

**PENSION FUND COMMITTEE**

**Tuesday, 23rd June, 2026**

**10.00 am**





## AGENDA

### PENSION FUND COMMITTEE

Tuesday, 23rd June, 2026 at 10.00 am

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

#### Membership

Reform UK (6):	Mrs S Emberson (Chair), Mr A Cecil (Vice Chair), Mrs B Porter, 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)	Mr H Rayner
Restore Britain (1)	Mr D Burns
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):	Ms A Weyman

#### **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 26 March 2026 (Pages 1 - 8)

- 5 Date of next meeting  
The next meeting of the committee will be held on 29 September 2026, commencing at 10.00 am at Sessions House, Maidstone.
- 6 Committee Work Plan and Action Log (Pages 9 - 12)
- 7 Update from the Pension Board
- 8 Pensions Administration Update (Pages 13 - 28)
- 9 Fund Governance (Pages 29 - 44)
- 10 Employer Governance Matters (Pages 45 - 54)

**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)*

- 11 Projects Update (Pages 55 - 58)
- 12 Investments Update (Pages 59 - 140)
- 13 Local Government Reorganisation and Kent Pension Fund (Pages 141 - 158)

Benjamin Watts  
Deputy Chief Executive  
03000 416814

**Monday, 15 June 2026**

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**KENT COUNTY COUNCIL**

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**PENSION FUND COMMITTEE**

MINUTES of a meeting of the Pension Fund Committee held in the Council Chamber, Sessions House, County Hall, Maidstone on Thursday, 26 March 2026.

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

IN ATTENDANCE: Ms S Surana (Pension Fund and Treasury Investments Manager), Mr S Tagg (Employers Governance, Compliance and Funding Principal Accountant), Mrs C Chambers (Pensions Administration Manager), Mr N Buckland (Head of Pensions and Treasury), Mrs E Green (Senior Pensions Programme Manager), Mr C Steensel (Investments Accountant), Mr B Arnold (Corporate Director Finance) and Mr J Clapson (Democratic Services Officer).

**UNRESTRICTED ITEMS****48. Membership Update**

*(Item 1)*

Members welcomed Mr Paul and Mr Rayner onto the Committee.

**49. Apologies and Substitutes**

*(Item 2)*

Apologies were received from Mr Ellis.

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

*(Item 3)*

There were no declarations of interest.

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

*(Item 4)*

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

**52. Date of next meeting**

*(Item 5)*

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

**53. Committee Work Plan and Action Log**

*(Item 6)*

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

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

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

#### **54. Pensions Administration**

*(Item 7)*

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

#### **55. Investments Update**

*(Item 8)*

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

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

3. RESOLVED to note the report.

## **56. Training Update**

*(Item 9)*

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

## **57. Governance Review by Barnett Waddingham**

*(Item 10)*

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

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

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

## **58. Employer Governance Matters**

*(Item 11)*

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

## **59. Local Government Reorganisation and Kent Pension Fund**

*(Item 15)*

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

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

### **Motion to Exclude the Press and Public**

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

## Open Access Minutes

### **60. Fund Governance**

*(Item 12)*

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

### **61. Funding Strategy Statement (FSS)**

*(Item 13)*

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

### **62. Project Updates**

*(Item 14)*

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

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

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

### **63. Asset Pooling** *(Item 16)*

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

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

From: Chairman Pension Fund Committee  
Corporate Director of Finance

To: Pension Fund Committee – 23 June 2026

Subject: Committee work programme and Action Log

Classification: Unrestricted

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**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**

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**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 has created an Investment Sub-group which has met twice, and considered, in more detail the ongoing review of the Fund's Strategy Asset Allocation. The group will be non-decision making and acts as a forum for Committee members to work with officers and advisers on the development of the Fund's investment strategy. This group is discussed elsewhere on this agenda.

Committee Action Log

- 1.5 To ensure that decisions but asked at Committee meetings are appropriate 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.

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**Nick Buckland, Head of Pensions and Treasury**

**T: 03000 413984**

**E: [nick.buckland@kent.gov.uk](mailto:nick.buckland@kent.gov.uk)**

**June 2026**

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## Committee workplan

	23 June 2026	29 Sept 2026	15 Dec 2026	9 Feb 2027	24 March 2027
Work programme update	Y	Y	Y	-	Y
Update from the Pensions Board meeting	Y	Y	Y	-	Y
Governance including: <ul style="list-style-type: none"> <li>• Pension Fund Business plan and budget</li> <li>• Governance matters</li> <li>• Policy/strategies</li> <li>• Regulatory changes</li> </ul>	Y	Y	Y	-	Y
Fund Employer matters	Y	Y	Y	-	Y
Administration update <ul style="list-style-type: none"> <li>• Pensions Dashboard</li> <li>• KPI reporting</li> </ul>	Y	Y	Y	-	Y
Training update	-	Y	-	-	Y
Local Government Reorganisation and KPF	Y	Y	Y	-	Y
Risk register update. (Full RR at least twice a year)	-	Y	-	-	Y
Investment <ul style="list-style-type: none"> <li>• Performance</li> <li>• Rebalancing</li> <li>• Implementation update</li> <li>• Investment Sub-group</li> <li>• Border to Coast update</li> <li>• Responsible Investment</li> </ul>	Y	Y	Y	-	Y
Investment Strategy – consider, review and agree new existing strategy, advised by Mercer – to include updated ISS	Y	Y	Y	-	-
Strategy Away Day (agenda TBC)	-	-	-	Y	-

## Pension Fund Committee Action Log – 2025/26-2026/27

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
26/03/2026	<b>Investment update</b> – to include links to KPF and BCPP website to show voting activity	Work in Progress – transition to BCPP not concluded	N
26/03/2026	<b>Training</b> – to include 30 minutes training ahead of meetings	Has started – 23/03/2026	Y
26/03/2026	<b>LGR</b> – To make sure all key stakeholders are consulted	Work in Progress, Board were updated at last meeting	N
26/03/2026	<b>Projects</b> – To update Committee on Oracle Cloud project	Ongoing – on today's agenda	Y
26/03/2026	<b>Asset Pooling</b> – To keep Committee up to date on Pooling progress	Ongoing – on today's agenda	Y

To: Kent Pension Fund Committee – 23 June 2026

From: Chair – Kent Pension Fund Committee  
Corporate Director of Finance

Subject: Pensions Administration

Classification: Unrestricted

**Executive 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 January to 31 March 2026.

The report covers updates on the following areas:

1. Operations Team
2. Engagement and Systems Team
3. Technical and Training Team
4. IDRs, Complaints, Compliments and Comments
5. Overpayment Recovery and Write Off Limits

	<b>Key Highlights</b>	<b>Risks &amp; Areas to Monitor</b>
<b>Operations Team</b>	<ul style="list-style-type: none"> <li>• Consistently high demand across all channels (emails ~5k/month; calls ~1,250/month).</li> <li>• Excellent customer satisfaction (95.6%–98.5%) and strong first-contact resolution (92.7%–98.4%).</li> <li>• Retirements and estimates processing met KPIs, with notable improvement in deferred estimates.</li> <li>• Strong positive member feedback on service quality and professionalism.</li> </ul>	<ul style="list-style-type: none"> <li>• Callback performance dip in March (79% vs ~100% previously).</li> <li>• Resource constraints and reliance on overtime, particularly in retirement processing.</li> <li>• Transfers &amp; interfunds performance remains weak (often &lt;60% KPIs).</li> <li>• Deaths and survivor case processing below target due to resource gaps and regulatory complexity.</li> <li>• Aggregation backlog due to system “blackout” – significant future KPI impact expected.</li> </ul>
<b>Engagement and Systems Team</b>	<ul style="list-style-type: none"> <li>• Stable and strong engagement levels across channels; continued shift to digital.</li> <li>• Growth in MyPension Online (MPO) registrations, particularly among deferred and pensioners.</li> <li>• High website usage (~13–14k</li> </ul>	<ul style="list-style-type: none"> <li>• Scheme-specific data quality fell sharply (97.82% → 83.15%) – requires remediation.</li> <li>• Continued high dependency on member contact channels (digital self-service not yet reducing demand significantly).</li> <li>• MPO query volumes remain high, indicating usability or access</li> </ul>

	<p>visits/month).</p> <ul style="list-style-type: none"> <li>• Successful delivery of webinars, workshops, and in-person engagement events.</li> <li>• Year-end processing ahead of schedule with strong return rates (only 0 outstanding).</li> </ul>	<p>challenges.</p> <ul style="list-style-type: none"> <li>• Large-scale iConnect onboarding (147 employers) presents delivery and capacity risk.</li> </ul>
<b>Technical and Training Team</b>	<ul style="list-style-type: none"> <li>• Continued progress toward McCloud implementation, including training expansion.</li> <li>• Proactive work on process documentation and system testing.</li> <li>• Creation of Training &amp; Development Manager role to strengthen capability.</li> </ul>	<ul style="list-style-type: none"> <li>• McCloud delays and system dependency (Lumera/Heywood) impacting processing.</li> <li>• Manual calculations increasing processing times and operational pressure.</li> <li>• Ongoing system blackout affecting aggregations and complex case types.</li> <li>• New regulatory changes (survivor benefits &amp; death grants) create: <ul style="list-style-type: none"> <li>• Significant retrospective workloads</li> <li>• Long-term resource and capacity pressure</li> </ul> </li> <li>• Dependency on software providers and cross-fund agreement delaying implementation.</li> </ul>
<b>IDRP's, Complaints, Compliments and Comments</b>	<ul style="list-style-type: none"> <li>• Very low complaint volumes (only 2 formal complaints).</li> <li>• IDRP activity remains limited and well managed.</li> </ul>	<ul style="list-style-type: none"> <li>• Complaints highlight: <ul style="list-style-type: none"> <li>• Communication gaps</li> <li>• Third-party provider performance issues</li> </ul> </li> <li>• Potential for increased disputes linked to McCloud and regulatory changes.</li> </ul>
<b>Overpayment Recovery and Write Off Limits</b>	<ul style="list-style-type: none"> <li>• No overpayment write-offs during the period.</li> </ul>	

**Recommendation:**

The Committee is recommended to:

- i. Note and comment on the report.

## FOR INFORMATION

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### 1 Operations Team

#### 1.1 Member Communications Activity (Appendix 1)

- a) Email volumes remain high and stable, with around 4,900 to 5,200 emails triaged monthly.
- b) Outbound email responses are consistent (around 1,700 to 2,000 per month).
- c) Call handling volumes are steady at around 1,250 per month (February figure appears anomalously low).
- d) Returned post remains low (26 to 44 items monthly), with an increase expected in April following the Pensioner newsletter issue.

**Overall:** Demand across all channels remains consistently high, with no significant spikes or declines.

#### 1.2 Telephony Survey – Voice of the Customer (Appendix 1)

- a) Strong engagement levels with around 1,300 to 1,400 qualifying calls monthly.
- b) Around 500+ survey tasks created each month, with around 130 to 150 responses returned.
- c) Customer satisfaction remains very high, with positive feedback between 95.6% and 98.5%.
- d) Queries resolved at first contact are consistently strong (92.7% to 98.4%).
- e) Callback performance dipped in March (79%), compared to near full completion in prior months (99% to 100%).

**Overall:** Customer experience remains excellent, though March shows a reduction in callback completion that may require monitoring.

#### 1.3 Customer Feedback – feedback continues to be overwhelmingly positive, highlighting:

- Staff professionalism, friendliness, and empathy
- Clear and detailed explanations
- Supportive and reassuring approach
- Strong reputation for high-quality service delivery

**Overall:** The team is highly regarded by members, with consistent praise for service quality.

#### 1.4 Team Performance (Appendix 2)

##### a) Retirements Team

- Strong KPI performance for core case types:
  - Active/Deferred retirements: 94 to 97%
- Weaker areas: Refund notifications and opt-outs (volatile and below target at times)
- Key issues:
  - Reliance on overtime
  - Resource constraints for checking
  - Processing delays linked to Pensions Increase timing.

**Trend:** Stable but resource-sensitive

**b) Estimates Team**

- KPI's in a strong position overall
  - Most areas above 90%
  - Deferred Benefit estimates improved significantly (from 69% to 91%)
  - Training and additional resource improved output
  - Reduction in resource may impact sustainability.

**Trend:** Most cases now performing at or above target, although Lost Pension remains a key area for ongoing monitoring

**c) Deaths Team**

- Mixed performance:
  - Initial death processing strong (around 89% to 94%)
  - Survivor cases below target (from 70% to 86%)
  - Resource shortages (due to annual leave and promotions)
  - New Regulations increasing processing time
  - Pensions Increase downtime disruption.

**Trend:** Under pressure due to structural and regulatory factors

**d) Transfers and Interfunds Team**

- Consistently weakest KPI area
  - Many measures significantly below target (often <60%)
  - Reduced staffing
  - Complexity of cases and dependencies
  - Reporting issues affecting KPI accuracy (being corrected from April)
  - New Starter performance improved significantly (to around 100%)

**Trend:** Performance remains a concern, though some improvement areas identified

**e) Aggregation Team**

- Major operational disruption due to “blackout” (from February onwards)
  - No processing of Aggregation Actuals
  - Case backlog increased significantly
  - Estimates remain strong
  - Actuals and Reversals impacted
  - Ongoing backlog expected to negatively affect future KPIs
  - Some work (C Aggregation) paused due to complexity and manual calculations.

**Trend:** Blackout has distorted all metrics, so whilst performance appears better due to low volumes, KPIs will be negatively impacted once processing resumes.

**Backlog Update (Appendix 3)** – the backlog support project has a total of 23,013 cases in scope, of which 4,036 cases have been completed and billed, representing 17.54% of the total. Additionally, 4,367 cases have been processed, accounting for 18.98% of the tender. Progress is ongoing across various case types, with the highest completion rate observed in “Leaver – Deferment” cases at 28.07%. However, the blackout period is currently preventing the processing of Aggregation cases, except for certain priority cases.

## **2 Engagement and Systems Team**

### **2.1 Member Engagement (Appendix 4)**

a) Demand remains consistently high across the quarter with:

- Emails: peaked in February (2,073) before a slight dip in March (1,980)
- Calls: stable at c.1,300 per month
- Website visits: steady at around 13,400 to 14,100 per month, with a March peak
- 1:1 visits were minimal (2 across the quarter)
- MyPension Online (MPO) queries averaged around 530 per month, highest in January (586), suggesting continued need for support with digital access.

**Overall:** Engagement levels remain strong and stable, with a continued shift towards digital interaction.

### **2.2 MyPension Online Registrations (Appendix 5)**

- Active members: broadly stable (around 19,200 to 19,900)
- Deferred and Pensioner: show consistent month-on-month growth, indicating improving digital uptake among these groups.

**Overall:** Gradual but positive growth in MPO registrations, particularly among deferred and pensioner members, indicating improving digital engagement.

### **2.3 Data Quality (Appendix 6)**

- Common data: remains strong and slightly improved (98%), exceeding regulatory expectations.
- Scheme specific data: has declined significantly from 97.82% to 83.15%. Due to the McCloud blackout, employers submitting data via iConnect could not load data until after 31 March 2026. Normally, they would have uploaded their submissions by this date. This has resulted in a significant amount of CARE data not being loaded on 31 March 2026. It will take a couple of months to recover the position and for these scores to improve back to the level seen in the last period. In addition, as Annual Allowance has not yet been run, the ‘Pension Input Period’ date is not as expected. This position will recover once the Annual Allowance project has been completed.

**Overall:** While common data quality is stable and high, the drop in scheme specific data requires remediation as detailed above.

2.4 **Webinars and Training Sessions** – since January, the team have delivered 3 scheme member webinars and 3 employer workshops. The team also delivered a ‘Lunchtime with Pensions’ in-person session for KCC scheme members. The event was a great success, and the team are now considering extending this to other locations and employers. The team also provided a workshop at a HR Connect Breakfast briefing, and following excellent feedback, have been invited to the next events in June and November.

2.5 **Year End** - the team is working to an earlier deadline for year-end (31 May instead of 30 June) to allow additional time for McCloud data to be included in the production of Annual Benefit Statements. As at 29 May 2026, 367 returns have been received with 0 outstanding. 90.46% of returns received have been processed.

2.6 **iConnect** – The following employers have onboarded during this reporting period:

01/01/2026	Weald of Kent Grammar School (Academy)
01/01/2026	Edenbridge Academy - PAT
01/01/2026	Halstead Primary Academy - PAT
01/01/2026	Ightham Primary Academy - PAT
01/01/2026	Shoreham Village Academy
01/01/2026	Brompton Westbrook Primary School (Academy) - WBT
01/01/2026	Byron Primary Academy - WBT
01/01/2026	St Margarets Infant Academy - WBT
01/01/2026	Oaklands Primary Acad - WBT

A further 147 employers are due to onboard from 1 April 2026.

### 3 Technical and Training Team

3.1 **McCloud** – the final interface file containing membership data has been received and Officers are currently reviewing and validating the data in preparation for uploading to the administration system. Further training has been provided to more colleagues to assist with the manual calculations. This is causing increased processing times. There has been a ‘blackout’ on certain case types (aggregations and concurrent “combinings”) since February whilst awaiting the final data to be uploaded. The team continue with software testing and are working on processes and procedure notes to assist the operations team once McCloud is implemented.

#### 3.2 **Local Government Pension Scheme in England and Wales: Scheme improvements (access and fairness) regulations laid 1 April 2026:**

- 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 survivors’ pension or to receive a higher survivors’ 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.

- c) The section is now processing the above current cases manually in line with the new regulations. The section has to wait for the software provider (Heywood's) to agree a cost for the calculation changes. They must also ensure agreement from all funds using the system on how fees are spent on the updates to the pension administration system. This process is required but creates a delay between the regulations being laid and the software being updated. Administrators are currently calculating these cases manually to ensure compliance with the new regulations. This leads to longer per case administration time.
- d) Retrospective recalculations are currently being identified. 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.

### 3.3 **Training and Development (Appendix 7)**

- a) External course attendance: 2 colleagues attended a LGA Transfer course.
- b) Following a review of staffing levels and training, a new role of Training and Development Manager has been created to increase the focus on training across the section. The recruitment for this role will be undertaken in May 2026.

## **4 IDRPs, Complaints, Compliments and Comments (Appendix 8)**

- 4.1 Over the three-month period, complaint levels remained low, with a total of 2 formal complaints recorded. These primarily related to disagreements with decisions/policies and service delivery issues involving third-party providers.
- 4.2 Overall, while complaint volumes remain low, the data indicates an ongoing need to improve communication standards and monitor third-party service delivery performance.
- 4.3 One new Stage 1 IDRPs was received relating to an appeal against an employer not awarding an ill health retirement.
- 4.4 Four IDRPs were concluded; two were related to employer Ill Health Retirement appeals. One was referred to Stage 2, and one was referred back to the employer. Two related to the administering authority; both were turned down. One was complaining about the impact of taking redundancy in 2014 now that the McCloud ruling has been made, and one was complaining that MyPension Online did not reflect all contributions paid.

## **5 Overpayment Recovery and Write Off Limits**

- 5.1 There were no pension overpayment write offs for the period.

### **Appendices:**

<b>Appendix One</b>	<b>Operations Team - Communication Updates</b>
<b>Appendix Two</b>	<b>Operations Team - Casework Updates</b>
<b>Appendix Three</b>	<b>Backlog Progress Update</b>
<b>Appendix Four</b>	<b>Engagement and Systems Team – Communications from members</b>
<b>Appendix Five</b>	<b>Engagement and Systems Team – MyPension Online Registrations</b>
<b>Appendix Six</b>	<b>Engagement and Systems Team – Data Quality</b>
<b>Appendix Seven</b>	<b>Technical and Training Team – Training Figures</b>
<b>Appendix Eight</b>	<b>IDRPs, Complaints, Compliments and Comments</b>

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**June 2026**

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## Pensions Administration - Appendices

### Appendix 1 – Member Communications Activity

Member communication			
	Mar-26	Feb-26	Jan-26
Emails triaged	5,180	4,879	4,943
Email correspondence	2,034	2,073	1,764
Calls handled	1,251	11	1,266
Adare returned post	26	44	28

Telephone survey - Voice of the Customer			
	Mar-26	Feb-26	Jan-26
Qualifying calls	1,404	1,308	1,379
Survey tasks created	543	547	385
Survey tasks returned	152	138	133
Positive feedback	96.7	95.6%	98.5%
Queries answered at point of contact	96.7%	92.7%	98.4%
Call backs received	79%	99.3%	100%

#### Comments: Voice of the Customer highlights:

- What an absolute delight dealing with the team. They were so helpful, so happy, nothing was too much trouble. What a credit they are to you.
- Person really helped with my questions and form. She came across very caring and professional.
- The gentleman I spoke with was very lovely and informative.

- Your member of staff was brilliant, she explained everything in detail and easy to follow, answered all my questions to the full.
- Very helpful, made me feel at ease and safe to ask questions. Their time and kindness was really appreciated

## Appendix 2 – Team Performance

Key Performance Indicators						
	Jan-26		Feb-26		Mar-26	
Retirement Team	Completed cases	KPI %	Completed cases	KPI %	Completed cases	KPI %
Active members	108	97.2	83	95.2	93	94.6
Deferred members	140	95.7	189	95.2	214	94.9
Refund notifications	271	62	179	84.9	195	68.2
Refund payments	74	94.6	101	91.1	114	81.6
Opt outs	90	95.6	19	73.7	16	43.8

### Commentary - Retirements

**Jan- Mar Retirements** - Overtime used on occasions which has helped to keep the KPIs at the expected level. This has been especially helpful for checking, where there is slightly less cover.

We have been front ending casework up until PI date, from them we had to postcheck cases and stockpile them on the FUTKPI user until PI had run and we could process again.

**Refunds** - Rota work for the PAs having an impact on the volume of cases that we can process on the team during Feb. Training in March has provided additional resource to help move cases on again.

Gradual increase in the number of refunds processed following increased volumes of defrefs being processed in previous months.

Checking refunds has been harder to resource, so this has dipped slightly. However, all chasers are prioritised and checking volumes in the checking bucket staying consistent.

Key Performance Indicators						
	Jan-26		Feb-26		Mar-26	
Estimate Team	Completed cases	KPI %	Completed cases	KPI %	Completed cases	KPI %
Active members	139	94.2	141	93.6	220	98.6
Deferred members	316	95.9	257	92.6	377	96.3
DB's	201	73.6	261	69	436	89
Divorce - quotes	39	94.9	62	100	46	100
Divorce actual	3	100	0		1	100
Lost pension	58	99.2	68	85.3	105	85.7

### Commentary - Estimates Team

**January** - KPIs in a good position overall. DBs dipped as we have started to focus on reducing the backlog of reply due cases.

**February** - KPIs remain in a good position. Continuing to work on reducing the backlog of reply due DBs.

**March** - All KPIs improved this month, largely due to resource being available from the Agg team. Almost double the amount of DBs processed and good progress on the reply due cases has led to a significant improvement in this area.

Key Performance Indicators	Jan-26		Feb-26		Mar-26	
	Completed cases	KPI %	Completed cases	KPI %	Completed cases	KPI %
<b>Death Team</b>						
Survivors - Def/Pensioner	59	79.7	51	86.3	71	78.9
Survivors - DIS	3	66.7	0		4	100
Initial deaths	161	89.4	113	92	149	89.3
Survivors - estimates	7	100	6	83.3	9	77.8
Death Grant payments	27	100	16	93.8	27	92.6

### Commentary - Death Team

**January** – some of the KPIs dropped due to on team training and annual leave. The KPIs would have been in a worse position if we had not used overtime to alleviate some of the resourcing issues.

**February** – some of our checking resource was given over to other teams for urgent cases that only the death team resource could check. Training took place at all levels so processing and checking was slower initially. Lots of annual leave across the team. We were given resource from the Agg team during blackout which helped keep our KPIs up.

**March** – didn't have much resource on team who could do death in service or death of DBs, Agg team resource helped with this but a chunk of the KPI had already been eaten up while these cases were identified. More annual leave across the team as well as sickness. Recent training meant cases were taking longer to process. Continued to receive resource from the Agg team during blackout otherwise our KPIs would have been worse.

Key Performance Indicators						
	Jan-26		Feb-26		Mar-26	
Transfer/Interfund Team	Completed cases	KPI %	Completed cases	KPI %	Completed cases	KPI %
Interfund In Estimates	0	0	0	0	4	0
Interfund In Actuals	17	29.4	2	0	10	40
Interfund Out Estimates	83	31.3	23	56.5	23	56.5
Interfund Out Actual	35	17.1	11	9.1	19	15.8
Transfer In Estimates	14	35.7	7	71.4	16	62.5
Transfer In Actuals	1	0	3	33.3	5	60
Transfer Out Estimates	81	45.7	32	78.1	34	82.4
Transfer Out Actual	7	28.6	4	50	6	16.7
New Starters	918	43.1	1105	74.2	1921	98.9

### Commentary - Transfer/Interfund team

**January** – An increase of cases were completed this month as training was delivered on multiple subjects and cases were also completed for competency and embedding the knowledge of these subjects.

**February** – T&I had reduced resource from February as a Pension officer moved work teams and no replacement added which had an impact on work completed.

**March** – Due to year end approaching in March, new starters were kept more on top of so that starters were on Altair ready for year end processing. Process improvements for new starters have also started to be implemented to make use of automation and time savings were made which enabled cases to be within KPI and for more cases to be completed.

**\*\*Note-** Interfund In Estimates do not show the completed cases correctly as the KPI reporting has not picked up cases on reply due that we have issued an estimate to member. Workflow to be amended and correct cases should be included for new cases with effect from 20.04.2026\*\*

Key Performance Indicators						
	Jan-26		Feb-26		Mar-26	
Aggregation Team	Completed cases	KPI %	Completed cases	KPI %	Completed cases	KPI %
Aggregation estimates	65	72.3	21	95.2	17	94.1
Aggregation actuals	360	65	181	66.3	6	100
Reversal of auto agg	33	6.1	15	26.7	0	

### Commentary - Aggregation Team

**Jan:** With the start of the agg team there was a push on ERN changes, and Overtime was being used for these as well. This helped us to get into a better position with the KPIs, though still not perfect.

Group training for D Aggregation Quotes was undertaken in January, this cleared us out of D Aggregation quotes, so we are now able to work on these as the cases come in.

**February - April:** An Aggregation blackout came in on 9th February, which means that no aggregation actuals could be processed. Therefore there was a significant drop in cases completed as only the really urgent cases were worked on. The extended duration of this blackout will also have a negative effect on KPIs going forwards as the cases have currently doubled during this time.

Agg blackout does not affect the quotes, so we have continued to work on those.

However as we cleared D Agg Quotes with the group training, we are now completing D Agg quotes as they come in. Case volumes are low so there aren't as many cases being completed, but the KPIs are good. C Agg quotes have currently been on hold due to lack of resource and confidence, as well as the need for manual calcs until McCloud is on.

When we resume these, this will likely have a negative effect on the KPIs - volumes of C Agg Quotes aren't too high, but most are now out of date.

### Appendix 3 – Backlog Progress Update

Case Type	Tender	Processed	Complete - Billed	% processed v tender	% complete v tender
Leaver - Aggregation	7,932	1,422	1,336	17.93%	16.84%
Leaver - Deferment	6,465	1,833	1,815	28.35%	28.07%
Leaver - Refund	2,811	441	390	15.69%	13.87%
Leaver - Concurrency	2,449	302	299	12.33%	12.21%
Interfund in	2,417	295	150	12.21%	6.21%
Interfund out	650	74	46	11.38%	7.08%
Leaver - Opt Out	289	Included in deferment and refund reporting			
<b>Total</b>	<b>23,013</b>	<b>4,367</b>	<b>4,036</b>	<b>18.98%</b>	<b>17.54%</b>

### Appendix 4 – Member engagement

Month	Emails	Calls	1:1 visits	Website Visits	MyPension Online (MPO) registration queries
<b>Jan</b>	1,764	1,294	1	13,848	586
<b>Feb</b>	2,073	1,345	0	13,413	488
<b>Mar</b>	1,980	1,326	1	14,084	517

## Appendix 5 – MyPension Online Registrations

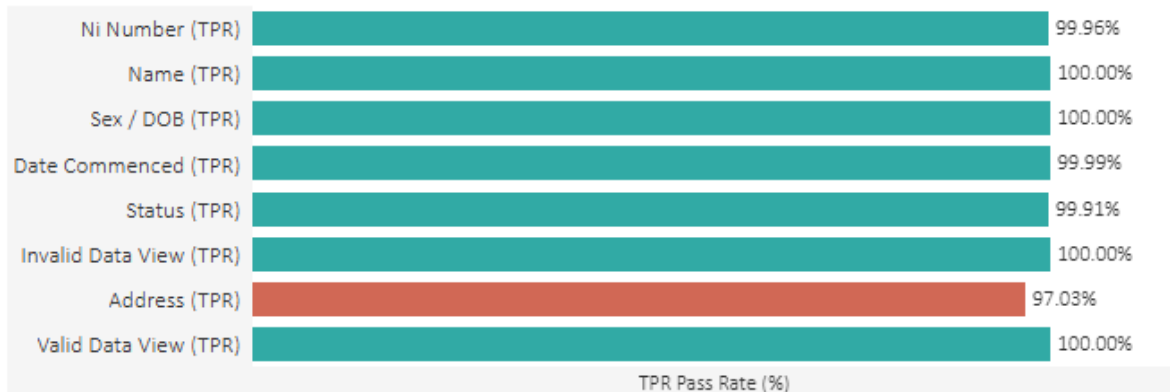
	Unique member records				Employment records		
	Jan	Feb	Mar		Jan	Feb	Mar
<b>Active</b>	19,915	19,207	19,476		20,523	20,867	21,157
<b>Deferred</b>	9,456	9,785	10,072		10,617	10,994	11,322
<b>Pensioner</b>	9,595	9,812	10,131		11,118	11,384	11,776

## Appendix 6 – Data Quality

Data Type	TPR Pass Rate %	
	Oct – Dec	Jan – Mar
Common	97.90	98.00
Scheme Specific	97.82	83.15

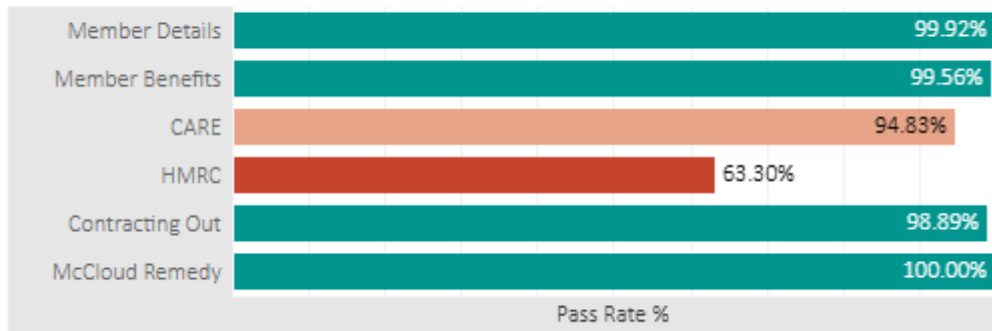
### Common Data:

#### TPR Pass Rate % by Test Category



## Scheme Specific Data:

### Grand Total | TPR Pass Rate % by Test Category



## Appendix 7 – Training and Development

In house training sessions	30
Sessions led by Training Officers	23

## Appendix 8 – Complaints, Compliments and Comments

	Complaints	Comments	Compliments
<b>Jan</b>	0	4 Poor communication	6 3 x good communication 3 x helpful staff
<b>Feb</b>	1 Disagreement with decisions or policies made	3 2 x poor communication 1 x Service Delivery (third party supplier, contracted service provider)	2 Good communication
<b>Mar</b>	1 Service Delivery (third party supplier, contracted service provider)	2 Poor communication	3 Good communication

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To: Pension Fund Committee – 23 June 2026

From: Chair Pension Fund Committee  
Corporate Director - Finance

Subject: Fund Governance

Classification: Unrestricted

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### **Executive Summary:**

This report brings together a number of issues that fall under the broad category of Governance for the whole Fund and some of the key issues for consideration this time are noted below:

- The Fund's budget outturn for 2025/2026 is predicting a net overspend of circa £10m due to higher investment management costs (£12.8m), with underspend in other areas.
- Policy updates are being made to reflect KPF branding. Material changes to policies may be required when regulatory and statutory guidance is released by the government.
- Resourcing challenges continue to be felt in the Pensions Administration section, where a balanced approach to the impact of buddying and support to new starters has been taken.
- External Audit is in progress. Draft Internal Audit opinion on Debt Recovery Management was 'Substantial', with 'Very Good' prospects for improvement identified. No 'high' or 'medium' risk issues were identified in the Internal Audit.

### **The Committee is recommended to:**

- **DELEGATE responsibility to the Head of Pensions & Treasury to lead the selection process for the Independent Person for Pension Fund Committee, in consultation with the Chair of Pension Fund Committee.**
- **NOTE and comment on the report.**

**FOR DECISION**

## 1 Draft Budget Outturn 2025/26

- 1.1 The Fund's outturn has been compared against the budget for 2025/26 in **Appendix One** of this report, these figures are draft and subject to audit and pending any final adjustments identified. The outturn is projecting an increase in costs against budget of £10m due to higher investment management costs (£12.8m), which are both unpredictable but also positively correlated to investment activity and growth and reflect better fund performance. The Fund is however managing operational costs and projecting underspend in other operational areas. The main variances can be explained as follows:
- 1.2 **Administration Staffing** - costs have an underspend due to the budget being set anticipating vacancies being filled, however, where recruitment campaigns have been completed and vacancies filled, some have come from internal candidates which leave backfill vacancies outstanding.
- 1.3 **The Data Rectification project** - this is a multi-year exercise and is progressing, but the invoicing is dependent on progress made. Progress has been impacted by issues relating to system access and ensuring accurate data has been received from employers. It is expected that, to fulfil the contract, activity will increase in 2026/27 and therefore we anticipate an increase in costs next year.
- 1.4 **Actuarial Fees** – these are dependent on activity undertaken throughout the year, this year being a valuation year has added a level of complexity when setting the budget. The estimated cost of the valuation was £55,000 less than the actual spent.
- 1.5 **Investment Consultancy** – the budget was set in line with previous activity; however, this year fund activity has been more focused on pooling. This has impacted the ability to commission budgeted work on Investment Strategy, Responsible Investment & Risk Management which has seen a reduction in costs.
- 1.6 **Pooling (selection and joining) advice** – Due to the Government consultation and need to move swiftly an estimate of the support needed was made in the budget. However, actual costs associated with pooling advice incurred are significantly lower than anticipated as the Fund has worked collaboratively with other funds when seeking advice, which helped us manage the costs.
- 1.7 **Governance Staffing** - costs appear to be higher than the estimate, however this includes a reorganisation of staff and includes some costs that were originally accounted for in Administration section.
- 1.8 **KCC Overheads Recharges** – costs are higher as cost for treasury services for the pension fund were higher than budgeted as the cost is dependent on the cash balances of the Pension Fund account which was higher than anticipated.

- 1.9 **Pooling Costs** – ACCESS pool costs incurred were considerably lower than budgeted as the focus of the pool shifted from building a pool company to facilitating an orderly wind down. Some initial costs of Border to Coast pool have been included in this item.
- 1.10 **Fund Manager Fees** - have increased significantly when compared to the budget due to fund values growing at a quicker pace than forecast, especially in the equities asset class. As fees are paid on the value of asset under management, this has led to an increase in fees.
- 1.11 **Transaction costs** - are always impossible to accurately estimate as they relate to individual transactions and transitions undertaken by investment managers in response to evolving market conditions, and these cannot be known when setting the budget, hence an average is estimated. The higher level of costs in 2025-26 relate to two property purchases that took place in December to increase property allocation to strategic target. In addition, due to the transition to Border to Coast it is likely there will be higher than average transaction costs over the next year or two, however officers are working with Border to Coast to ensure these are managed.

## 2 **Legislation Update**

The Pensions Bill is now the Pensions Schemes Act which paves the way for the government to make regulations for the LGPS. On 21 May 2026, the government published its response to the technical consultation on the regulatory aspects of the Fit for the Future reforms. The governments responses can be found here:

<https://www.gov.uk/government/consultations/local-government-pension-scheme-in-england-and-wales-fit-for-the-future-technical-consultation/outcome/technical-consultation-summary-of-responses-and-government-response#local-government-pension-scheme-amendment-governance-regulations-2026>

- 2.1 ‘The LGPS (Pooling, Management and Investment of Funds) Regulations 2026’ and ‘The LGPS (Amendment) (Governance) Regulations 2026’ were laid in Parliament on 21 May and will come into force on 30 June 2026. Officers are awaiting the finalised statutory guidance, which will provide the detail to support the interpretation of the legislation, but this is expected before 30 June 2026.
- 2.2 The government’s response highlights the following key milestones:
- a fund’s assets must be under pool management within three months of their first participation in the pool, subject to such further transitional periods as the asset pool company may agree on a case-by-case basis where it is not reasonably practicable to have assets under pool management within the three-month deadline

- where an administering authority is moving asset pools, they will be exempt from the requirement to participate only in one pool for a period of three months
- where an administering authority is participating in their old pool solely for the purpose of winding down that pool, they will be exempt from the requirement to participate only in one pool until the wind-down process is complete
- administering authorities must appoint an LGPS Senior Officer and an Independent Person within six months of the regulations coming into force (i.e. by 31 December 2026)
- the first investment strategy statement (ISS) under the new requirements must be published by 31 March 2027.

2.3 Recent changes in pension administration legislation are outlined in the Pensions Administration paper.

### **3 Governance Review Checklist (Checklist provided by Barnett Waddingham in March 2026)**

3.1 Members will recall at the last meeting, Alison Murray from Barnett Waddingham presented an assessment of the work needed to comply with the proposed regulatory changes to the governance of the LGPS. As noted above the regulations have now been laid before Parliament and will come into force on 30 June 2026.

3.2 Whilst statutory guidance is still missing, this now means the Fund can start to progress those items set out by Barnett Waddingham in their report. The checklist is attached at **Appendix Two**, with notes on any progress made. It is worth noting that a lot of the items need the statutory guidance before substantive progress is made.

3.3 One of the items on the Checklist refers to the appointment of an Independent Person for Pension Fund Committee. The background to this role is set out in the Barnett Waddingham report presented at the last meeting, and the key points from the draft statutory guidance are set out in the following paragraphs.

#### **Independent Person**

#### **3.4 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.

It also 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

3.5 Furthermore, it is understood the revised guidance, when issued, is likely to say the Independent Person may be an individual or a firm, subject to there being a named individual at the firm who can be supported by other experts at that firm.

3.6 Given all 86 LGPS Administering Authorities will need to make appointments, the Fund is keen to ensure that we make early progress on this, with only a handful of Funds having already started their recruitment. It is therefore recommended that the Committee delegates responsibility to the Head of Pensions and Treasury, in consultation with the Chair to devise the process for appointment, and progress promptly once the final guidance is issued. It is hoped that an appointment could be made ahead of the next meeting of the Committee in September 2026, and that the outcome of the process can be reported.

#### **4 Policy updates**

4.1 Work on the Fund's policies has been undertaken as follows. As these changes are not material and are mainly branding updates to ensure consistency on the KPF website, they are not being taken to Committee for approval. However, in due course, the policies will be reviewed in light of the new legislation framework and statutory guidance and any material changes to the policies will be brought to Committee for approval.

<b>Policy</b>	<b>Developments since March 2026</b>	<b>Next steps</b>
Funding Strategy Statement	Approved by Committee in March 2026 and published on Fund website on 1 April replacing the older version.	Next due for review in March 2029
Investment Strategy Statement	Guidance delayed.	See Investments paper being taken to PFC September 2026.
Governance Policy & Compliance Statement	Guidance delayed.	Full review required when guidance released.
Responsible Investment Policy		Next due for review June 2027 but may review before then due to move to BCPP
Communication Policy	Approved by Committee in March 2026. Has replaced older version on KPF website.	Next due for review in March 2029
Administration Strategy	Work in progress: application of KPF branding. Guidance delayed.	Full review required when guidance released.
Conflict of Interest Policy	Work in progress: application of KPF branding. Guidance delayed.	Full review required when guidance released.
Breaches of Law Policy	Work in progress: application of KPF branding. Minor updates re. contact details of KCC's new S.151 Officer and Monitoring Officer. Guidance and regs delayed.	Full review required when guidance released.
Discretions Policy	Work in progress: application of KPF branding. Guidance delayed.	Full review required when guidance released.
Abatements Policy	Work in progress: application of KPF branding. Reviewed, no material content changes.	Latest version to be added to KPF website.
Training Strategy	Work in progress: application of KPF branding. Guidance delayed.	Full review required when guidance released.
Data Quality Policy	Approved by Committee in March 2026. Has replaced older version on KPF website.	Next due for review in March 2029
Data Matching and Criteria Policy	Approved by Committee in March 2026. Not put on KPF website due to security concerns.	Next due for review in March 2029
Cyber Security Policy &		Regularly reviewed and

Incident Response Plan (Not on KPF website due to security concerns)		updated to ensure contact details are correct.
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## 5 Officer Resourcing

### 5.1 Resourcing updates since March 2026, across the Fund:

	Total	Details
Leavers	4	1 x end of secondment (Governance & Projects) 1 x resignation (Pensions Admin) 1 x retirement (Pensions Admin) 1 x sabbatical (Investments)
New starters (external)	2	1 x Pension Fund & Investments Officer (secondment) 1 x return of colleague to KPF
Recruitment campaigns in progress	3	3 x Pensions Assistants (due to internal promotions) Pensions Training Officer (due to internal promotion) Engagement & Systems Senior Officer (due to retirement)
New roles currently being considered to help meet business demand (currently being grade evaluated by KCC's HR Team)	2	Business Support Assistant LGR Programme Manager

### 5.2 Recruitment Update for Fund (appointments):

Position	Team	Start Date	Number	External/Internal
Pensions Assistant	Operations	05/01/2026	1	External (6-month fixed term contract)
Deputy Team Manager	Engagement & Systems	01/01/2026	1	Secondment made permanent
Pensions Assistant Training Officer	Technical & Training	01/02/2026	1	Acting up secondment
Deputy Team Manager	Operations	01/03/2026 01/04/2026	1 1	Secondment made permanent
Pensions Administrator	Operations	01/03/2026 01/06/2026	1 2	Acting up secondment
Senior Pensions Administrator	Operations	01/04/2026	5	Internal promotion
Lead Manager	Technical & Training	01/07/2026	1	Acting up made permanent
Technical & Training	Technical &	06/07/2026	1	Return of ex KPF

Consultant	Training			colleague
Pension Fund Accounts and Investment Officer	Treasury & Investments	01/04/2026	1	Acting up secondment
Pension Fund & Investments Officer (secondment)	Treasury & Investments	1/6/2026	1	External
Training & Development Manager	Technical & Training	TBC	1	Internal promotion

5.3 Current Vacancies across the Fund, not currently being advertised, in order to balance business needs with buddy support:

Position	Team	Quantity
Team Manager	Operations	1
Pensions Administrator	Operations	7
Pensions Officer	Operations	3
Pensions Assistant	Engagement & Systems	3
Engagement & Systems Officer	Engagement & Systems	1

5.4 A number of appointments and role changes have taken place across pensions admin so far in 2026. Overall, the changes reported demonstrate a strong focus on internal development and career progression, supported by selective external recruitment and the retention or return of experienced staff.

5.5 Please see the latest structure charts (last updated April 2026) on the Member portal, including where vacancies held.

## 6 Audits

6.1 **External Audit** - Work has progressed on the 2025/26 External Audit of Accounts. Officers have been providing the auditors with requested information/evidence. The 2025/26 Annual Report and Accounts along with the audit findings will be shared in September.

6.2 **Internal Audit** - An Internal Audit on debt recovery has been completed and a draft report has been provided. Copies have been sent to the Chairs and Vice Chairs of the Pension Board and Pension Fund Committee. Internal Audit reviewed KPF's processes for identifying, monitoring and recovering pension overpayments, including compliance with policy and effectiveness of controls. The internal audit included testing of overpayments, write offs, reporting, and governance arrangements, alongside benchmarking with other LGPS funds. A 'Substantial' audit opinion was given, with 'Very Good' prospects for improvement identified. No 'high' or 'medium' risk issues were identified. Two 'low risk' improvement areas were recommended which are being considered by Officers:

- Introduce formal review schedule and ownership for procedures (target September 2026)
- Enhance reporting to include recoveries and write offs (target December 2026)

## **7 Conclusion**

7.1 Further updates to be provided to the Committee in due course.

### **Appendices:**

**Appendix One: Draft Budget Outturn 2025/26**

**Appendix Two: Governance Review Checklist updates**

**Emma Green, Governance and Projects team, Senior Governance and Programme Manager  
(Kent Pension Fund)**

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**Date: June 2026**

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## Kent Pension Fund Budget Outturn 2025-26

	2025-26 Budget	2025-26 Outturn	(Overspend)/Underspend
Administration Staff	3,455,327	3,381,535	73,792
IT Expenses	1,169,853	1,173,458	(3,605)
Data Rectification Project	2,011,996	1,020,316	991,680
Pension Payroll Services	270,442	282,971	(12,529)
Printing and Mailing costs	200,000	165,165	34,835
Administration Other	84,886	144,739	(59,853)
<b>Administration Expenses</b>	<b>7,192,504</b>	<b>6,168,184</b>	<b>1,024,320</b>
Audit Fee	121,429	129,654	(8,225)
<b>Audit Fee</b>	<b>121,429</b>	<b>129,654</b>	<b>(8,225)</b>
Actuarial Fee	471,260	524,504	(53,244)
Direct Recovery of actuary, legal fees and admin costs	-327,397	-303,822	(23,575)
Investment Consultancy	261,967	188,225	73,742
Legal Fees	69,776	63,977	5,799
Governance Consultancy	15,000	10,980	4,020
Cyber Security	2,000	0	2,000
Performance Measurement Fees	44,998	48,506	(3,508)
Pooling Advice	2,000,000	75,000	1,925,000
<b>External Advice</b>	<b>2,537,604</b>	<b>607,370</b>	<b>1,930,234</b>
Governance Staff	1,081,839	1,156,758	(74,919)
Governance Other	108,146	99,164	8,982
KCC Overheads Recharges	607,338	655,906	(48,568)
<b>Governance and Oversight Expenses</b>	<b>1,797,323</b>	<b>1,911,828</b>	<b>(114,505)</b>
Pooling Costs	302,492	179,192	123,300
Fund Manager Fees	31,145,722	33,520,397	(2,374,675)
Custody	47,358	41,817	5,541
Transaction Costs	2,707,788	13,300,932	(10,593,144)
<b>Investment Management Costs</b>	<b>34,203,360</b>	<b>47,042,338</b>	<b>(12,838,978)</b>
<b>Total</b>	<b>45,852,220</b>	<b>55,859,374</b>	<b>(10,007,154)</b>

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<b>Subject area</b>	<b>Action required</b>	<b>Developments since March 2026</b>
1: 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	Awaiting finalisation of guidance
	1b Wait and see if the new Governance Strategy will replace the current Governance Compliance Statement for the 2025/26 report and accounts	Awaiting finalisation of guidance
2. 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	Awaiting finalisation of guidance Officers meeting with KCC's Legal and Democratic Services in July 2026 to discuss.
3: 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	Awaiting finalisation of guidance. Discussions with S.151, KCC HR, Legal and Democratic Services ongoing.
	3b Review the Constitution, Scheme of delegation and Pension Fund Committee's Terms of Reference to allow for the role	Awaiting finalisation of guidance. Discussions with S.151, KCC HR, Legal and Democratic Services ongoing.
	3c Review any sub-scheme of delegation to allow for the role	Awaiting finalisation of guidance. Discussions with S.151, KCC HR, Legal and Democratic Services ongoing.
	3d Ensure the senior LGPS officer represents the Fund on any officer working group of Border to Coast Pensions Partnership	Awaiting finalisation of guidance. Discussions with S.151, KCC HR, Legal and Democratic Services ongoing.
	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.	Awaiting finalisation of guidance. Discussions with S.151, KCC HR, Legal and Democratic Services ongoing.
	3f Consider the appropriate level of remuneration	Awaiting finalisation of guidance. Discussions with S.151, KCC HR, Legal and Democratic Services ongoing.
	3g Appoint to the new role within 6 months of the regulations coming into force	Awaiting finalisation of guidance. Discussions with S.151, KCC HR, Legal and Democratic Services ongoing.
4: Independent	4a Review the Constitution and Pension Fund Committee's Terms of Reference to	Awaiting finalisation of guidance.

Person	allow for the role - noting the current expectation that it is a non-voting committee member	Recommendation put in Committee paper June 2026.
	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	Awaiting finalisation of guidance. Recommendation put in Committee paper June 2026.
	4c Consider what the appointment process will be, and consider starting the recruitment process early to navigate HR processes	Awaiting finalisation of guidance. Recommendation put in Committee paper June 2026.
	4d Consider the appropriate level of remuneration	Awaiting finalisation of guidance. Recommendation put in Committee paper June 2026.
	4e Appoint to the new role within 6 months of the regulations coming into force	Awaiting finalisation of guidance. Recommendation put in Committee paper June 2026.
5: 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	Awaiting finalisation of guidance
	5b Encourage Committee and Board members to feed in thoughts on the existing approach	Awaiting finalisation of guidance
	5c The senior LGPS officer should ensure training logs are reviewed regularly and identify any non-compliance	Awaiting finalisation of guidance
	5d Put the new training strategy on the agenda for the Pensions Board and Pensions Committee March meetings	Awaiting finalisation of guidance
	5e Review and amend the Board and Committee's terms of reference to reflect the new knowledge and understanding requirements	Awaiting finalisation of guidance
6: Independent Governance Reviews	6a Consider the previous governance review and if any additional actions should be carried out before the Independent Governance Review	Awaiting finalisation of guidance
	6b Decide who will carry out the independent governance review	Awaiting finalisation of guidance
	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	Awaiting finalisation of guidance
	6d Decide when the first independent governance review will be carried out before 31 March 2028	Awaiting finalisation of guidance
	6e Consider when the subsequent IGRs will be carried out	Awaiting finalisation of guidance

	6f Consider if Kent County Council want to enter the LGPS peer support process (this is not just for funds which require active support)	Awaiting finalisation of guidance
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To: Pension Fund Committee – 23 June 2026  
From: Chair - Pension Fund Committee  
Corporate Director - Finance  
Subject: Employer Governance Matters  
Classification: Unrestricted

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**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 completed Funding Strategy Statement.

Summary of key employer governance statistics and employer activity:

- The total number of employers in the Fund has increased from 465 to 469 over the quarter to 31 March 2026.
- Contribution income for this quarter totalled £89.9m.
- The Fund received an average of 99.6% of contributions measured by value and an average of 96.6% of contributions measured by employer on time during this quarter.
- A number of new admissions and exiting employer arrangements have been agreed by the Head of Pensions and Treasury as routinely reported to the Board and Committee, detailed in Appendix One issued on the Member Portal.

**Recommendation:**

The Committee is recommended to note the report.

**FOR INFORMATION**

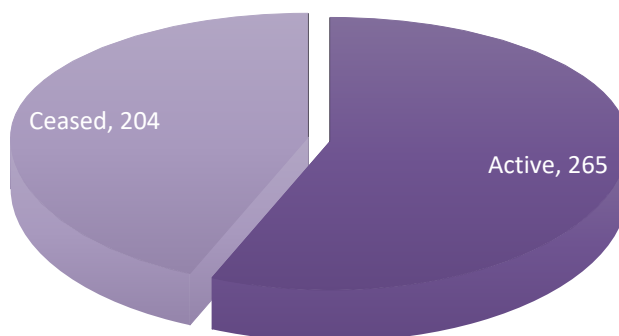
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**1 Employer update for the 3 months to 31 March 2026**

- 1.1 On 31 December 2025 there were 465 employers in the Fund. This number increased by 4 overall since then to 469 employers in the Fund on 31 March 2026.

1.2 During this period, 5 admitted bodies and 1 resolution body legally joined the Fund as active employers<sup>1</sup>. 9 employers ceased as active employers<sup>2</sup> (which does not affect the total number), 1 academy merged with another trust and 1 active employer was reclassified.

### Split of Employers between Active and Ceased



Type	New Employers	Effective Date
<b>Resolution Body</b>	Bekesbourne with Patrixbourne Parish Council	1 March 2026
<b>Admitted Body</b>	Principal Catering Consultants Ltd (re Turner Schools Trust formerly Inspira Academy Trust)	14 January 2026 (backdated to 01 April 2021)
<b>Admitted Body</b>	Principal Catering Consultants Ltd (re Aquila, The Diocese of Canterbury Academies Trust)	7 January 2026 (backdated to 01 September 2020)
<b>Admitted Body</b>	Sota Solutions Ltd (re Coastal Academies Trust)	25 February 2026 (backdated to 01 October 2025)
<b>Admitted Body</b>	Cucina Restaurants Ltd (re Leigh Academies Trust)	25 February 2026 (backdated to 01 March 2026)
<b>Admitted Body</b>	Ch & Co Catering Group Ltd (re Endeavour Multi Academy Trust)	4 February 2026 (backdated to 01 August 2024)

Type	Ceased Employers	Effective Date
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<sup>1</sup> 'Pending' to 'Active' on Fund database.

<sup>2</sup> 'Active' to 'Ceased' on Fund database.

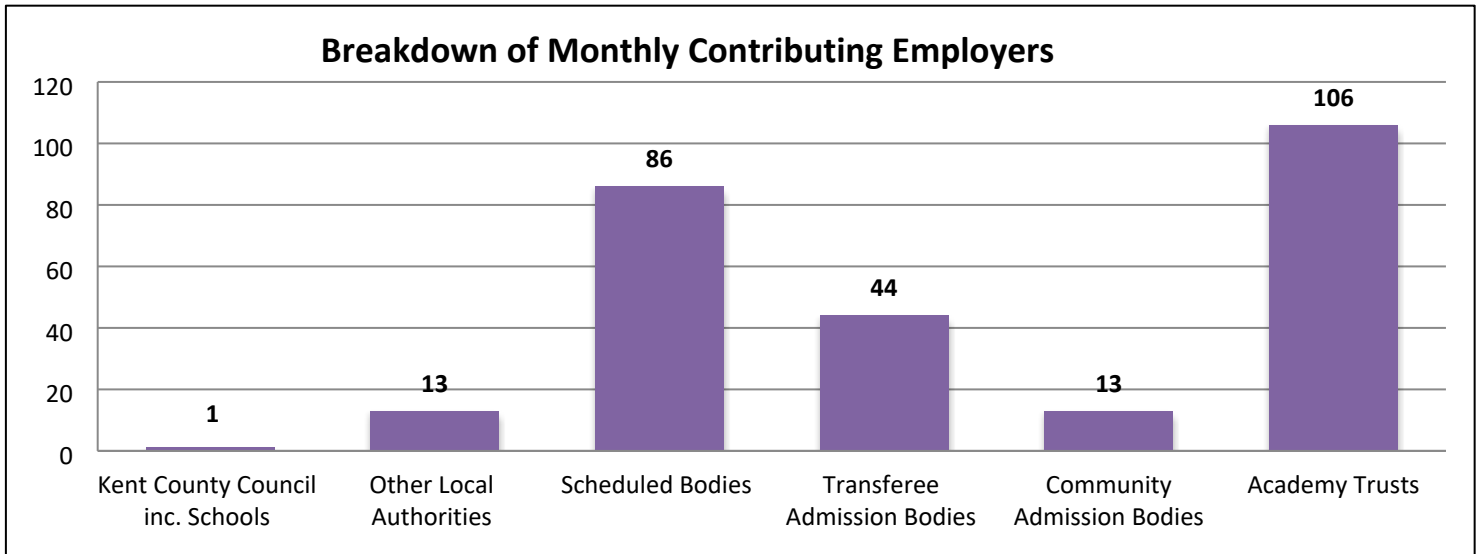
<b>Admitted Body</b>	Wealden Leisure Ltd t/a Freedom Leisure Ltd	31 March 2026
<b>Admitted Body</b>	Principal Catering Consultants Ltd (re Turner Schools Trust formerly Inspira Academy Trust)	31 July 2024 (joined Fund on a backdated basis and contract had subsequently ended)
<b>Admitted Body</b>	Principal Catering Consultants Ltd (re Aquila, The Diocese of Canterbury Academies Trust)	31 July 2024 (joined Fund on a backdated basis and contract had subsequently ended)
<b>Admitted Body</b>	Principal Catering Consultants Ltd (re Kent County Council Schools)	31 July 2024 (joined Fund on a backdated basis and contract had subsequently ended)
<b>Admitted Body</b>	Pabulum Ltd (re Tenterden Schools Trust)	31 July 2025 (cessation completed 2 February 2026)
<b>Admitted Body</b>	Medway Community Healthcare CIC (re Balfour Centre)	31 March 2026
<b>Admitted Body</b>	Compass Contract Services UK Ltd (re The Stour Academy Trust)	31 July 2025 (cessation still in progress awaiting payment of deficit)
<b>Admitted Body</b>	Cater Link Ltd (re EKC Schools Trust, Briary Primary School)	18 April 2025 (cessation completed 22 April 2026)
<b>Admitted Body</b>	Agilisys Ltd	31 March 2026

1.3 In quarter 4 the Fund received £89.9m in respect of monthly contributions (employer and employee) as follows:

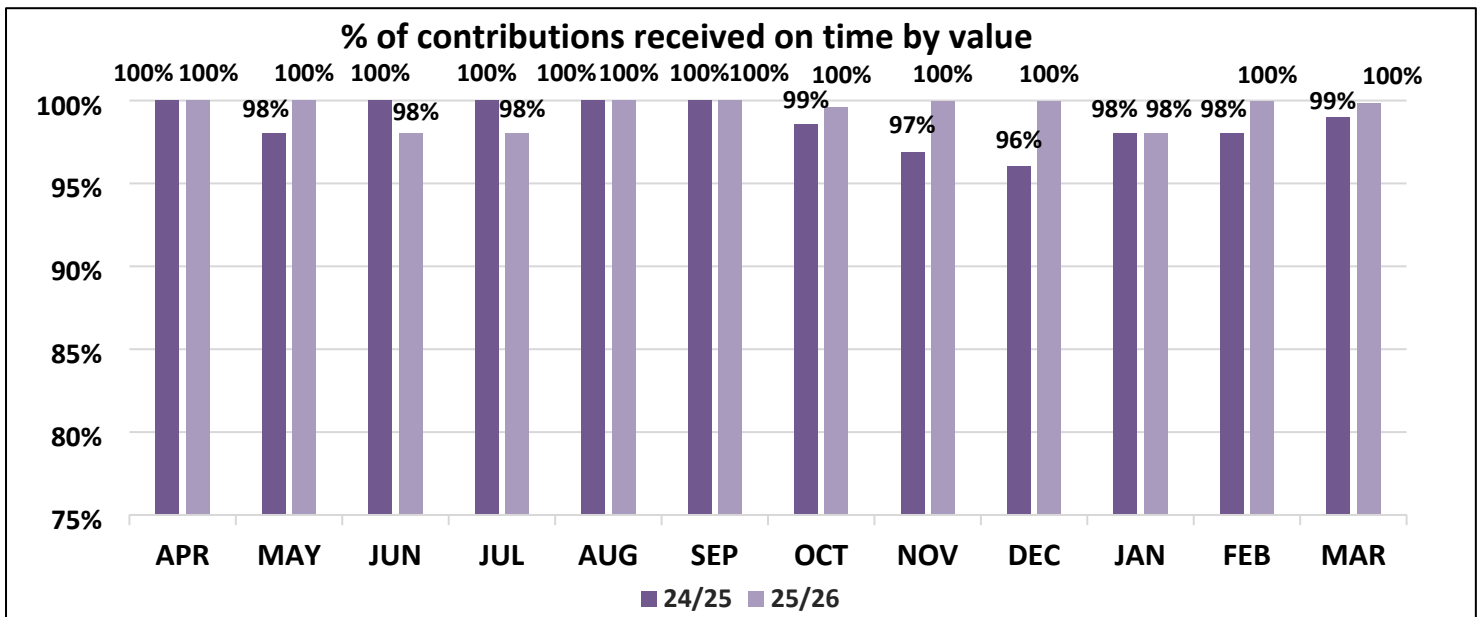
	<b>Received Early</b>	<b>Received on 19<sup>th</sup></b>	<b>Received Late</b>	<b>Total</b>
	£	£	£	£
<b>January</b>	18,624,380.43	10,690,240.88	602,730.67	29,917,352
<b>February</b>	19,363,911.35	10,699,891.41	21,800.65	30,085,603
<b>March</b>	18,210,968.51	11,652,913.36	47,188.15	29,911,070

1.4 The £89.9m compares with contributions received for quarter 4 of 2024/25 of £84.8m as employer and employee membership will have changed and some employers have a stepped increase in their employer contributions.

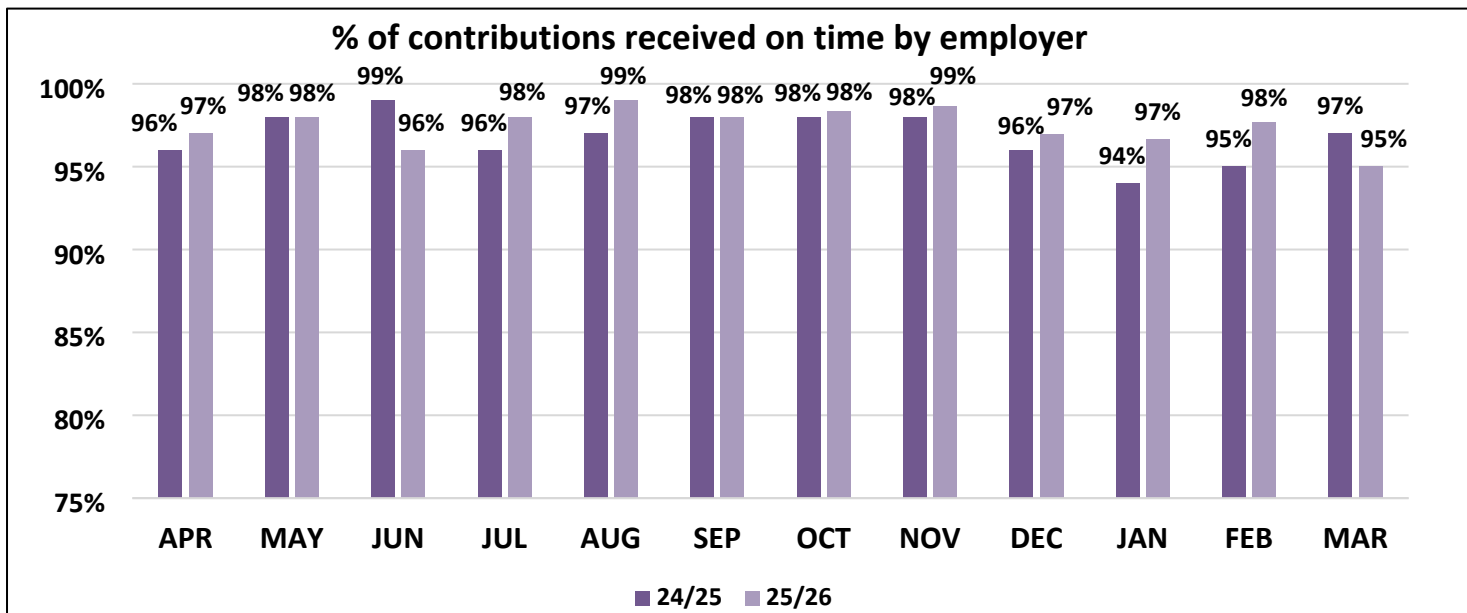
1.5 The following chart shows employers from whom the Fund receives monthly contributions by Employer Group. We note that two employers are not included, as they contribute annually.



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 Triennial valuation update

- 2.1 The draft final valuation report was shared with the Committee at their March meeting. The final valuation report including its Rates and Adjustment Certificate as certified by Barnett Waddingham has been published on the [Fund's website](#)
- 2.2 All Fund employers have been notified of their individual valuation results or otherwise the results of their LGPS funding pool.
- 2.3 The next triennial valuation is due for 31 March 2028, with resultant employer contributions effective from 1 April 2029 to 31 March 2032.

## 3 Funding Strategy Statement (FSS) update

- 3.1 Further to a consultation with Fund employers and other interested parties, the Fund's proposed FSS was agreed by Committee at their meeting on 26 March 2026.
- 3.2 The FSS has been published on the [Fund's website](#), all employers and other interested parties informed by email and the Consultation Report has been published on the ['Let's Talk Kent' consultation platform](#)
- 3.3 The next FSS review and associated consultation is due in 2028/29 following the 31 March 2028 triennial valuation, although an earlier review and consultation is possible should the Fund wish to do so, for example as a consequence of the Government's New Fair Deal or Local Government Re-Organisation.

## 4 Employer admission and associated matters

- 4.1 New employer admission cases and associated matters were agreed by Nick Buckland under Committee's delegated authority as detailed in Appendix One issued on the Member Portal.

## Appendix:

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

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**29 May 2026**

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