken place with the administering authority and, where required, its investment advisors before agreeing the assumptions to calculate the results and set contribution rates. In particular:

- The assumptions report dated 12 June 2025 provides information on the background to the method and derivation of the assumptions.
- The initial results report dated 11 September 2025 provides information and results on a whole fund basis.
- The follow up assumptions paper dated 18 November 2025 confirming the agreed actuarial assumptions.
- The longevity analysis report dated 24 September 2025.
- The climate analysis report dated 4 December 2025 which considers climate risk in the context of the Fund’s 2025 actuarial valuation. It considers whether the 2025 valuation funding strategy is sufficiently robust in the context of this climate scenario analysis and any potential contribution impacts.
- The FSS which will confirm the approach in setting employer contributions.

Note that not all of these documents may be in the public domain and may be restricted to the administering authority which has no obligation to share them with any third parties.

The Fund’s FSS has been reviewed in collaboration with the administering authority to ensure that it is consistent with this approach. The FSS complies with the updated FSS guidance published in January 2025 by the Scheme Advisory Board’s Compliance and Reporting Committee, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Ministry of Housing, Communities and Local Government (MHCLG).

We confirm that in our opinion the agreed assumptions are appropriate for the purpose of the valuation. The assumptions in full are set out in Appendix 2.

Valuation of liabilities

To calculate the value of the liabilities, we estimate the future cashflows which will be made to and from the Fund throughout the future lifetime of existing active members, deferred benefit members, pensioners and their dependants.

We estimate the total value of these projected benefit cashflows as at 31 March 2025, using the membership data and accrued service to 31 March 2025 and the assumptions set out in Appendix 2, to be c.£23.1bn.

We then discount these projected cashflows using the discount rate assumption, i.e. our assumption about investment returns adjusted by the administering authority's chosen level of prudence (as measured by the chosen success probability). This is essentially a calculation of the amount of money which, if invested now, would be sufficient together with the income and growth in the accumulating assets to make these payments in future.

This amount is called the present value (or, more simply, the value) of members' benefits. Separate calculations are made in respect of benefits arising in relation to membership before the valuation date (past service) and for membership after the valuation date (future service).

To produce the future cashflows or liabilities and their present value we need to formulate assumptions about the factors affecting the Fund's future finances such as inflation, salary increases, investment returns, rates of mortality and staff turnover etc.

The assumptions used in projecting the future cashflows in respect of both past service and future service are summarised in Appendix 2.

Valuation of assets

We have been provided with Fund accounts for each of the three years to 31 March 2025.

The market asset valuation as at 31 March 2025 was £8.45bn. Please note that this excludes members' additional voluntary contributions (AVCs).

For the purposes of the valuation, we use a smoothed value of the assets rather than the market value. The financial assumptions that we use in valuing the liabilities are smoothed around the valuation date so that the market conditions used are the average of the daily observations over the period 1 January 2025 to 30 June 2025. Therefore, we value the assets in a consistent way and apply the same smoothing adjustment to the market value of the assets.

The smoothed asset valuation as at 31 March 2025 was £8.60bn. This was based on a smoothing adjustment of 101.7%,.

The Fund's long-term investment strategy has been taken into consideration in the derivation of the discount rate assumption. The investment strategy is set out in the Fund's Investment Strategy Statement (ISS) that is available on the Fund's website.

Results

Funding position

A comparison is made of the value of the existing assets with the value of the accrued liabilities. If there are more assets than liabilities, then there is a surplus. If the converse applies there is a deficit.

Using the assumptions summarised in Appendix 2, the funding position is set out in the graph below. This shows the funding position of the Fund at the current and previous valuation dates.

There was a surplus of £336m in the Fund at the valuation date, corresponding to a funding level of 104%.

Previous valuation results

The previous valuation was carried out as at 31 March 2022 by Barnett Waddingham. The results are summarised in the valuation report dated 31 March 2023 and reported a surplus of £181m.



Contribution rates

Primary rate

Using the assumptions summarised in Appendix 2, the resulting average primary rate across the whole Fund is set out in the table below (after allowing for member contributions). This includes a comparison to the primary rate at the previous valuation.

The primary rate for the whole Fund is the weighted average (by Pensionable Pay) of the individual employers' primary rates.

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Primary rate	2025 valuation of payroll p.a.	2022 valuation of payroll p.a.
Average total future service rate	23.0%	26.9%
Less average member rate	6.3%	6.4%
Fund primary rate	16.7%	20.5%

Active members pay contributions to the Fund in line with the rates required under the Regulations.

Please note that expenses are allowed for in the derivation of the discount rate and therefore we make no explicit allowance in the primary rate for expenses.

In Appendix 8 we also disclose the sum of the secondary rates for the whole Fund for each of the three years beginning 1 April 2026.

Projected funding position

Based on the assumptions as set out in Appendix 2 and the contributions certified and set out in Appendix 8, we estimate that the funding position of the whole Fund will be 105% by 31 March 2028, the next valuation date. This projection is based on the assumptions made for this valuation and contributions being paid at the agreed amounts. This projection does not allow for any actual experience since 31 March 2025 nor any other risks or uncertainties. Some of these additional risks are set out later in this report and in Appendix 3.

Standardised basis

Following the funding valuation, a "Section 13" report (prepared under Section 13 of the Public Service Pensions Act 2013) will be prepared to report on whether the following aims are achieved: compliance, consistency, solvency and long-term cost efficiency, and to identify any funds that cause concerns. As part of our calculations we have considered the results on a standardised basis as set by the Scheme Advisory Board (SAB). We are required to provide the SAB with the results for the Fund for comparison purposes.

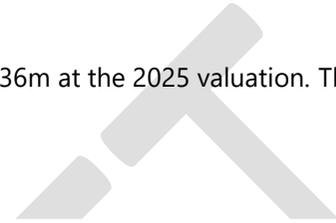
The standardised basis is set using assumptions advice from the Government Actuary's Department (GAD) with some of the assumptions used being set locally (such as mortality) and some are set at Scheme level (including all the financial assumptions). It is not used to set contributions as it does not reflect the Fund's investment strategy or the administering authority's attitude to risk; contributions are set using the funding basis.

The results on the standardised basis as at 31 March 2025 are set out in the dashboard in Appendix 7. The dashboard should assist readers in comparing LGPS valuation reports and the information will be used by GAD in their "Section 13" report.

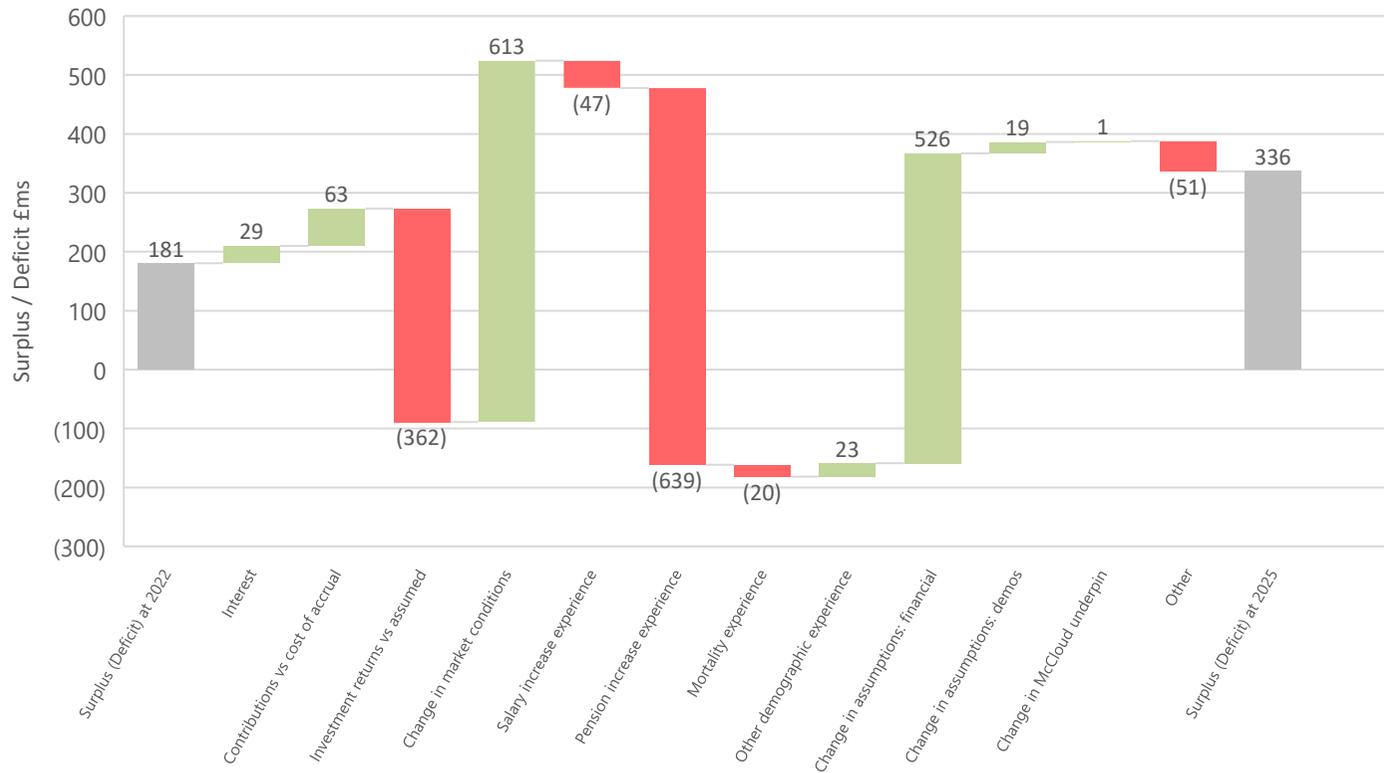
Reconciliation to previous valuation

Funding position

The previous valuation revealed a surplus of £181m compared to the surplus of £336m at the 2025 valuation. The key factors that have influenced the funding level of the Fund over the period are illustrated in the chart below.



Changes in past service position



Experience

- Lower investment returns than assumed has decreased the Fund surplus by approximately £360m
- Changes in market conditions has increased the Fund surplus by approximately £600m
- Higher inflation than assumed has decreased the surplus by approximately £640m
-

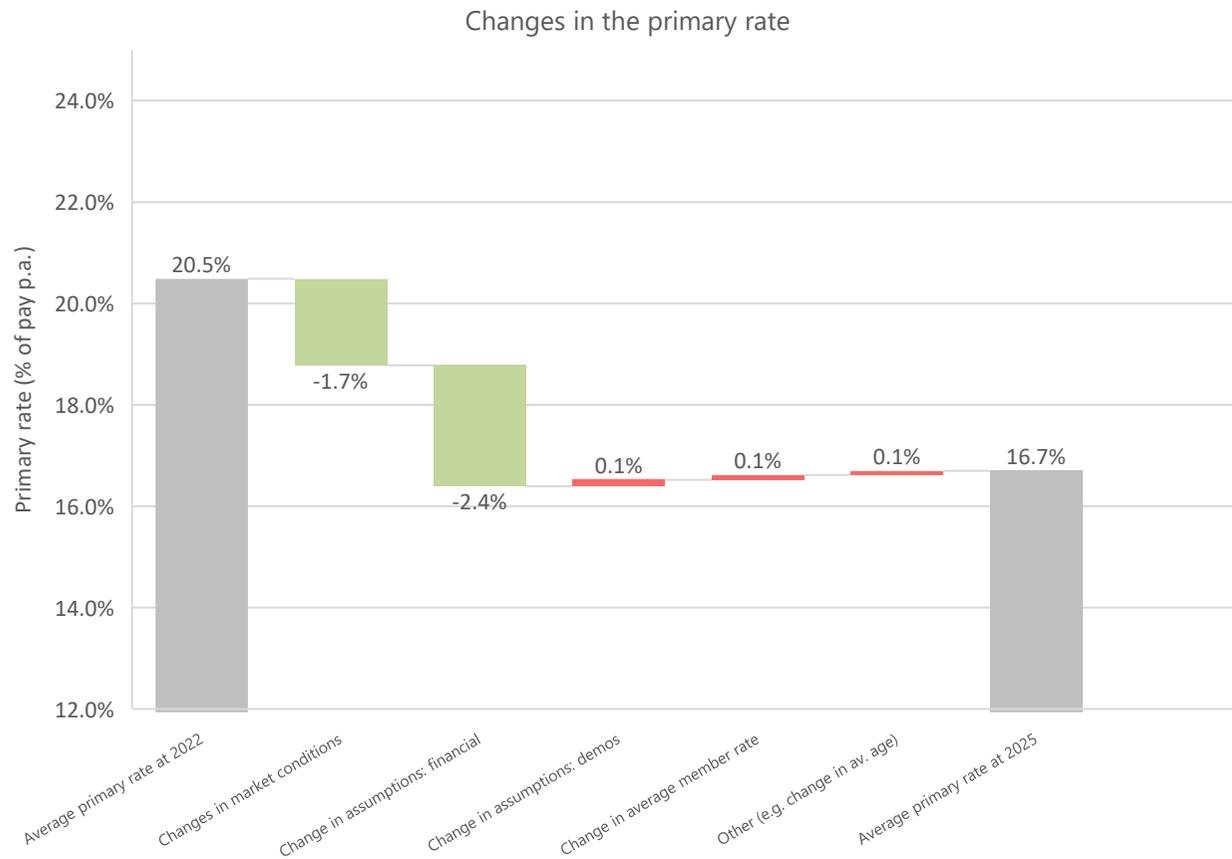
Assumptions

- Change in financial assumptions has increased the surplus by approximately £520m

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Primary contribution rate

The previous valuation resulted in a whole Fund primary rate of 20.5% of pensionable pay compared to the whole Fund primary rate of 16.7% of pensionable pay at the 2025 valuation. The reasons for the change in the primary rate are set out in the reconciliation chart below.



Comparing experience with assumptions

A comparison of the actual demographic experience of members of the Fund over the intervaluation period, with that assumed by the assumptions adopted at the last valuation in 2022 is shown in the graph below. The graph also shows how the assumptions adopted for this valuation would have compared with those adopted at 2022.

[TBC]

DRAFT

Sensitivities to the liabilities

The results set out in this report are based on a particular set of assumptions. The actual cost of providing the benefits will depend on the actual experience, which could be significantly better or worse than assumed. The sensitivity of the results to some of the key assumptions is set out in the table below.

The figures in the table are shown relative to the surplus of £336m and funding level of 104% on the agreed funding basis as at 31 March 2025.

2025 sensitivity analysis of funding position	2025 Valuation basis £m	Decrease discount rate by 0.1% p.a. £m	Increase CPI inflation by 0.1% p.a. £m	Increase salary assumption by 0.5% p.a. £m	Reduce mortality rate by 10% £m
Smoothed asset value	8,595	8,595	8,595	8,595	8,595
Total past service liabilities	8,259	8,392	8,388	8,307	8,437
Surplus / (Deficit)	336	203	207	289	158
Funding level	104%	102%	102%	103%	102%

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Sensitivities to the primary rate

The calculated primary rate required to fund benefits as they are earned from year to year will also be affected by the particular set of assumptions chosen. The sensitivity of the primary rate to changes in some key assumptions is shown below. Please note that the primary rate set out below does not include any adjustment via the secondary rate. The total contribution rate payable by employers will be a combination of the primary rate and a secondary rate adjustment, further details can be found in Appendix 8.

The figures in the table are shown relative to the whole Fund primary rate of 16.7% of Pensionable Pay on the agreed funding basis as at 31 March 2025.

2025 sensitivity analysis of primary rate	2025 Valuation basis of payroll p.a.	Decrease discount rate by 0.1% p.a. of payroll p.a.	Increase CPI inflation by 0.1% p.a. of payroll p.a.	Increase salary assumption by 0.5% p.a. of payroll p.a.	Reduce mortality rate by 10% of payroll p.a.
Average total future service rate	23.0%	23.6%	23.6%	23.0%	23.4%
Less average member rate	6.3%	6.3%	6.3%	6.3%	6.3%
Fund primary rate	16.7%	17.3%	17.3%	16.6%	17.1%



Further comments

Funding Strategy Statement (FSS)

The assumptions used for the valuation have been documented in a revised Funding Strategy Statement agreed between the Fund Actuary and the administering authority.

Risks

There are many factors that affect the Fund's funding position and could lead to the Fund's funding objectives not being met within the timescales expected. Some of the key risks that could have a material impact on the Fund are:

- Employer covenant risk
- Investment risk
- Inflation risk
- Mortality risk
- Member options risk
- Regulatory risk
- Climate risk

The sensitivity of the funding results to some of these risks was set out in the sensitivities section of this report. Please note that this is not an exhaustive list. Further information on these risks and more can be found in our initial results report and will be set out in greater detail in the FSS.

Post valuation events

Our funding model is designed to help withstand short-term volatility in markets as it is a longer-term model. We use smoothed assumptions over a six-month period with the ultimate aim of setting stable contributions for employers. The valuation approach and assumptions are not based on gilt yields and the discount rate is derived from the long-term future expected returns on each asset class with a deduction for uncertainty and risk (our prudence adjustment).

We have considered whether there are any developments since 31 March 2025 that are significant enough to review our approach. At this stage, we do not feel that the anticipated effect on the long-term funding position of any market movements is significant enough to revise our approach.

Nevertheless, due to the ongoing uncertainty around the shorter-term impact of these issues, we have considered these issues with the administering authority in setting the employer contribution rates to ensure that contributions in to the Fund remain appropriate.

We will continue to monitor the Fund's funding position and raise any individual employer cases with the Fund that we consider need any special attention. The impact of these events will be fully considered as part of the 2028 valuation when we revisit employer contributions.

The next formal valuation is due to be carried out as at 31 March 2028 however we would recommend that the financial position of the Fund is monitored regularly during the period leading up to the next formal valuation.

Rates and Adjustments Certificate

The primary and secondary contributions payable by each employer have been set out in Appendix 8 in the Rates and Adjustments Certificate in accordance with Regulation 62 of the Regulations and cover the period from 1 April 2026 to 31 March 2029. In this certificate no allowance will be made for additional costs arising which need to be met by additional contributions by the employer such as non-ill health early retirements.

The contributions in the Rates and Adjustments Certificate are set so that each employer's assets (including future contributions) are projected to be sufficient to cover the benefit payments for their members, on the assumptions set out in this report. Where there is currently a deficit for an individual employer, recovery of this deficit is targeted in line with the Fund's FSS and all employers are projected to be fully funded after a recovery period length of no more than 8 years from 1 April 2026.

This document has been agreed between the administering authority and the Fund Actuary. Contributions have been set which in our opinion meet the regulatory requirements and the funding objectives set out in the Fund's FSS.

This report must be made available to members on request.

Barry McKay

Barry McKay FFA
Partner
Barnett Waddingham LLP

Roisin McGuire

Roisin McGuire FFA
Principal
Barnett Waddingham LLP



Appendix 1 Summary of data and benefits

Membership data

The membership data has been provided to us by the administrators of the Fund. We have relied on information supplied by the administrator and the administering authority being accurate. The membership data has been checked for reasonableness and we have compared the membership data with information in the Fund's accounts. The numbers in the tables below relate to the number of records and so will include members in receipt of, or potentially in receipt of, more than one benefit.

Any missing or inconsistent data has been queried with the Fund and estimated where necessary. Whilst this should not be seen as a full audit of the data, we are happy that the data is sufficiently accurate for the purposes of the valuation.

Benefits

Full details of the benefits being valued are set out in the Regulations as amended and summarised on the [LGPS website \(https://www.lgpsmember.org/\)](https://www.lgpsmember.org/). We have made no allowance for discretionary benefits.

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Membership summary

A summary of the membership data used in the valuation is as follows. The membership data from the previous valuation is also shown for comparison. Please note that the average ages are weighted by salary for active members and by pension for deferred and pensioner/dependant members.

Data used	Data at 31 March 2025			Data at 31 March 2022		
Active members	Number	Pensionable pay £m	Average age (salary-weighted)	Number	Pensionable pay £m	Average age (salary-weighted)
Males	10,812	329	46	10,591	278	46
Females	44,683	907	46	42,067	723	46
Total	55,495	1,236	46	52,658	1,001	46
Deferred members (including undecided)	Number	Pension £m	Average age (pension-weighted)	Number	Pension £m	Average age (pension-weighted)
Males	18,397	38	50	16,332	30	50
Females	65,449	93	51	53,105	67	51
Total	83,846	131	50	69,437	98	50
Pensioner and dependant members	Number	Pension £m	Average age (pension-weighted)	Number	Pension £m	Average age (pension-weighted)
Males	16,180	128	74	15,163	107	73
Females	36,516	154	73	31,684	115	72
Total	52,696	281	73	46,847	222	73

Projected retirements

In the table below we have set out the number of members who are assumed to reach retirement age over the period from 1 April 2025 to 31 March 2029 as required under the Regulations.

Members may retire for a number of reasons including reaching normal retirement age, retiring through ill-health or redundancy. The amounts set out in the table below are the new retirement benefit amounts, as at the current valuation date that are assumed to come into payment in each of the intervaluation years.

Projected new benefits		
Year to	Number of members	Retirement benefits £m's
31 March 2026	4,083	31
31 March 2027	3,557	26
31 March 2028	3,608	27
31 March 2029	3,112	23

Guaranteed Minimum Pension (GMP) equalisation and indexation

As with the previous valuation, we have assumed that the Fund will pay limited increases for members that have reached State Pension Age (SPA) by 6 April 2016, with the Government providing the remainder of the inflationary increase. For members that reach SPA after this date, we have assumed that the Fund will be required to pay the entire inflationary increase. We are comfortable that our approach is consistent with the consultation outcome.

Appendix 2 Summary of assumptions

A summary of the assumptions adopted for the valuation at 31 March 2025 and as at 31 March 2022 is set out below.

Assumptions	2025 valuation	2022 valuation	
Financial assumptions			
CPI inflation	2.7%	2.9%	
Salary increases	3.7%	3.9%	
Discount rate	4.9%	4.5%	
Pension increases on GMP	Funds will pay limited increases for members reaching SPA by 6 April 2016, and full increases for others		
Demographic assumptions			
Post-retirement mortality			
	Pensioners	105% of S4PMA for males and females	110% of S3PMA for males and females
	Dependants	100% of S4DMA for males 110% of S4DFA for females	100% of S3DMA for males and females
	Actives and deferreds (pre-retirement mortality)	115% of GAD for males 120% of GAD for females	115% of GAD for males and females
	Actives and deferreds (post-retirement mortality)	As for current pensioner assumptions	As for current pensioner assumptions
Future improvements			
	CMI model	CMI_2024	CMI_2021
	Long-term rate of improvement (p.a.)	1.50%	1.25%
	Initial addition parameter (p.a.)	0.0%	0.0%
	Overlay half-life (not applicable in 2022)	1 year	n/a
Retirement assumption	Weighted average	Weighted average	
Pre-retirement decrements	GAD 2020 scheme val: no salary scale, 50% multiplier to ill-health rates	GAD 2016 scheme val: no salary scale, 50% multiplier to ill-health rates	
50:50 assumption	Member data	Member data	
Commutation	50% of max	50% of max	
Family statistics			
	% with qualifying dependant	75% (M) / 65% (F)	75% (M) / 70% (F)
	Age difference	3 years	3 years

Demographic assumptions – sample rates

The following tables set out some sample rates of the demographic assumptions used in the calculations. These sample rates are based on those set by the Government Actuary's Department (GAD) based on analysis of the Local Government Pension Scheme (LGPS) in England and Wales.

Allowance for ill-health early retirements

A small proportion of members are assumed to retire early due to ill health. In the table below we set out an extract of some sample rates from the GAD tables used:

Age	Males	Females
25	0.01%	0.00%
30	0.01%	0.01%
35	0.02%	0.01%
40	0.04%	0.03%
45	0.09%	0.06%
50	0.18%	0.13%
55	0.36%	0.28%
60	0.74%	0.62%
65	1.51%	1.34%

Please note the above rates are the raw decrements as set by GAD. Our assumption is that there will be 50% of the number of ill-health retirements assumed by GAD.

The proportion of ill-health early retirements falling into each tier category has been assumed to be as follows for both males and females:

Tier 1	Tier 2	Tier 3
75%	15%	10%

Death before retirement

A small number of members are assumed to die before reaching retirement age. In the table below we set out an extract of some sample rates from the GAD tables used:

Age	Males	Females
25	0.02%	0.01%
30	0.03%	0.01%
35	0.05%	0.02%
40	0.06%	0.03%
45	0.09%	0.05%
50	0.13%	0.08%
55	0.21%	0.12%
60	0.32%	0.19%
65	0.5%	0.29%

Please note the above rates are the raw decrements as set by GAD. We have applied a 115% for males, 120% for females multiplier to the rates assumed by GAD.

Allowance for withdrawals

This assumption is regarding active members who leave service to move to deferred member status. Active members are assumed to leave service at the following sample rates:

Age	Males	Females
25	14%	13%
30	10%	10%
35	8%	8%
40	6%	7%
45	5%	6%
50	4%	5%
55	3%	4%
60	3%	3%
65	2%	2%

Appendix 3 Regulatory uncertainties

There are currently a few important regulatory uncertainties surrounding the 2025 valuation as follows:

- Long-term impact of the McCloud and Sargeant cases;
- Cost management reviews which could affect future and historic LGPS benefits;
- Virgin Media case;
- Gender Pensions Gap reporting; and
- Climate change risks and opportunities;

Although it is unclear what impact these uncertainties will have on the future benefits of individual members, we have considered these issues in the assumptions used to set the contribution rates for employers.

McCloud

At the 2022 valuation we estimated the impact of the McCloud ruling for each active member based on the membership data available. This included looking back at historic valuation data to estimate a payroll history for each member which was then used to determine the equivalent service accrued in the final salary scheme had it not been discontinued. Due to the lack of sufficient data as well as direction from the Ministry of Housing, Communities and Local Government (MHCLG), no estimates were made for deferred and pensioner members.

A similar approach to the 2022 valuation has been followed as part of the 2025 valuation. With estimates made for active members based on historic data. The liabilities calculated as part of the 2025 valuation reflects the fact that eligible members may receive a pension uplift at retirement if their benefits would have been higher had they continued to accrue service in the discontinued final salary scheme until 31 March 2022.

There still remains uncertainty over the long-term effects of the McCloud judgment but where data has been available, we have been able to estimate the impact of McCloud on individual employers and funding positions and contributions have been set accordingly.

Cost management reviews

Further cost control and cost management reviews will be carried out and may lead to future benefit changes. However, as the aim of this monitoring is to keep the cost of benefits within an affordable range, we can be relatively comfortable that future reviews will not have a significant impact on the value we placed on the liabilities and so did not make any explicit allowance for these.

Virgin Media case

This issue relates to a case where missing actuarial certification resulted in historic benefit changes being void. The Department for Work and Pensions (DWP) published an announcement on 5 June 2025 noting the plan to introduce new legislation in response to the Virgin Media vs NTL Trustees ruling. The legislation will allow affected pension schemes to retrospectively obtain written actuarial confirmation that historic changes to scheme rules met the required standards.

The new legislation is hoped to provide clarity to affected schemes, we have therefore assumed that there will be no impact on the LGPS as a result of the ruling.

Appendix 4 Gender Pensions Gap

On 15 May 2025, Government launched a consultation on changes to the Local Government Pension Scheme (LGPS) in England and Wales. The proposed changes are intended to improve fairness in and access to the LGPS. The proposals include addressing survivor pensions and deaths grants and addressing the Gender Pension Gap in the LGPS.

As required under the LGPS Regulations 2013, we have reported on the gender pensions gap within the fund. The reporting approach, including derivation of statistics, is consistent with the guidance '2025 Fund Valuations: Guidance for Gender Pension Gap reporting' dated 2 February 2026.

For the purpose of this analysis, we have relied upon the membership data provided by the Fund for the purpose of the 2025 actuarial valuation.

The Gender Pensions Gap (GPG) is calculated as:

$$GPG = \frac{\text{Mean pension value for males} - \text{Mean pension value for females}}{\text{Mean pension value for males}}$$

The GPG is expressed as a percentage. For example, a GPG of 10% indicates that, on average within the population analysed, for every £1 of pension accrued by males, females will have accrued £0.90.

Active members

The results in this section set out the analysis for members who were active at 31 March 2025.

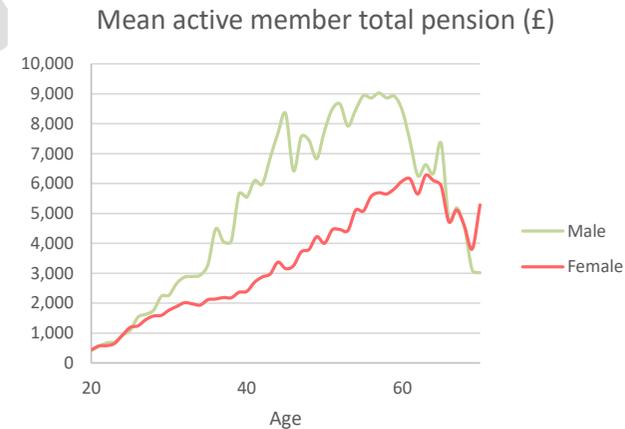
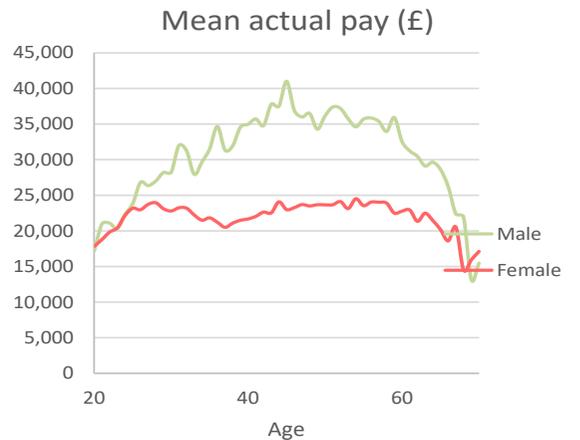
Fund level analysis

At overall fund level, the gender pensions gap (GPG) for active members of the Fund is 38%. Further detail is set out in the table below. Please note that the number of active members in the table below will differ from the total number of active records as set out in Appendix 1, as in the Gender pension gap (GPG) analysis we have treated members with multiple records as a single member.

Gender pension gap for active members	Number of members	Percentage of overall membership	Mean age	Mean FTE pay (£)	Mean actual pay (£)	Mean CARE pension (£)	Mean Final Salary pension (£)	Mean combined pension (£)
Females	40,306	79%	45	£32,095	£22,506	£2,651	£3,454	£3,505
Males	10,421	21%	45	£41,885	£31,572	£4,069	£5,975	£5,619
			Gender gap	23%	29%	35%	42%	38%

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The following charts show the mean pensionable pay for males and females by age, and the total pension for males and females by age.



Employer category analysis

In line with the Guidance, analysis at employer category level is set out below.

Local authorities and connected bodies (SF3 number 1)

GPG for local authorities and connected bodies	Number of members	Percentage of overall membership	Mean age	Mean FTE pay (£)	Mean actual pay (£)	Mean CARE pension (£)	Mean Final Salary pension (£)	Mean combined pension (£)
Females	23,910	78%	45	£34,176	£24,679	£3,039	£3,868	£4,075
Males	6,735	22%	46	£43,813	£33,736	£4,497	£6,580	£6,327
			Gender gap	22%	27%	32%	41%	36%

Centrally funded public sector bodies excluding academies (SF3 number 2)

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GPG for centrally funded public sector bodies (exc. academies)	Number of members	Percentage of overall membership	Mean age	Mean FTE pay (£)	Mean actual pay (£)	Mean CARE pension (£)	Mean Final Salary pension (£)	Mean combined pension (£)
Females	1,861	68%	45	£31,215	£24,651	£2,694	£2,961	£3,348
Males	887	32%	44	£38,409	£30,275	£3,696	£4,709	£4,720
			Gender Gap	19%	19%	27%	37%	29%

Academies (SF3 number 2, local authority indicator 2)

GPG for academies	Number of members	Percentage of overall membership	Mean age	Mean FTE pay (£)	Mean actual pay (£)	Mean CARE pension (£)	Mean Final Salary pension (£)	Mean combined pension (£)
Females	13,506	86%	45	£25,998	£17,752	£1,784	£2,197	£2,209
Males	2,256	14%	44	£33,694	£23,923	£3,200	£3,200	£2,956
			Gender Gap	23%	26%	27%	31%	25%

Other public sector bodies (SF3 number 3)

We are not aware of any employers that fall into this category.

Private/voluntary/other bodies (SF3 number 4)

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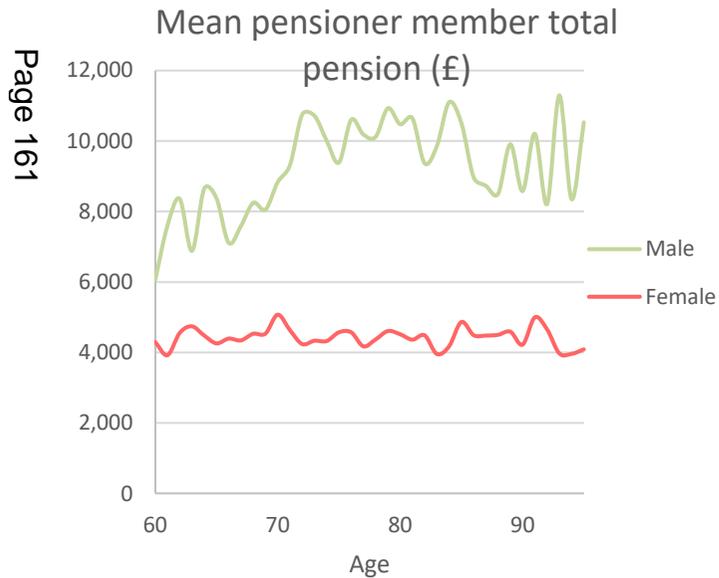
GPG for other private/voluntary/other bodies	Number of members	Percentage of overall membership	Mean age	Mean FTE pay (£)	Mean actual pay (£)	Mean CARE pension (£)	Mean Final Salary pension (£)	Mean combined pension (£)
Females	484	67%	53	£37,446	£29,680	£6,277	£4,753	£9,616
Males	238	33%	51	£41,002	£37,331	£7,996	£6,383	£12,851
			Gender Gap	9%	20%	21%	26%	25%

Pensioner members

The GPG for pensioner members of the Fund is 52%. Further detail is set out in the table below.

Gender pension gap for pensioner members	Number of members	Percentage of overall membership	Mean age	Mean pension (£)
Females	30,507	70%	72	£4,428
Males	13,174	30%	73	£9,168
			Gender Gap	52%

A chart of mean total pension for males and females by age is shown below.



Appendix 5 Climate risk analysis

Climate risk is an important consideration for the 2025 valuation. We have carried out scenario analysis on the assets and liabilities of the Fund in-line with the Key Principles drafted by the four actuarial firms who advise the LGPS funds and agreed with the Government Actuary's Department (GAD) for the purpose of the 2025 LGPS valuations in England and Wales. Further information can be found on the climate scenario analysis report dated 4 December 2025.

We have also considered the requirements under the Occupational Pension Schemes (Climate Change Governance and Reporting) Regulations 2021 although these regulations do not apply to the LGPS. This is because we anticipate that the equivalent regulations that could ultimately apply to the LGPS will contain similar requirements.

The analysis considered the projected funding level under various climate-related scenarios, alongside the agreed 2025 valuation basis for the Fund. The results thereby allow the administering authority to consider whether the 2025 valuation funding strategy is sufficiently robust in the context of this climate scenario analysis and any potential contribution impacts.

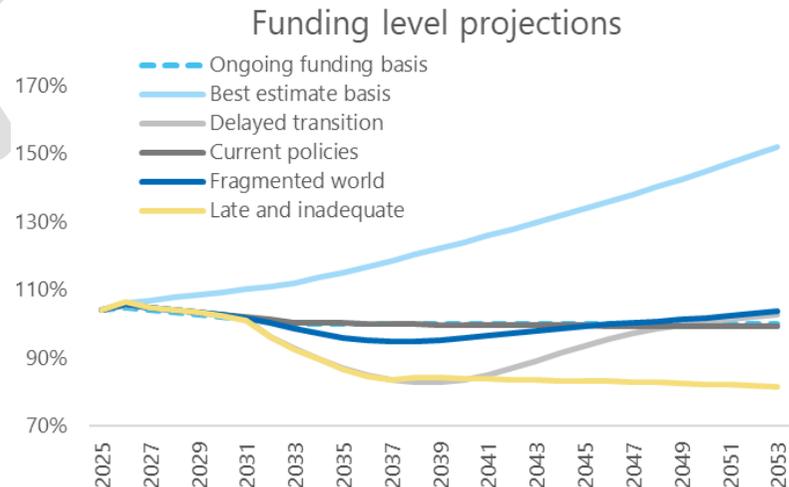
The climate scenarios within Barnett Waddingham's in-house climate scenario framework include three climate scenarios which have been provided by Moody's Analytics and are broadly based on scenarios from the Network for Greening the Financial System (NGFS). A brief description of these scenarios is set out below:

- 1 **Base case** – we have assumed the Fund's best estimate funding basis as the base case scenario. All other scenarios are considered relative to this base case, using the relative difference in returns and financial assumptions between Moody's own base case, and each climate scenario.
- 2 **Delayed transition** – additional policy implementation is delayed until 2030. Stronger policies are required (versus a scenario whereby policy

implementation is not delayed), such as a higher effective carbon price, in order to limit global temperature rises to below 2.0°C.

- 3 **Current policies** – no new climate policies are introduced beyond the current policies in place, resulting in a lower effective carbon price, but also a growing concentration of greenhouse gas emissions and a larger increase in global temperatures, relative to a transition scenario.
- 4 **Fragmented world** – additional policy implementation is delayed and diverges globally. Those countries with net-zero targets are assumed to meet c.80% of their target, whilst those without follow current policies.
- 5 **Late and inadequate action** – this scenario has been created by Barnett Waddingham, and takes the highest negative return impact, on an annual basis, across the other three scenarios. The scenario is assumed to exhibit a mixture of characteristics from the above scenarios (i.e. delayed transition and high temperature rises).

The impact on the funding position of each scenario is considered in the graph below.



Appendix 6 Decisions Log

The triennial actuarial valuation is a significant exercise carried out by the Fund. This report is a summary of the main outputs from the triennial actuarial valuation. The outputs are the result of funding strategy analysis, discussions and Fund decisions throughout the valuation process. A high-level audit trail of the key funding strategy decisions is set out below.

Funding strategy

The actuarial assumptions were reviewed by the Fund on 11 September 2025, supported by analytics and other information from the Fund Actuary. The assumptions, including the level of prudence, were agreed by the Fund at the Pension Fund Committee meeting on 23 September 2025.

The funding strategy parameters, including management of surpluses (where present) and prudence levels, which feed into the setting of employer contribution rates, were reviewed by the Fund on 11 September 2025.

Other aspects of the funding strategy, including the approach to cessation valuations, exit credits, bulk transfers and new employers, were presented to and agreed by the Pension Fund Committee on 23 September 2025.

The outcomes of these decisions were collated and documented in an updated copy of the Funding Strategy Statement. The draft FSS was discussed at the 23 September 2025 Pension Fund Committee meeting. The final version is to be reviewed at the 26 March 2026 Pension Fund Committee meeting.

Stakeholder engagement

In addition, the Fund has engaged with employers and the Local Pensions Board throughout the valuation exercise. A summary of the engagement is detailed below.

- Attendance at KFO meeting: the Fund and Fund Actuary attended the meeting of Kent Finance Officers on 17 October to present the assumptions and results of the 2025 valuation. Officers were offered the opportunity to engage with the Fund and Fund Actuary to discuss their results further on an individual basis,
- Employer forum: the employer forum on 10 December 2025 discussed the key themes of the 2025 valuation.
- Employer results: a results schedule setting out their 2025 valuation funding position and contribution rate was issued to relevant employers in advance of the KFO meeting or employer forum. Employers were then offered the opportunity to engage with the Fund and Fund Actuary to discuss their results, alongside the employer forum mentioned above where further information on the valuation results was presented.
- Funding Strategy Statement consultation: an updated version of the FSS was issued to employers on 1 October 2025 with the opportunity to feed back comments or ask questions to the Fund by 31 December 2025. This consultation period was then extended further to 2 February 2026.

Appendix 7 Dashboard

GAD Dashboard

		2025 valuation	2022 valuation
Funding position - local funding basis			
Funding level (assets/liabilities)	%	104.1%	102.4%
Funding level (change since previous valuation)	%	1.6%	4.5%
Asset value used at the valuation	£m	8,595	7,555
Value of liabilities (including McCloud liability)	£m	8,259	7,374
Surplus (deficit)	£m	336	181
Discount rate – past service	% pa	4.9%	4.5%
Discount rate – future service	% pa	4.9%	4.5%
Assumed pension increases (CPI)	% pa	2.7%	2.9%
Method of derivation of discount rate, plus any changes since previous valuation		In line with the Funding Strategy Statement	In line with the Funding Strategy Statement
Assumed Life expectancies at age 65			
Life expectancy for current pensioners – men age 65	years	21.37	21.00
Life expectancy for current pensioners – women age 65	years	23.68	23.47
Life expectancy for future pensioners – men age 45	years	22.97	22.26
Life expectancy for future pensioners – women age 45	years	25.41	24.91
Past service funding position - LGPS EW SAB basis (for comparison purposes only)			
Market value of assets	£m	8,448	7,702
Value of liabilities	£m	8,000	6,954
Funding level on SAB basis (assets/liabilities)	%	105.6%	110.8%
Funding level on SAB basis (change since last valuation)	%	-5.2%	3.4%
Contribution rates payable			
Primary contribution rate	% of pay	16.7%	20.5%

		2025 valuation	2022 valuation
Secondary contribution rate (cash amounts in each year)			
Secondary contribution rate - 1st year of rates and adjustment certificate	£m	30.70	8.17
Secondary contribution rate - 2nd year of rates and adjustment certificate	£m	13.12	9.33
Secondary contribution rate - 3rd year of rates and adjustment certificate	£m	7.46	10.59
Giving total expected contributions			
Total expected contributions - 1st year of rates and adjustment certificate (£ figure based on assumed payroll)	£m	244.19	220.86
Total expected contributions - 2nd year of rates and adjustment certificate (£ figure based on assumed payroll)	£m	234.47	230.28
Total expected contributions - 3rd year of rates and adjustment certificate (£ figure based on assumed payroll)	£m	236.94	240.10
Assumed payroll (cash amounts in each year)			
Total assumed payroll - 1st year of rates and adjustment certificate (£m)	£m	1277.83	1038.06
Total assumed payroll - 2nd year of rates and adjustment certificate (£m)	£m	1324.79	1078.33
Total assumed payroll - 3rd year of rates and adjustment certificate (£m)	£m	1373.48	1120.15
3-year average total employer contribution rate	% of pay	18.0%	21.4%
Average employee contribution rate (% of pay)	% of pay	6.3%	6.4%
Employee contribution rate (£ figure based on assumed payroll of £m)	£m pa	81.00	66.76
Deficit recovery & surplus management plan for local authorities			
Latest deficit recovery period end date, where this methodology is used by the fund's actuarial advisor	Year	2033	2033
Earliest surplus spreading period end date, where this methodology is used by the fund's actuarial advisor	Year	2033	2025
The time horizon end date, where this methodology is used by the fund's actuarial advisor	Year	n/a	n/a
The funding plan's likelihood of success, where this methodology is used by the fund's actuarial advisor	%	n/a	n/a
Surplus Methodology (Explicit contribution stabilisation mechanism; surplus spreading period; surplus buffer and surplus spreading period; Volatility asset reserve and surplus spreading period; other; or N/A)		Surplus buffer and surplus spreading period	Surplus buffer and surplus spreading period

Surplus methodology & parameters explanation (including changes since previous valuation)

Secondary contributions may include an adjustment to run off the surplus over a minimum period of 8 years subject to other parameters being met

Level of required employer contribution may include an adjustment to amortise the surplus over an appropriate period

Additional information

Percentage of liabilities relating to employers with deficit recovery periods of longer than 20 years	%	0.0%	0.0%
Percentage of total liabilities that are in respect of Tier 3 employers	%	16%	16%
Included climate change analysis/comments	Yes/No	Yes	Yes
Gender pension gap statistic - Fund active mean CARE pension GPG	%	34.8%	n/a
Gender pension gap statistic - Fund active mean combined Final Salary and CARE pension GPG	%	37.6%	n/a
Gender pension gap statistic - Fund pensioner mean pension GPG	%	51.7%	n/a

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Appendix 8 Rates and Adjustments Certificate

Regulatory background

In accordance with Regulation 62 of the Local Government Pension Scheme Regulations we have made an assessment of the contributions that should be paid into the Fund by participating employers for the period 1 April 2026 to 31 March 2029.

The method and assumptions used to calculate the contributions set out in the Rates and Adjustments Certificate are detailed in the Funding Strategy Statement and in Appendix 2 of this report.

The primary rate of contribution as defined by Regulation 62(5) for each employer for the period 1 April 2026 to 31 March 2029 is set out in the table overleaf. The primary rate is the employer's contribution towards the cost of benefits accruing in each of the three years beginning 1 April 2026. In addition each employer pays a secondary contribution as required under Regulation 62(7) that when combined with the primary rate results in the minimum total contributions as set out below. This secondary rate is based on their particular circumstances and so individual adjustments are made for each employer. Primary and secondary rate summary

The primary rate for the Fund is the weighted average (by payroll) of the individual employers' primary rates and is 16.7% p.a. of payroll.

The secondary rates across the entire Fund (as a percentage of projected Pensionable Pay and as a monetary amount) in each of the three years in the period 1 April 2026 to 31 March 2029 is set out in the table below.

Secondary contributions	2026/27	2027/28	2028/29
Total as a % of payroll	2.4%	1.0%	0.6%
Equivalent to total monetary amounts of	£30,697,000	£13,123,000	£7,457,000

These amounts reflect the individual employers' recovery plans.

General and specific notes

Employers may pay further amounts at any time and future periodic contributions, or the timing of contributions, may be adjusted on a basis approved by us as the Fund Actuary. The administering authority, with the advice from us as the Fund Actuary may allow some or all of these contributions to be treated as a prepayment and offset against future certified contributions.

The certified contributions include an allowance for expenses and the expected cost of lump sum death benefits but exclude early retirement strain and augmentation costs which are payable by participating employers in addition.

The monetary amounts are payable in 12 monthly instalments throughout the relevant year unless agreed by the administering authority and an individual employer.

The notes below relate to particular employers and correspond to the letters shown in the specific notes column in the table below.

Academy Trusts and the participating academies are listed in Appendix 9 below. The rates certified to each of the Academy Trusts also apply to the individual academies which form part of the Trust.

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Employer code	Employer name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions i.e. primary (% of pay) plus secondary			
			2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	
Altair	Oracle	(% pay)	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	
Kent County Council									
1	70000	Kent County Council	16.6%	1.9%	0.0%	0.0%	18.5%	16.6%	16.6%
Other Major Scheduled Bodies									
2	70004	Ashford Borough Council	16.3%	£965k	£965k	£965k	16.3% plus £965k	16.3% plus £965k	16.3% plus £965k
3	70005	Canterbury City Council	16.9%	£1.24m	£1.24m	£1.24m	16.9% plus £1.24m	16.9% plus £1.24m	16.9% plus £1.24m
4	70007	Dartford Borough Council	17.1%	£459k	£459k	£459k	17.1% plus £459k	17.1% plus £459k	17.1% plus £459k
5	70008	Dover District Council	16.6%	£1.83m	£1.83m	£1.83m	16.6% plus £1.83m	16.6% plus £1.83m	16.6% plus £1.83m
7	70009	Gravesham Borough Council	17.0%	1.4%	1.4%	1.4%	18.4%	18.4%	18.4%



Employer code	Employer name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions i.e. primary (% of pay) plus secondary			
			(% pay)	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
Altair	Oracle								
8	70010	Maidstone Borough Council	16.6%	£929k	£929k	£929k	16.6% plus £929k	16.6% plus £929k	16.6% plus £929k
10	70011	Sevenoaks District Council	17.6%	£1.09m	£1.09m	£1.09m	17.6% plus £1.09m	17.6% plus £1.09m	17.6% plus £1.09m
11	70012	Folkestone & Hythe District Council	17.4%	£1.06m	£1.06m	£1.06m	17.4% plus £1.06m	17.4% plus £1.06m	17.4% plus £1.06m
12	70013	Swale Borough Council	16.4%	£713k	£713k	£713k	16.4% plus £713k	16.4% plus £713k	16.4% plus £713k
13	70014	Thanet District Council	16.8%	£583k	£583k	£583k	16.8% plus £583k	16.8% plus £583k	16.8% plus £583k
14	70015	Tonbridge and Malling Borough Council	17.6%	£425k	£425k	£425k	17.6% plus £425k	17.6% plus £425k	17.6% plus £425k
15	70016	Tunbridge Wells Borough Council	16.8%	£691k	£691k	£691k	16.8% plus £691k	16.8% plus £691k	16.8% plus £691k
16	70001	Medway Council	16.4%	1.9%	-	-	18.3%	16.4%	16.4%
899	70210	Kent Fire Service	15.8%	0.7%	0.7%	0.7%	16.5%	16.5%	16.5%
900	70212	Kent Police Authority	15.6%	-3.1%	-3.1%	-3.1%	12.5%	12.5%	12.5%
Colleges									
<i>Funding Pool</i>		<i>College</i>							
203	70203	Mid-Kent College of Higher & Further Education	16.9%	0.5%	-0.5%	-1.5%	17.4%	16.4%	15.4%
208	70202	Hilderstone College	16.9%	0.5%	-0.5%	-1.5%	17.4%	16.4%	15.4%
464	70206	EKC Group	16.9%	0.5%	-0.5%	-1.5%	17.4%	16.4%	15.4%
723	70204	North Kent College	16.9%	0.5%	-0.5%	-1.5%	17.4%	16.4%	15.4%
930	70215	Capel Manor College	16.9%	0.5%	-0.5%	-1.5%	17.4%	16.4%	15.4%

Employer code	Employer name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions i.e. primary (% of pay) plus secondary			
			(% pay)	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
<i>Individual Employers</i>									
951	70216	Kite College	17.0%	-	-	-	17.0%	17.0%	17.0%
Academy									
<i>Funding Pool</i>		<i>Academy</i>							
24	75049	Inspire Academy Movement Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
294	75029	Turner Schools	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
295	75035	Orion Education	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
298	75007	Future Schools Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
301	71072	The Maplesden Noakes Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
302	71033	Folkestone School for Girls Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
311	71011	Highworth Grammar School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
312	75026	The Golden Thread Alliance	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
313	75019	Swale Academies Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
316	71012	Tonbridge Grammar School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
317	71255	Chatham & Clarendon Grammar School	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
319	71014	St Stephen's Academy Canterbury	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
321	71017	Weald of Kent Gram Sch Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%

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Employer code	Employer name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions i.e. primary (% of pay) plus secondary			
			(% pay)	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
Altair	Oracle								
322	71013	Herne Bay High School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
323	71018	Amherst School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
324	71024	Character Education Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
326	75051	The Kemnal Academies Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
327	71025	Oakwood Park Grammar School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
328	75022	The Tenax Schools Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
329	75016	Valley Invicta Academies Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
331	71046	Coastal Academies Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
335	71021	Sir Roger Manwoods School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
341	74004	The Thinking Schools Academy Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
343	75010	Leigh Academies Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
344	71041	Queen Elizabeth Grammar School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
345	71029	The Towers School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
351	74001	Beyond Schools Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
353	75032	Endeavour MAT	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
354	75031	Barton Court Grammar School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
356	75033	Our Community Multi Academy Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%

Employer code	Employer name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions i.e. primary (% of pay) plus secondary			
			(% pay)	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
360	71063	Sheldwich Primary School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
362	71037	Woodard Academies Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
363	71040	Hillview School for Girls Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
364	75028	Tenterden Schools Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
365	71065	Brockhill Park School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
367	71069	St Johns Church of England Primary School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
368	75003	Aletheia Academies Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
370	74009	RMET	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
372	75047	Nexus Education Schools Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
383	74015	The University Of Kent Academies Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
385	75017	Skinners' Academies Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
386	75013	Isle of Sheppey Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
388	71075	Chiddingstone Primary School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
397	70511	Duke of York Military School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
403	70512	John Wallis Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
409	71002	Highsted Grammar School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
410	71004	The Canterbury Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%

Employer code	Employer name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions i.e. primary (% of pay) plus secondary		
			(% pay)	2026/27	2027/28	2028/29	2026/27	2027/28
Altair	Oracle							
411	75006 Fulston Manor Academies Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
416	71008 Sandwich Technology School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
417	71006 Dartford Grammar School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
418	71079 Graveney Primary School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
420	71083 Borden Grammar School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
421	71045 Cranbrook School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
422	71059 Mayfield Grammar School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
424	71084 Wentworth Primary School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
425	71091 Luddenham Primary School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
426	71092 Hampton Primary School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
427	71080 Norton Knatchbull School Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
434	75005 Samphire Star Education Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
440	71095 Lift Schools	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
445	75046 Bourne Alliance Multi Academy Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
451	71099 The Harvey Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
455	75020 The Stour Academy Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
458	74016 Inspire Partnership Academy Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%

Employer code	Employer name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions i.e. primary (% of pay) plus secondary		
			(% pay)	2026/27	2027/28	2028/29	2026/27	2027/28
463	75018 Reach2 Academy Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
467	75023 Orchard Academy Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
470	71207 St Marys Church of England Primary Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
473	75037 Veritas Multi Academy Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
474	71211 St Eanswythes CEP Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
475	71208 Christ Church CEP Academy (Folkestone)	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
483	75009 Kent Catholic School's Partnership	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
486	75013 Oasis Community Learning	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
487	71218 Christ Church Church of England Academy (Ramsgate)	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
489	70529 The Griffin Schools Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
497	71242 The Wells Free School	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
498	71237 Trinity (Free) School	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
615	71258 Hadlow Rural Comm (Free) School	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
616	75002 Ace Learning	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
621	74007 The Primary First Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
627	75004 The Diocese Of Canterbury Academies Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
629	71243 The Gateway Primary Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%

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			(% pay)	2026/27	2027/28	2028/29	2026/27	2027/28
637	Fortis Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
660	Inspire Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
667	Jubilee Primary (Free) School	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
676	The Westbrook Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
677	The Howard Academy Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
694	Godinton Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
704	Medway Anglican Schools Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
734	Rivermead Inclusive Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
735	Cygnus Academies Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
751	Whinless Down Academy Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
767	The Island Learning Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
772	The Pilgrim Multi Academy Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
794	The Woodland Academy Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
816	The Areté Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
833	Maritime Academy Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
846	Mosaic Schools Learning Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
853	The Pioneer Academy	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%

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			(% pay)	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
Altair	Oracle								
854	75038	Coppice Primary Partnership	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
881	75039	Deal Education Alliance For Learning Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
927	75001	Viking Academy Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
932	75042	Alternative Learning Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
942	75041	EKC Schools Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
968	75044	Hornchurch Academy Trust	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%
AA130	74007	PRFT - Parkwood Fed Acad	17.0%	3.5%	1.5%	-	20.5%	18.5%	17.0%

Individual Employers

997	76001	Oasis Restore	13.7%	2.1%	0.1%	-	15.8%	13.8%	13.7%
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Contractors

Individual Employers

22	70885	Skanska Construction Ltd	18.2%	0.5%	0.5%	0.5%	18.7%	18.7%	18.7%
48	70880	The PCS Group Ltd	25.0%	-	-	-	25.0%	25.0%	25.0%
87	70889	Purgo Supplies Services Ltd (Re LAT)	20.8%	0.4%	0.4%	0.4%	21.2%	21.2%	21.2%
268	70364	Shaw Healthcare (FM Services) Ltd	32.4%	-32.4%	-32.4%	-32.4%	-	-	-
283	70367	Fusion Lifestyle	25.0%	-25.0%	-25.0%	-25.0%	-	-	-
286	70368	Mitie PFI Ltd	21.5%	-12.9%	-12.9%	-12.9%	8.6%	8.6%	8.6%

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			(% pay)	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
Altair	Oracle								
287	70366	Vinci Construction UK Ltd	15.2%	-15.2%	-15.2%	-15.2%	-	-	-
330	70355	Veolia Environmental Services	21.2%	-21.2%	-21.2%	-21.2%	-	-	-
352	70356	Project Salus C.I.C.	17.9%	-17.9%	-17.9%	-17.9%	-	-	-
387	70358	Apcoa Parking UK Ltd (2)	28.4%	-28.4%	-28.4%	-28.4%	-	-	-
390	70376	Orchard Theatre Dartford Ltd	18.7%	-18.7%	-18.7%	-18.7%	-	-	-
404	70380	Sodexo Catering	22.9%	-2.3%	-2.3%	-2.3%	20.6%	20.6%	20.6%
407	70379	Kier Facilities Services Ltd	29.3%	-29.3%	-29.3%	-29.3%	-	-	-
478	70398	Strode Park Foundation	25.4%	-25.4%	-25.4%	-25.4%	-	-	-
480	70394	MCH Balfour	34.0%	-34.0%	-34.0%	-34.0%	-	-	-
485	70801	Medway Norse Ltd	21.6%	-	-	-	21.6%	21.6%	21.6%
488	70802	Tonbridge & Malling Leisure Trust	18.5%	£115k	£110k	£105k	18.5% plus £115k	18.5% plus £110k	18.5% plus £105k
654	70807	MCH Balfour (Drivers)	30.8%	-1.3%	-0.3%	-	29.5%	30.5%	30.8%
659	70806	Project Salus (2)	24.8%	1.8%	1.8%	1.8%	26.6%	26.6%	26.6%
837	70886	Cater Link Ltd (Future Schools Trust)	21.3%	-	-	-	21.3%	21.3%	21.3%
875	70854	Exclusive Contract Services Ltd	21.4%	-	-	-	21.4%	21.4%	21.4%
878	70849	Compass Contract Services Ltd - Bradfields	32.2%	£6,300	£6,750	£7,220	32.2% plus £6,300	32.2% plus £6,750	32.2% plus £7,220
908	70802	Ton&Mall Leisure Trust (Limbc)	15.0%	2.6%	1.6%	0.6%	17.6%	16.6%	15.6%

Employer code	Employer name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions i.e. primary (% of pay) plus secondary			
			(% pay)	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
Altair	Oracle								
935	70862	Freedom Leisure Ltd	20.7%	-	-	-	20.7%	20.7%	20.7%
964	70877	Town and Country Cleaners Ltd (re Stour Academy Trust)	27.3%	-	-	-	27.3%	27.3%	27.3%
966	70864	Independent Catering (Beyond Schools Trust)	23.5%	-	-	-	23.5%	23.5%	23.5%
985	70878	Sports And Leisure Management	27.6%	-	-	-	27.6%	27.6%	27.6%
AA104	70896	SUEZ Recycling and Recovery Ltd	25.3%	-	-	-	25.3%	25.3%	25.3%
AA105	70900	Churchill Contract Services Ltd (re Skanska)	22.7%	-	-	-	22.7%	22.7%	22.7%
AA107	70895	Independent Catering	23.9%	2.9%	2.9%	2.9%	26.8%	26.8%	26.8%
AA114	70902	NSL Limited	23.3%	5.0%	5.0%	5.0%	28.3%	28.3%	28.3%
AA115	70905	Ridge Crest Cleaning Ltd	25.8%	-	-	-	25.8%	25.8%	25.8%
AA119	70859	Birkin Clean Serv Ltd(Re Kcsp)	22.0%	-	-	-	22.0%	22.0%	22.0%
AA120	70906	Nourish Contract Catering Limited	23.4%	-	-	-	23.4%	23.4%	23.4%
AA123	70907	Cucina Restaurants Limited (Swale Academies Trust)	20.9%	-	-	-	20.9%	20.9%	20.9%
AA124	70897	Kent Gurkha Company Limited	19.1%	-	-	-	19.1%	19.1%	19.1%
Community Admission Bodies	0								
<i>Individual Employers</i>									
27	70235	Romney Marsh Levels Internal Drainage Board	20.3%	5.7%	5.9%	5.9%	26.0%	26.2%	26.2%
41	70232	Upper Medway Internal Drainage Board	15.4%	16.7%	16.7%	16.7%	32.1%	32.1%	32.1%

Employer code	Employer name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions i.e. primary (% of pay) plus secondary			
			(% pay)	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
Altair	Oracle								
42	70231	Lower Medway Internal Drainage Board	14.7%	23.8%	23.8%	23.8%	38.5%	38.5%	38.5%
72	70227	Kent and Essex Sea Fisheries	12.8%	10.2%	10.2%	10.2%	23.0%	23.0%	23.0%
93	70234	River Stour IDB	17.3%	3.7%	3.7%	3.7%	21.0%	21.0%	21.0%
334	70240	East Kent Services (Thanet)	20.4%	-5.3%	-7.3%	-9.3%	15.1%	13.1%	11.1%
719	70706	Ebbsfleet Development Corporation	14.7%	7.2%	7.2%	7.2%	21.9%	21.9%	21.9%
946	70729	Canterbury Environment Company Limited	22.3%	3.5%	1.5%	-0.5%	25.8%	23.8%	21.8%
Town and Parish Councils		0							
<i>Funding Pool</i>		<i>Town and Parish Councils</i>							
31	70260	Faversham Town Council	19.2%	-	-	-	19.2%	19.2%	19.2%
33	70731	Rusthall Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
34	70254	Darenth Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
49	70274	Stone Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
50	70270	Sevenoaks Town Council	19.2%	-	-	-	19.2%	19.2%	19.2%
57	70272	Southborough Town Council	19.2%	-	-	-	19.2%	19.2%	19.2%
62	70259	Edenbridge Town Council	19.2%	-	-	-	19.2%	19.2%	19.2%
71	70275	Swanley Town Council	19.2%	-	-	-	19.2%	19.2%	19.2%
85	70276	Swanscombe Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%

Employer code	Employer name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions i.e. primary (% of pay) plus secondary			
			(% pay)	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
Altair	Oracle								
86	70277	Tenterden Town Council	19.2%	-	-	-	19.2%	19.2%	19.2%
92	70264	Hythe Town Council	19.2%	-	-	-	19.2%	19.2%	19.2%
96	70278	Westerham Town Council	19.2%	-	-	-	19.2%	19.2%	19.2%
99	70268	Sandwich Town Council	19.2%	-	-	-	19.2%	19.2%	19.2%
100	70255	Ditton Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
198	70711	Wrotham Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
210	70267	Otford Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
218	70251	Borough Green Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
225	70271	Snodland Town Council	19.2%	-	-	-	19.2%	19.2%	19.2%
232	70256	Dover Town Council	19.2%	-	-	-	19.2%	19.2%	19.2%
234	70253	Cranbrook Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
235	70233	Ramsgate Town Council	19.2%	-	-	-	19.2%	19.2%	19.2%
236	70261	Hartley Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
248	70262	Herne and Broomfield Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
252	70282	Ash Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
253	70284	Deal Town Council	19.2%	-	-	-	19.2%	19.2%	19.2%
254	70285	Chestfield Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%

Employer code	Oracle	Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Total contributions i.e. primary (% of pay) plus secondary		
				2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
255	70286	Leigh Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
270	70291	Eastry Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
275	70290	Woodnesborough Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
276	70292	Great Mongham Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
277	70221	Folkestone Town Council	19.2%	-	-	-	19.2%	19.2%	19.2%
278	70293	Pembury Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
280	70294	West Kingsdown Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
288	70295	Minster On Sea Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
289	70296	Hawkinge Town Council	19.2%	-	-	-	19.2%	19.2%	19.2%
300	70297	Eythorne Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
303	70298	Eynsford Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
337	70248	Otham Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
338	70247	Downswood Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
393	70299	Kings Hill Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
743	70712	Great Chart & Singleton Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
749	70709	Chiddingstone Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
754	70714	New Romney Town Council	19.2%	-	-	-	19.2%	19.2%	19.2%

Employer code	Employer name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions i.e. primary (% of pay) plus secondary			
			(% pay)	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
Altair	Oracle								
756	70715	Swingfield Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
766	70716	Meopham Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
768	70719	Westbere Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
769	70718	Smeeth Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
770	70717	Harrietsham Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
774	70722	Walmer Town Council	19.2%	-	-	-	19.2%	19.2%	19.2%
775	70721	Platt Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
776	70720	Lydd Town Council	19.2%	-	-	-	19.2%	19.2%	19.2%
813	70723	Barham Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
835	70725	Hever Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
857	70727	Westgate On Sea Town Council	19.2%	-	-	-	19.2%	19.2%	19.2%
AA103	70732	Ash-cum-Ridley Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
AA108	70733	Hersden Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
AA121	70734	Teynham Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%
AA134	70736	Goodnestone Parish Council	19.2%	-	-	-	19.2%	19.2%	19.2%

Employer code	Employer name	Primary rate (% pay)	Secondary rate (% pay plus monetary adjustment)			Total contributions i.e. primary (% of pay) plus secondary			
			2026/27	2027/28	2028/29	2026/27	2027/28	2028/29	
Altair	Oracle								
Community admission bodies									
<i>Individual Employers</i>									
39	70331	Sevenoaks School	22.4%	4.2%	4.2%	4.2%	26.6%	26.6%	26.6%
59	70329	Rochester Bridge Trust	18.0%	1.9%	1.9%	1.9%	19.9%	19.9%	19.9%
70	70303	Caldecott Community	19.0%	2.0%	2.0%	2.0%	21.0%	21.0%	21.0%
94	70330	Tourism South East	14.7%	3.3%	3.3%	3.3%	18.0%	18.0%	18.0%
109	70325	MHS Homes Ltd	21.1%	-	-	-	21.1%	21.1%	21.1%
220	70230	Margate Charter Trustees	22.0%	-	-	-	22.0%	22.0%	22.0%
239	70310	Gravesham Community Leisure	20.4%	5.2%	5.2%	5.2%	25.6%	25.6%	25.6%
246	70340	Town & Country Housing Group	19.5%	2.4%	2.4%	2.4%	21.9%	21.9%	21.9%
249	70300	Active Life Ltd	18.9%	6.1%	6.1%	6.1%	25.0%	25.0%	25.0%
261	70346	Golding Homes Limited	21.2%	4.6%	4.6%	4.6%	25.8%	25.8%	25.8%
273	70306	Canterbury Christchurch University	15.6%	2.4%	0.9%	-	18.0%	16.5%	15.6%
389	70320	Avante Care & Support Ltd	19.6%	26.9%	26.9%	26.9%	46.5%	46.5%	46.5%
655	70313	Pathways To Independence Ltd	37.4%	-7.3%	-6.3%	-5.3%	30.1%	31.1%	32.1%

Employer code	Employer name	Primary rate	Secondary rate (% pay plus monetary adjustment)			Total contributions i.e. primary (% of pay) plus secondary			
			(% pay)	2026/27	2027/28	2028/29	2026/27	2027/28	2028/29
Altair	Oracle								
Pass-through employers									
<i>Individual Employers</i>									
238	70338	Your Leisure Kent Ltd	20.3%	-	-	-	20.3%	20.3%	20.3%
378	70000	Commercial Services Ltd	20.6%	-	-	-	20.6%	20.6%	20.6%
747	70708	Kyndi Ltd	18.8%	-	-	-	18.8%	18.8%	18.8%
815	70724	Invicta Law	19.6%	-	-	-	19.6%	19.6%	19.6%
858	70728	Cantium Business Solutions Ltd	18.0%	-	-	-	18.0%	18.0%	18.0%
862	70726	Edseco Ltd (T/A The Education People)	20.6%	-	-	-	20.6%	20.6%	20.6%
866	70005	The Marlowe Trust	17.7%	-	-	-	17.7%	17.7%	17.7%
AA125	70890	Amey Highways	23.4%	-	-	-	23.4%	23.4%	23.4%
AA140	70735	PartnershipOne Ltd	20.3%	-	-	-	20.3%	20.3%	20.3%
Orphan Employers									
<i>Individual Employers</i>									
89	70321	Kent Music School	n/a	n/a	n/a	n/a	n/a	n/a	n/a
297	70336	Orbit Housing Association Limited	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Post valuation employers

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Appendix 9 List of Academy Trusts

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The information in this report is based on our understanding of current taxation law, proposed legislation and HM Revenue & Customs practice, which may be subject to future variation.

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1. Employer admission and associated matters

- 1.1 The following matters were agreed by Nick Buckland Head of Pensions and Treasury under Committee's delegated authority –

2. New employers

Steadfast Cleaning Company Ltd (re contract with St Johns CE Primary School - KCC)

- 2.1 Steadfast Cleaning Company Ltd (Company number:1741651) was awarded a 3-year (plus 2) cleaning contract backdated to 1 April 2023 by St John's CE Primary School (KCC School). This involves the transfer of 1 eligible LGPS member.
- 2.2 A retrospective admission application has been made under Schedule 2 Part 3 (d) of the LGPS Regulations 2013, as amended, and under this regulation the admitted body is required to provide some form of security.
- 2.3 The Fund Actuary has assessed the employer contribution rate as 28.2% for a closed agreement and the Guarantee for the first year as £16,000.
- 2.4 The completed questionnaire and supporting document (i.e. the executed commercial contract) provided by Steadfast Cleaning Company Ltd have been examined by officers to ensure compliance with the LGPS regulations, and Invicta Law has given a favourable opinion.
- 2.5 Security to the Fund in the form of a Guarantee is to be provided by Steadfast Holdings (Maidstone) Ltd, as parent company (Company number 12334448).
- 2.6 Fund officers have completed a credit check on Steadfast Cleaning Company Ltd as admission applicant and Steadfast Holdings (Maidstone) Ltd as guarantor and they do not currently present any identifiable risk.
- 2.7 Nick Buckland; Head of Pensions and Treasury agreed that Steadfast Cleaning Company Ltd be admitted to the Fund from 1 April 2023 and its associated security (a Guarantee) to be legally sealed on behalf of KCC as Administering Authority; as delegated by the Pension Fund Committee at their meeting on 3 December 2024.
- 2.8 This matter was delayed for a number of reasons, including Steadfast Cleaning Company Ltd not providing the information required for the Actuary to prepare the guarantee and contribution report in a timely manner. In addition the questionnaire took numerous attempts to complete as there was in fact no formal commercial contract in place. This was resolved by asking the letting authority (St Johns CE Primary School) to provide a letter to confirm a de facto contract was entered into.

The Contract Dining Company Ltd (re contract with Crest Infants School – Medway Council)

- 2.9 The Contract Dining Company Ltd (Company number 07185364), was awarded a 3-year (plus 1) catering contract from 15 April 2023 by Crest Infants School (Medway LEA) This involves the transfer of 2 eligible LGPS staff.
- 2.10 An admission application has been made under Schedule 2 Part 3 (d) of the LGPS Regulations 2013, as amended, and under this regulation the admitted body is required to provide some form of security.
- 2.11 The Fund Actuary has assessed the employer contribution rate as 23.6% for a closed agreement and the Bond for the first year as £13,000.
- 2.12 The completed questionnaire and supporting document (i.e. the executed commercial contract) provided by The Contract Dining Company Ltd have been examined by officers to ensure compliance with the LGPS regulations, and Invicta Law has given a favourable opinion.
- 2.13 Security to the Fund in the form of a Bond is to be provided by HSBC Bank PLC.
- 2.14 Fund officers have completed a credit check on The Contract Dining Company Ltd as admission applicant and they do not currently present any identifiable risk.
- 2.15 Nick Buckland; Head of Pensions and Treasury agreed that The Contract Dining Company Ltd be admitted to the Fund from 15 April 2023 and its associated security (a Bond) to be legally sealed on behalf of KCC as Administering Authority; as delegated by the Pension Fund Committee at their meeting on 3 December 2024.
- 2.16 The reason this admission was so delayed is because the previous admission to the Fund was incomplete, due to Medway Council not signing the required admission agreement. This had a knock on effect to this admission progressing.

Cucina Restaurants Ltd (re contract with Leigh Academies Trust)

- 2.17 Cucina Restaurants Ltd (Company number: 05655703) was awarded a 3-year (plus 2) catering contract from 1 September 2023 by Leigh Academies Trust. This involves the transfer of 10 eligible LGPS staff.
- 2.18 Whilst the contract was awarded with effect from 1 September 2023, the staff remain with Leigh Academy Trust and will TUPE transfer on 1 March 2026. An admission application has been made under Schedule 2 Part 3 (d) of the LGPS Regulations 2013, as amended, and under this regulation the admitted body is required to provide some form of security.
- 2.19 The Fund Actuary has assessed the employer contribution rate as 23.1% for an

open agreement and the Guarantee for the first year as £123,000.

- 2.20 The completed questionnaire and supporting document (i.e. the executed commercial contract) provided by Cucina Restaurants Ltd have been examined by officers to ensure compliance with the LGPS regulations, and Invicta Law has given a favourable opinion.
- 2.21 Security to the Fund in the form of a Guarantee is to be provided by Leigh Academies Trust as Scheme employer.
- 2.22 Fund officers have completed a credit check on Cucina Restaurants Ltd as admission applicant and they do not currently present any identifiable risk.
- 2.23 Nick Buckland; Head of Pensions and Treasury agreed that Cucina Restaurants Ltd be admitted to the Fund from 1 March 2026 and its associated security (a Guarantee) to be legally sealed on behalf of KCC as Administering Authority; as delegated by the Pension Fund Committee at their meeting on 3 December 2024.

KGB Cleaning South West Ltd (re contract with Dartford Grammar School for Girls)

- 2.24 KGB Cleaning South West Ltd (Company number: 06941723) was awarded a 3-year (plus 2) cleaning contract backdated to 1 September 2023 by Dartford Grammar School for Girls. This involves the transfer of 1 eligible LGPS member.
- 2.25 A retrospective admission application has been made under Schedule 2 Part 3 (d) of the LGPS Regulations 2013, as amended, and under this regulation the admitted body is required to provide some form of security.
- 2.26 The Fund Actuary has assessed the employer contribution rate as 24.9% for a closed agreement and the Guarantee for the first year as £39,000.
- 2.27 The completed questionnaire and supporting document (i.e. the executed commercial contract) provided by KGB Cleaning South West Ltd have been examined by officers to ensure compliance with the LGPS regulations, and Invicta Law has given a favourable opinion.
- 2.28 Security to the Fund is to be provided by The Arete Trust of which Dartford Grammar School for Girls is part.
- 2.29 Fund officers have completed a credit check on KGB Cleaning South West Ltd as admission applicant and they do not currently present any identifiable risk.
- 2.30 Nick Buckland; Head of Pensions and Treasury agreed that KGB Cleaning South West Ltd be admitted to the Fund from 1 September 2023 and its associated security (a Guarantee) to be legally sealed on behalf of KCC as Administering Authority; as delegated by the Pension Fund Committee at their meeting on 3 December 2024.

2.31 The reason this admission is so delayed is firstly because the Fund was not advised that this TUPE transfer of staff had taken place until 6 months after the event. The Fund did not then have sight of the full completed questionnaire and commercial contract until November 2025.

Cater Link Ltd (re contract with Borough Green Primary School - KCC)

2.32 Cater Link Ltd (Company Number: 03732298) was awarded a 3-year catering contract with the possible option of two additional 1 year extensions from 1 September 2025 by Kent County Council re Borough Green Primary School. This involves the transfer of 5 eligible LGPS members.

2.33 A retrospective admission application has been made under Schedule 2 Part 3 (d) of the LGPS Regulations 2013, as amended, and under this regulation the admitted body is required to provide some form of security.

2.34 The Fund Actuary has assessed the employer contribution rate as 27.2% for a closed agreement and the bond for the first year as £48,000.

2.35 The completed questionnaire and supporting document (i.e. the executed commercial contract) provided by Cater Link Ltd have been examined by officers to ensure compliance with the LGPS regulations, and Invicta Law has given a favourable opinion.

2.36 Security to the Fund in the form of a Bond is to be provided by the Royal Bank of Scotland PLC.

2.37 Fund officers have completed a credit check on Cater Link Ltd and they do not currently present any identifiable risk.

2.38 Nick Buckland; Head of Pensions and Treasury agreed that Cater Link Ltd be admitted to the Fund from 1 September 2025 and its associated security (a Bond) to be legally sealed on behalf of KCC as Administering Authority; as delegated by the Pension Fund Committee at their meeting on 3 December 2024.

3. Employer cessations

Amey Community Ltd (re KCC)

3.1 Amey Community Ltd joined the Fund on 1 November 2014 as an admission body and exited on 31 October 2022. Kent County Council was the scheme employer.

3.2 The admission agreement makes Amey Community Ltd responsible for any cessation deficit although is silent on the treatment of any cessation surplus, which is standard for the time the admission agreement was entered into because a cessation surplus return position was not permitted before the LGPS

regulations changed in May 2018, when any exiting employer's surplus had to be retained in the Fund..

- 3.3 The cessation report prepared by the Fund actuary Barnett Waddingham shows a cessation surplus of £620,000.
- 3.4 As per the LGPS regulations, any cessation surplus paid is capped at the total employer contributions received which were more than the above £620,000 surplus.
- 3.5 Representations from Amey Community Ltd and KCC were sought in consideration of the surplus.
- 3.6 Amey Community Ltd confirmed that it would not pursue an exit credit as it was not exposed to underfunding risk during their contractual term.
- 3.7 KCC confirmed that there were mechanisms in the commercial contract that meant KCC was exposed to underfunding risk by a pass-through agreement. The £620,000 surplus was allocated to KCC's notional share of the Fund after being approved by the Head of Pensions and Treasury on 5 December 2025.
- 3.8 This cessation has taken some time to complete due to a lack of clarity in who at KCC is responsible for the commercial contract. This was a Facilities Management contract.

4. Other decisions

Grade One Commercial Cleaning Services Ltd (re: Rainham Mark Educational Trust)

- 4.1 Grade One Commercial Cleaning Services Ltd (Grade One) was awarded a cleaning contract by Rainham Mark Educational Trust (RMET) at its Riverside Primary School location with a commencement date of 01 January 2024. This involved a transfer of 3 staff who were previously in the LGPS.
- 4.2 The Fund engaged with Grade One regarding the process of applying for admitted body status.
- 4.3 After numerous chasers over many months, Grade One responded advising that they did not believe there was a requirement for them to join the Kent Pension Fund because all transferred staff had subsequently left their employment within a short time after TUPE.
- 4.4 A meeting was arranged with RMET and Grade One (10/10/25) to discuss their responsibilities and during which a solution in lieu of Grade One applying to join the Kent Pension Fund was agreed.
- 4.5 The solution is as follows:

- Treat staff as if they had never transferred by seconding the transferred staff back to RMET for the short period they were employed with Grade One.
 - Grade One agreed to return all LGPS employee and employer contributions to RMET.
 - RMET paid said contributions to the Fund (received by Fund 2/12/25).
 - Leaver papers provided by RMET so that deferred benefits could be awarded to the affected members.
- 4.6 Nick Buckland; Head of Pensions and Treasury agreed the proposed solution as a pragmatic approach, to put the affected scheme members back in the position as if they had never TUPE transferred to Grade One and therefore there is no loss to their LGPS membership.

Principal Catering Consultants Ltd (re contract with Turner Schools Trust)

- 4.7 This decision was in relation to a very backdated admission to the Fund (going back to 1 April 2021) which Committee gave agreement to at their meeting on 19 September 2024.
- 4.8 Admission agreements and associated security (Bond or Guarantee) are usually executed using wet ink signatures by both parties to the admission.
- 4.9 Initially the original paper admission agreement and Guarantee for this admission were correctly executed by Principal Catering Consultants Ltd and the wet ink originals were returned to Invicta Law.
- 4.10 Invicta law then forwarded the original to Turner Schools for their execution.
- 4.11 Unfortunately Turner Schools mislaid the originals. Turner Schools managed to recover a scanned copy of the admission agreement and executed the scanned copies of the originals.
- 4.12 Because of the lengthy delay with this matter, Nick Buckland on behalf of the Pension Fund Committee agreed to scanned signature of Principals Catering Consultants Ltd in this instance and subsequently agreeing to KCC to seal these documents with one original signature and one scanned signature on the admission agreement.
- 4.13 Agreement to this arrangement was sought from Principal Catering Consultants Ltd who agreed this pragmatic way forward rather than re-circulating the documents again, causing further delays.
- 4.14 Having sought advice from the Funds Legal Advisors: Invicta Law, they commented the following:

Given Principals' agreement, it is unlikely that Principals would argue (successfully or otherwise) that the signatures are not valid; and as we have the original signatures of Turner it is unlikely that they would challenge the arrangement.

Steven Tagg, Employers Governance, Compliance and Funding Principal Accountant.

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10 March 2026

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Agenda Item 14

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Agenda Item 15

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