



AGENDA
PENSION BOARD

Thursday, 4th June, 2026, at 10.00 am
Council Chamber, Sessions House, County Hall,
Maidstone

Ask for: **James Clapson**
Telephone **03000 417 387**

Membership

Scheme Employer Representatives (4)

Kent County Council	Mr P Chamberlain and Mr M Fraser Moat
District/Medway Council	Cllr R Carnac
Police/Fire & Rescue	Mr B Fullbrook

Scheme Member Representatives (4)

Active Scheme Member Representative	Ms K King, Kent County Council
Active Scheme Member Representative	Mr J Parsons, Medway Council (Vice-Chair)
Pensioner Representatives	Mrs A Mings and Mr G Ward
Independent Member (1)	Mr M Trebilcock

UNRESTRICTED ITEMS

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

1. Election of Chair
2. Apologies and Substitutes
3. Declarations of Interest by Board members on items on the agenda for this meeting
4. Minutes of the meeting held on 31 March 2026 (Pages 1 - 8)

5. Date of next meeting

The next meeting of the board will be held on 3 September 2026, commencing at 10.00 am

6. Pension Fund Committee Verbal Update

7. Pensions Administration (Pages 9 - 24)

8. Investments Update (Pages 25 - 48)

9. Fund Governance (Pages 49 - 58)

10. Employer Governance Matters (Pages 59 - 68)

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 Updates (Pages 69 - 72)

12. Local Government Re-organisation (Pages 73 - 80)

13. Risk Register (Pages 81 - 124)

Benjamin Watts
Deputy Chief Executive
03000 416814

Wednesday, 27 May 2026

KENT COUNTY COUNCIL

PENSION BOARD

MINUTES of a meeting of the Pension Board held in the Council Chamber, Sessions House, County Hall, Maidstone on Tuesday, 31 March 2026.

PRESENT: Cllr R Carnac, Mr P Chamberlain, Mr B Fullbrook, Mr M Fraser Moat, Mrs A Mings, Mr J Parsons and Mr M Trebilcock

ALSO PRESENT: Mrs Emberson (Chair of the Pension Fund Committee)

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 Clapson (Democratic Services Officer).

UNRESTRICTED ITEMS

30. Election of Chair for the Meeting

(Item 1)

RESOLVED that Mr Parsons be elected Chair for the meeting.

31. Apologies and Substitutes

(Item 2)

Apologies were received from Mr Ward and Ms King.

32. Declarations of Interest by Board members on items on the agenda for this meeting

(Item 3)

There were no declarations of interest.

33. Minutes of the meeting held on 25 November 2026

(Item 4)

RESOLVED that the minutes of the meeting held on 25 November 2026 be signed by the Chair as a correct record.

34. Date of next meeting

(Item 5)

It was noted that the next meeting of the Board would be held on 4 June 2026.

35. Pension Fund Committee Update

(Item 6)

1. Mr Buckland introduced the item and covered the following points:
 - a. Mr Buckland and Mrs Emberson (Committee Chair) attended the last ACCESS Joint Committee meeting on 23 March and then attended a Borders to Coast Pension Partnership (BCPP) meeting the following day as guests.
 - b. A significant amount of work had been undertaken to meet the Government's asset pooling deadline. The Fund would officially join BCPP on 1 April.
 - c. At the last meeting, the Committee considered a number of items, including:
 - i. The actuary actuarial valuation, which would be formally signed off by the 1 April deadline.
 - ii. A presentation from Barnett Waddingham on its governance review of the Fund.
 - iii. The impact of local government reorganisation (LGR) on the administration of the Fund.
2. RESOLVED to note the verbal update.

36. Pensions Administration (Item 7)

1. Mrs Chambers introduced the report for the period from 1 October 2025 to 31 December 2025.
2. During consideration of the item the following points were discussed:
 - a. Overall performance was good, and there had been a major reduction in incomplete casework.
 - b. There would continue to be a focus on training and recruitment.
 - c. The McCloud blackout period would pause certain casework (such as aggregations and concurrent combinings), and create a backlog of cases. It was expected that the blackout could cease at the end of April, and a team would be assigned to work through the backlog and prioritise urgent cases such as members who retired or transferred out of the scheme.
3. RESOLVED to note the report.

37. Investments Update (Item 8)

1. Mr Steensel provided the update that looked at the Fund's performance up to 31 January 2026. He advised that the asset allocation of fixed income was

currently outside of the parameters of the investment strategy however rebalancing was not recommended due to the uncertainty generated from the imminent transition to BCPP.

2. The following points arose from Members' comments and questions:
 - a. In June the Committee would consider the draft strategic asset allocation and Investment Strategy Statement (ISS), which would then go for consultation with stakeholders. Following the consultation, the Committee would be asked to approve the ISS at its September meeting in preparation for publication by the 30 September 2026 deadline.
 - b. Due to delays in the Pension's Bill's passage through parliament, no finalised guidance had been issued regarding the ISS, therefore administering authorities were likely to publish simple, high-level ISSs to reduce the chance non-compliance with the bill when it became law.
 - c. The Bill was expected to require a commitment to greater UK investment.
 - d. The approach taken by the Fund was consistent with that taken by other LGPS funds.
 - e. The Board would be engaged and have oversight throughout the review period.
3. RESOLVED to note the report.

38. Members Training Update

(Item 9)

1. Mrs Green introduced the update during which she covered the following points:
 - a. The knowledge assessment was undertaken during the summer of 2025 and was hosted by Hymans Robertson.
 - b. Following the assessment, training had been provided on the two lowest scoring areas.
 - c. The 2026 training plan would prioritise the lowest scoring areas.
 - d. The regulatory changes impacting the LGPS that were expected in 2026 would outline the statutory requirements for member training.
 - e. The Pensions Regulator's e-learning Toolkit was available to all Committee and Board members. All members were expected to complete the induction material and the Toolkit within 6 months of joining the Board or Committee.
2. RESOLVED to note the update.

39. Governance Review by Barnett Waddingham

(Item 10)

1. Mr Buckland introduced the item that was intended to provide an indication of how well prepared the Fund was for the Government's Fit for the Future review proposals of the LGPS.
2. Ms Murray (Barnett Waddingham) provided a presentation detailing the findings of the governance review, which included a list of recommendations

that were agreed by the Committee when it last met. 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 and preparation 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.
3. The following points arose during consideration of the item:
- a. It was unsatisfactory that the publication of guidance had been delayed but the implementation date of the legislation had remained unchanged.
 - b. The Independent Person position would be a paid position that was funded through the Pension Fund. It might be advantageous if an organisation could be appointed to the post, however this would be determined when the guidance was released.
4. RESOLVED to note the findings of the review.

40. Employer Governance Matters

(Item 11)

1. Mr Tagg introduced the report that provided an update on Fund employers' governance and administration matters for the period 1 October 2025 to 31 December 2025.
2. During consideration of the item, the following points were discussed:
 - a. The triennial valuation had been completed and signed 30 March 2026. It would be published on the website on 1 April 2026.
 - b. There had been some negotiation with employers regarding contribution rates. This dialogue had led to the rates being reduced in some cases.
 - c. The process had involved a significant communication exercise with employers and thanks were offered to the team for their effort in successfully completing the valuation.
3. RESOLVED to note the report.

41. Fund Governance

(Item 12)

1. Mrs Green introduced the item and covered the following points:
 - a. The business plan had been updated and now included actions relating to local government re-organisation (LGR), investment pooling, the pensions dashboard and regulatory changes.

- b. There was a broad range of regulatory changes that would impact the Fund however, full guidance had not yet been released.
 - c. Mr Trebilcock had been appointed as an Independent Member of the Board, following the successful completion of a competitive selection process.
 - d. The Board welcomed Mr Trebilcock, who would be considered for the role of Chair at the next Board meeting.
2. RESOLVED to note the paper including the Fund's updated:
 - a. Business Plan and budget for 2026/27 to 2028/29.
 - b. Data Quality Policy
 - c. Data Matching Criteria and Policy
 - d. Communications Policy

42. Funding Strategy Statement

(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:
 - 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 8 years. This was previously set at 20 years but amended to 8 years following responses received to the consultation.
2. RESOLVED to note the report, including the updated Funding Strategy Statement at Appendix One and the Consultation Report at Appendix Two.

43. Projects Update

(Item 14)

1. Mrs Green introduced the report and highlighted the progress that had been made on all the key projects being undertaken across the Fund. The following points were covered:
 - a. Planning work was underway to procure a new pensions administration system in 2028. Early preparation was important to ensure a successful transfer.
 - b. The Fund was ready for the national go-live of the Pensions Dashboard however, no announcement had yet been made by Ministers about when the notice period would begin.
 - c. A new system had streamlined month end financial reconciliations, and this had made them less susceptible to human error.
2. RESOLVED to note the report.

44. Local Government Re-organisation Paper

(Item 15)

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

- a. LGR was planned to take place in 2028 for Kent and Medway. The Government was expected to announce which option would be progressed before its summer recess on 16 July.
 - b. Without pre-judging the Government's decision, Officers have begun to think about how the Fund would continue to be administered, and how to ensure its members did not notice a difference in the service they received.
 - c. In February the Committee had an away day during which they heard about how the Fund could be administered if LGR progressed to create more than one unitary authority.
 - d. The Fund could be administered by one of the new unitary authorities, or a single purpose pensions authority could be set up if there was to be more than one unitary authority for Kent and Medway.
 - e. Officers have had early discussions with representatives from the Kent Council Chief Executives Group to incorporate consideration of the Fund into the planning for LGR.
2. During consideration of the item, the following points were discussed:
 - a. LGR would impact every asset pool as many of the existing funds may not continue exist in their current form. The Fund's agreements and contracts with BCPP were written to ensure that they could easily be transferred to any new administering organisation that arose from the LGR process.
 - b. Officers had talked to colleagues in areas that had already gone through LGR to see what lessons could be learnt.
 - c. Staff changes on vesting day would generate a large amount of administrative work for the Fund. This would need to be carefully managed and resourced appropriately.
 3. RESOLVED to note:
 - a. The information provided in this report on the impact of Local Government Reorganisation on the Kent Pension Fund
 - b. The proposed workplan and timetable to analyse the options available for a new host authority for the Kent Pension Fund

45. Risk Register

(Item 16)

1. Mrs Green introduced the report
2. RESOLVED to note the updated Risk Register.

46. Asset Pooling

(Item 17)

1. Mrs Surana introduced the report during which the following points were covered:
 - a. The report detailed progress on previously agreed recommendations by Full Council.
 - b. All the required documents would be signed with BCPP to meet the Government's 1 April deadline.

- c. The Inter Authority Agreement (IAA) with ACCESS was being reviewed to ensure it remained fit for purpose in light of the Fund's transition to BCPP. Until then, the old IAA remained valid and operational.
2. During consideration of the item, the following points were raised:
 - a. The Fund would officially become a shareholder of BCPP on 1 April 2026.
 - b. Preparatory work with BCPP had gone smoothly so far.
 - c. Each asset class would have a separate timetable for transition from the ACCESS Pool to BCPP.
 - d. The Government had advised it was likely that the transfer of property investments between pools would be exempt from stamp duty for up to 5 years.
3. RESOLVED to note the update.

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To: Kent Pension Board – 4 June 2026

From: Chair – Kent Pension Board
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

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

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

Recommendation:

The Board is recommended to:

- i. Note and comment on the report

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 couldn't 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 11 May 2026, 365 returns have been received with 2 outstanding. 75.2% 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 to be uploaded to the administration system is due from Lumera by 12 May 2026. 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 **IDRP's, 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 IDRP 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 didn't reflect all contributions paid.

5 **Overpayment Recovery and Write Off Limits**

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

Appendices:

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

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June 2026

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 %
Death Team						
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			
Total	23,013	4,367	4,036	18.98%	17.54%

Appendix 4 – Member engagement

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

Appendix 5 – MyPension Online Registrations

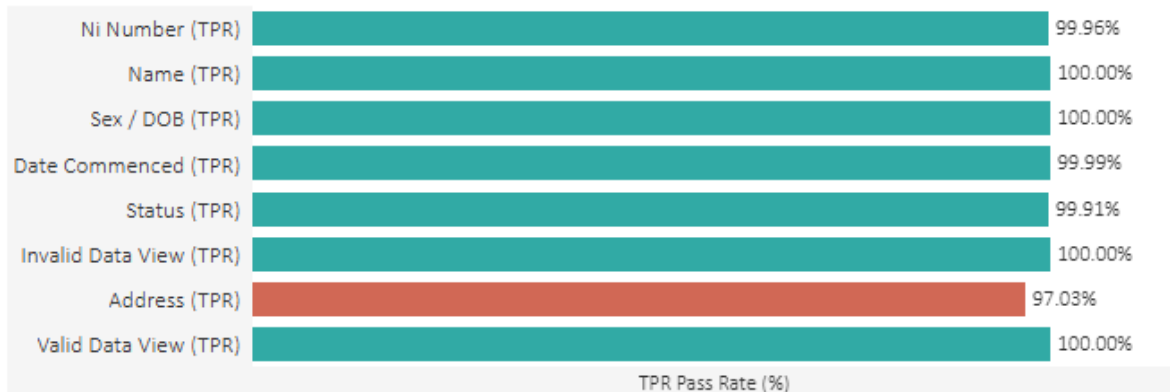
	Unique member records				Employment records		
	Jan	Feb	Mar		Jan	Feb	Mar
Active	19,915	19,207	19,476		20,523	20,867	21,157
Deferred	9,456	9,785	10,072		10,617	10,994	11,322
Pensioner	9,595	9,812	10,131		11,118	11,384	11,776

Appendix 6 – Data Quality

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

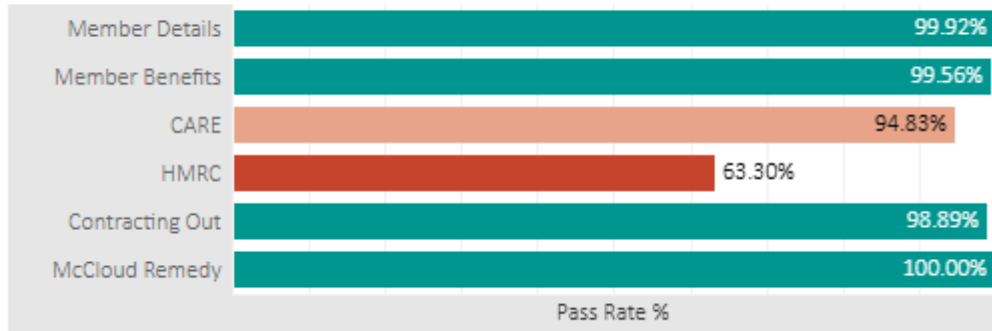
Common Data:

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
Jan	0	4 Poor communication	6 3 x good communication 3 x helpful staff
Feb	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
Mar	1 Service Delivery (third party supplier, contracted service provider)	2 Poor communication	3 Good communication

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To: Kent Pension Board – 04 June 2026

From: Chairman Kent Pension Board
Corporate Director of Finance

Subject: Investment Update

Classification: Unrestricted

Executive Summary:

As at 31 March 2026, the Fund's value was £9.4bn, a slight decline from the £9.5bn reported previously. The current asset allocation remains broadly in line with the Fund's strategic targets and approved tolerance bands, with the exception of fixed income. no rebalancing is being recommended to the Committee at this stage, given the ongoing Investment Strategy Review and planned transitions to Border to Coast. Breakdown of the individual asset class allocations are provided in para 2 of this report.

For the quarter to 31 March 2026, the Fund returned +0.1%, marginally underperforming the strategic benchmark of +0.4%. Over the one-year period, the Fund returned +11.5%, outperforming the benchmark by +0.7%, Whilst over three years, the Fund returned +6.2%, underperforming by 2.2%, Details of the asset class and manager performance are contained in paragraph 3 as well as Appendix 1 of this report.

Following the triennial valuation the Fund is updating its investment strategy with the support of Mercer and engagement from Border to Coast. MHCLG has extended the deadline for publication of the new style Investment Strategy Statement (ISS) to March 2027, and the Fund is aiming to finalise the ISS in December 2026. Details of the timeline for completion are provided in paragraph 5 of this report.

Burgess Salmon are undertaking a legal review of the Border to Coast Investment Management Agreement (IMA) on behalf of the 18 partner funds with no significant issues identified. The IMA is now with the partner funds for comment. The discussions on the updated ACCESS Inter-Authority Agreement are nearly complete, with only one outstanding matter at a partner fund, which is expected to be resolved shortly. Once agreed, the new pools will assume oversight of the ACCESS operator Waystone.

Recommendation:

The Board is recommended to note the report.

FOR INFORMATION

1 Introduction

1.1 This report provides the Board with an update on the Fund's asset allocation, investment performance, and responsible investment developments since the last meeting. Additionally, the paper includes a progress update on the Investment Strategy Review as well as Pooling.

2 Fund value and asset allocation

2.1 As of 31 March 2026, the Fund's value was £9.4bn (down from £9.5bn on 31 January 2026, as previously reported). The table below sets out the current asset allocation versus the Fund's strategic asset allocation and its rebalancing ranges.

Asset Class	Strategic Asset Allocation (%)	Tolerance Band (%)	Current Asset Allocation (%)	Variance	Status
Equities	53	+/- 10	57.4	4.4	In range
UK Equities	10	+/- 2.5	11.8	1.8	In range
Global Equities	38	+/- 5	39.6	1.6	In range
Emerging Market Equities	5	+/- 2.5	6.0	1.0	In range
Fixed Income	22	+/- 5	16.7	-5.3	In range
Credit	15	+/- 5	14.5	-0.5	In range
RMF (Index Linked Gilts)	7	-	2.2	-4.8	N/A
Alternatives	25	+/- 10	23.8	-1.2	In range
Absolute Return	5	-	5.0	0.0	N/A
Infrastructure	5	-	4.4	-0.6	N/A
Private Equity	5	-	4.6	-0.4	N/A
Property	10	-	9.8	-0.2	N/A
Cash	0	5	2.3	2.3	In range
Total	100		100		

2.2 The current asset allocation remains broadly in line with the strategic target and within approved tolerance bands. As a whole, equities are overweight while private equity, infrastructure, credit, and property are slightly underweight. Fixed income as a whole is largely underweight, primarily due to the impact of the Risk Management Framework (RMF) and ILG performance, as well as following withdrawal of funds out of the RMF in the latter part of 2025. Additionally, higher cash balance is being held pending making further commitments to Fund's alternatives investments in the new Pool.

2.3 The rebalancing position is unchanged from that previously reported. Officers are not recommending any rebalancing takes place at this stage, despite fixed income being out of tolerance, given the ongoing strategy review and transitions to Border to Coast.

3 Investment Performance: Quarter to 31 March 2026

3.1 The Fund returned 0.1% over the quarter, marginally underperforming the benchmark return of 0.4%. The quarter was characterised mostly by significant global market volatility, driven primarily by escalating tensions between the US and Iran and a sharp rotation away from growth assets.

- 3.2 **Equities** were mixed. **UK equities** delivered a modest absolute return of 0.2% but significantly underperformed the market, primarily due to stock selection by managers and an underweight to energy. **Global equities (ex. Protection)** declined overall and underperformed with a return of -1.8% (-0.5% relative underperformance), as growth-oriented managers were impacted by the sell-off in technology stocks. While some managers with value styles and allocation to alternative energy stocks outperformed, this was offset by weaker performance elsewhere. The Fund's Risk Management Framework did help to reduce some downside, resulting in a smaller overall loss than global equities ex. protection. **Emerging market equities** were a key positive contributor, outperforming strongly due to effective country allocation and stock selection across both managers. Overall, the EM class returned 4.2% against the 1.8% benchmark.
- 3.3 **Fixed income** markets experienced a difficult quarter overall, with all credit mandates lagging their benchmarks. The Fund's credit mandates returned -0.6% overall, underperforming the composite benchmark of 0.9%. Rising real yields also negatively impacted the Fund's buy-and-hold **Index Linked Gilts** portfolio, which is part of the Risk Management Framework, also returning -0.6% in the quarter.
- 3.4 **Alternative** assets were more resilient. **Absolute return** strategies performed well and provided positive returns in volatile conditions, as a result of the more defensive strategies. Combined, both managers returned 1.7% which was a relative outperformance of 1%. **Property** delivered a modest positive return, broadly in line with the market, although performance was mixed across the unit trust managers. Together property returned 1.6%. **Infrastructure** was flat and underperformed due to higher interest rate expectations, whilst **private equity** generated positive returns with 3.7% in the quarter, compared to the 0.9% SONIA benchmark.

4 Longer Term Performance

- 4.1 For the year ended 31 March 2026, the Fund achieved an overall return of 11.5%, achieving an outperformance of 0.7%. This performance was driven primarily by strong absolute returns across equities as well as large outperformance from emerging markets in particular, alongside solid contributions from both fixed income and alternatives, excluding property which struggled somewhat.
- 4.2 Over three years, the Fund returned 6.2%, underperforming the benchmark by 2.2%. The longer-term lag is primarily attributed to the underperformance of Global and UK equities, although property, private equity and absolute return also negatively contributed. Performance was partially offset by strong returns from infrastructure and credit over this time period.

5 Investment Strategy Review

- 5.1 As previously reported, following the results of the triennial valuation as at 31 March 2025 the Fund is required to update its investment strategy statement (ISS). This will involve a review of the Fund's strategic asset allocation to ensure the investments achieve a return assumed in the actuarial valuation to maintain and improve the funding position.
- 5.2 The Government's Pension Review and the associated regulations and guidance have introduced new requirements on Funds which includes outlining the Fund's investment beliefs, investment objectives and risk tolerances that have informed its Strategic Asset Allocation. They also stipulate a deadline for updating the ISS which was initially set for 30 September 2026 but has since been extended to 31 March 2027.

- 5.3 The investment strategy review is being supported by the Fund's investment adviser Mercer and in April and May Committee members attended 2 Investment Sub-Group meetings to receive training on and consider the implications of alternate strategy options based on their risk and return profile and impact on their ability to meet the Fund's objectives.
- 5.4 In its June meeting the Committee will receive an update on the work done so far and a recommendation for a preferred strategy options for further development. In the summer members will also receive further training on any new asset classes proposed in the strategy to support their decision making which will be further refined for incorporation into the ISS. Throughout this process, officers will be working closely with Mercer, as well as Border to Coast Pool to ensure they 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.
- 5.5 In September, the Pension Board will be provided with an update on the activity and receive a copy of the draft Investment Strategy Statement for comment before it is presented to the Committee for approval ahead of consultation with other stakeholders.
- 5.6 Following the conclusion of the consultation, the final ISS will be presented to the Committee in December for approval. Simultaneously officers will also be working with the Border to Coast Pool to develop plans for strategy implementation and options for efficient and cost-effective transition of assets into the Pool. The Board and the Committee will be kept updated of progress at every stage.

6 Responsible Investment Update

- 6.1 The officers attended the Border to Coast Responsible Investment Officer Group on 11 May 2026.
- 6.2 The group had an open discussion on the partner funds reporting needs for the future and how the pool may be able to support this. Several of the partner funds are signed up to the Stewardship code and/or complete TCFD reporting.
- 6.3 The Kent Pension Fund are not signatories to the stewardship code and do not submit TCFD reporting, however, there are reporting requirements as signatories to the Principles for Responsible Investment (PRI).
- 6.4 Border to Coast is going to contact the Financial Reporting Council (FRC) regarding the future of reporting for individual partner funds, as if the investments are all within the pool, clarity is required on the responsibilities of the partner funds.
- 6.5 The Border to Coast Stewardship Report is due to be approved by the Board on 23rd June and published after the July AGM.
- 6.6 Border to Coast is planning a refresh of their Net Zero road map and are currently in the information gathering stage to ensure that the Net Zero road map reflects the RI beliefs of all the partner funds.
- 6.7 Officers will be working closely with the pool over the coming months to ensure that the road map reflects Kent Pension Fund's Net Zero plans and the plan is for the revised Border to Coast road map to be implemented by Q1 2027.

7 Pooling Update

- 7.1 The Pensions Bill, which gives effect to the government's Pensions Reforms finally received Royal Assent in April after much ping-ponging in the Houses of Parliament. It is anticipated that the associated LGPS regulations and guidance setting out the details of the requirements and which have already been consulted upon will be issued imminently and will be effective immediately thereafter.
- 7.2 Kent Pension Fund and six other ACCESS partner Funds officially became shareholders of the Border to Coast Pool effective 1 April 2026 meeting the deadline set by the Government, albeit the Pensions Bill had not been enacted by then.
- 7.3 Members will be aware that, under the reforms, the Pool will be required to provide investment management services, and partner funds will be required to enter into an Investment Management Agreement (IMA) with the Pool. The IMA with Border to Coast has been drafted and has undergone a legal review on behalf of all partner funds. The partner funds will now have an opportunity to discuss and understand the implications of any points arising from the legal review to be able to give their agreement to the IMA. It is understood that no significant issues have been highlighted in the legal review and there is one issue related to liability cap which is being discussed for a considered agreement to be reached. Partner funds and the Pool are taking a pragmatic approach to this in the knowledge that the agreement will be kept under review for any future changes required as the service develops.
- 7.4 Simultaneously, as reported earlier, the ACCESS Inter Authority Agreement is being revised to reflect the changed circumstances i.e. to facilitate the orderly winding down of the pool once ACCESS fund's assets are transitioned into their new pools.
- 7.5 Whilst most of the terms in the updated ACCESS IAA have been agreed by all parties involved, there has been delay due to decisions being delayed at one particular partner fund which is in a different situation to all the other authorities. The issues relating to that fund are expected to be resolved imminently following which the IAA will be required to be signed by individual partner fund Authorities in accordance with their specific governance arrangements.
- 7.6 Once the partner funds sign the IMA with their respective pools, and the new ACCESS IAA, the pools will take on oversight of the ACCESS pool and its operator Waystone. The new operating processes and reporting relationships have now been agreed between all parties and have been acknowledged by Waystone in a letter issued to all ACCESS Funds. This Waystone letter will also be appended to the updated ACCESS IAA to formalise those arrangements.

Appendices:

Appendix One Quarterly Performance Report (31 March 2026)

Connor Steensel, Treasury and Investments, Principal Accountant

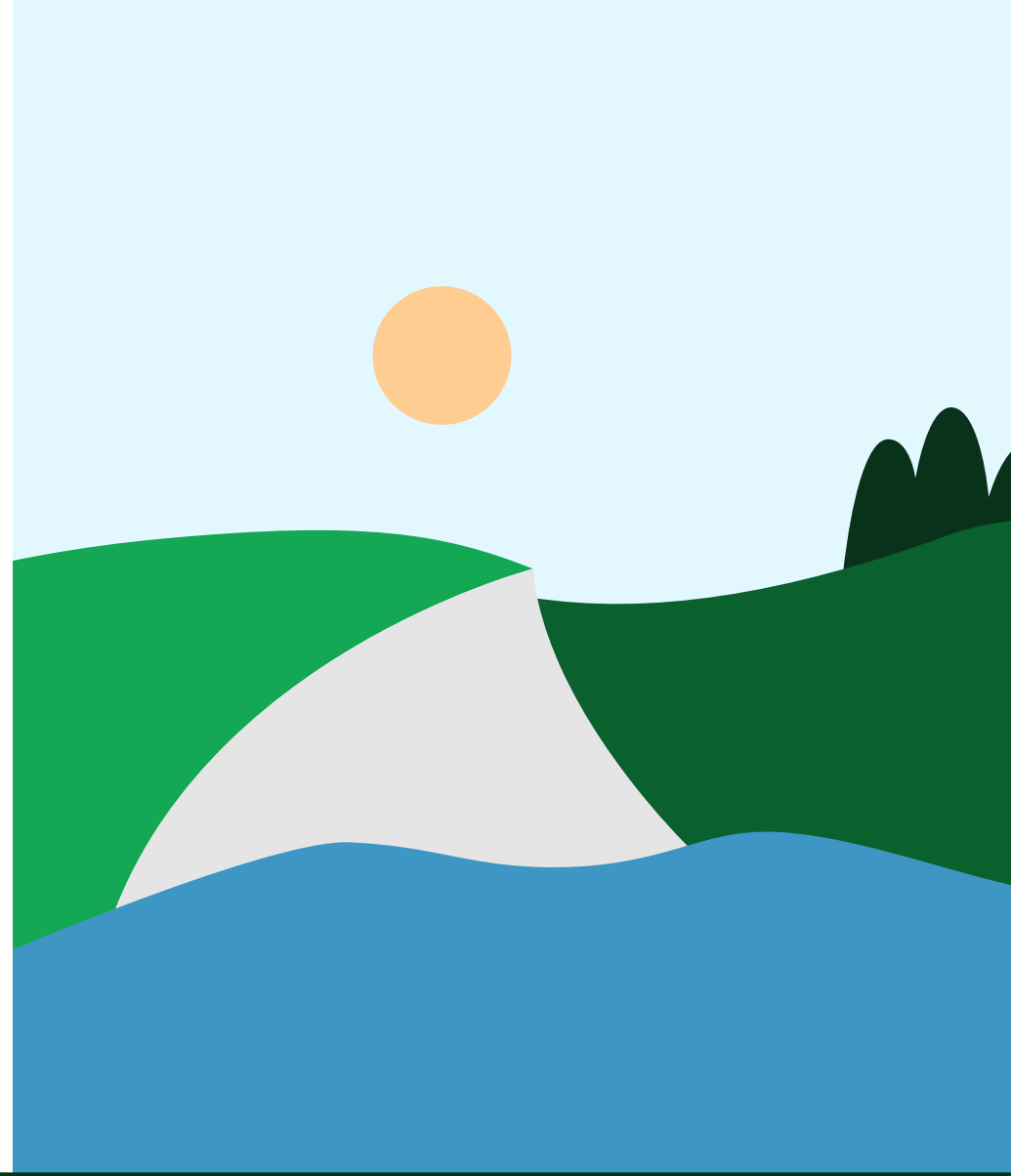
T: 03000 423231, 03000 416738, 03000 417248

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jessica.cunningham@kent.gov.uk**

May 2026

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Kent Pension Fund **Q1 2026 Fund Performance**

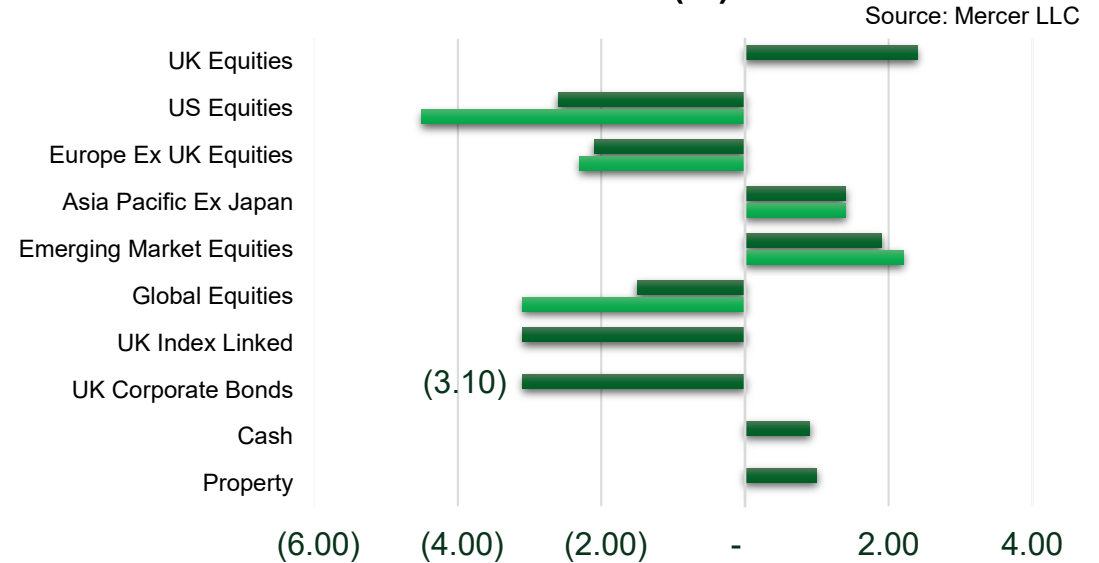


Market Commentary

- In the first quarter of 2026, economic optimism was offset by geopolitical tensions between US and Iran. Escalation of the war led to a sharp spike in energy prices, which increased inflation expectations and stoked fears of other second-round effects. This translated to a hawkish repricing of central banks' interest rates, who are now signalling they will hike or hold rates in 2026. In Q1, all developed market ("DM") central banks left their key policy rates unchanged, with the US Federal Reserve ("Fed") expected to be on hold for the remainder of the year. Post the March policy meetings, markets had priced in around 70 basis points ("bps") of rate hikes for both the European Central Bank ("ECB") and Bank of England ("BOE"). Prior to the war, the market was pricing in 50-75bps rate cuts by the BOE and Fed. Overall, equity markets ended lower across DMs and bond yields moved higher across the curve.
- US real GDP rose 0.5% (q/q saar) in Q4 2025, down from the Q3 estimate of 4.4%. Headline US inflation increased to 3.3% in March 2026 from 2.7% in December 2025. Core inflation was at 2.6% in March, unchanged from 2.6% at the end of December. The Fed, at its March meeting decided to keep the Federal funds rate to 3.5%-3.75%. In the Summary of Economic Projections, the median projection showed one 25bps cut each in 2026 and 2027.
- In Q4 2025, seasonally adjusted GDP increased by 0.3% (q/q) in the euro area. The ECB kept interest rates unchanged in its March meeting, maintaining the deposit rate at 2.0%. Headline inflation in the eurozone rose to 2.5% in March, from 2% in December. Policymakers highlighted that the Middle East war has significantly increased uncertainty, creating upside risks for inflation and downside risks for growth.
- The UK economy grew by 0.1% (q/q) in Q4 2025 in line with Q3 2025. Headline inflation in the UK fell to 3.0% in February from 3.4% in December. In its March meeting, the monetary Policy Committee (MPC) voted unanimously to maintain Bank Rate at 3.75%.

- Japan's economy grew at a revised annualized rate of 1.3% in Q4 2025, rebounding from a 2.6% contraction in Q3. In its March meeting, the BoJ left its key short-term rate unchanged at 0.75% at its March 2026 meeting, keeping borrowing costs at their highest since September 1995.
- China's GDP grew by 4.5% (y/y) in Q4 2025, a slowdown from 4.8% in Q3 2025. China's inflation rose to 1% in March 2026 from 0.8% in December. The People's Bank of China's 1-Year Loan Prime Rate (LPR) stands at 3.0%, unchanged since its reduction in May 2025.

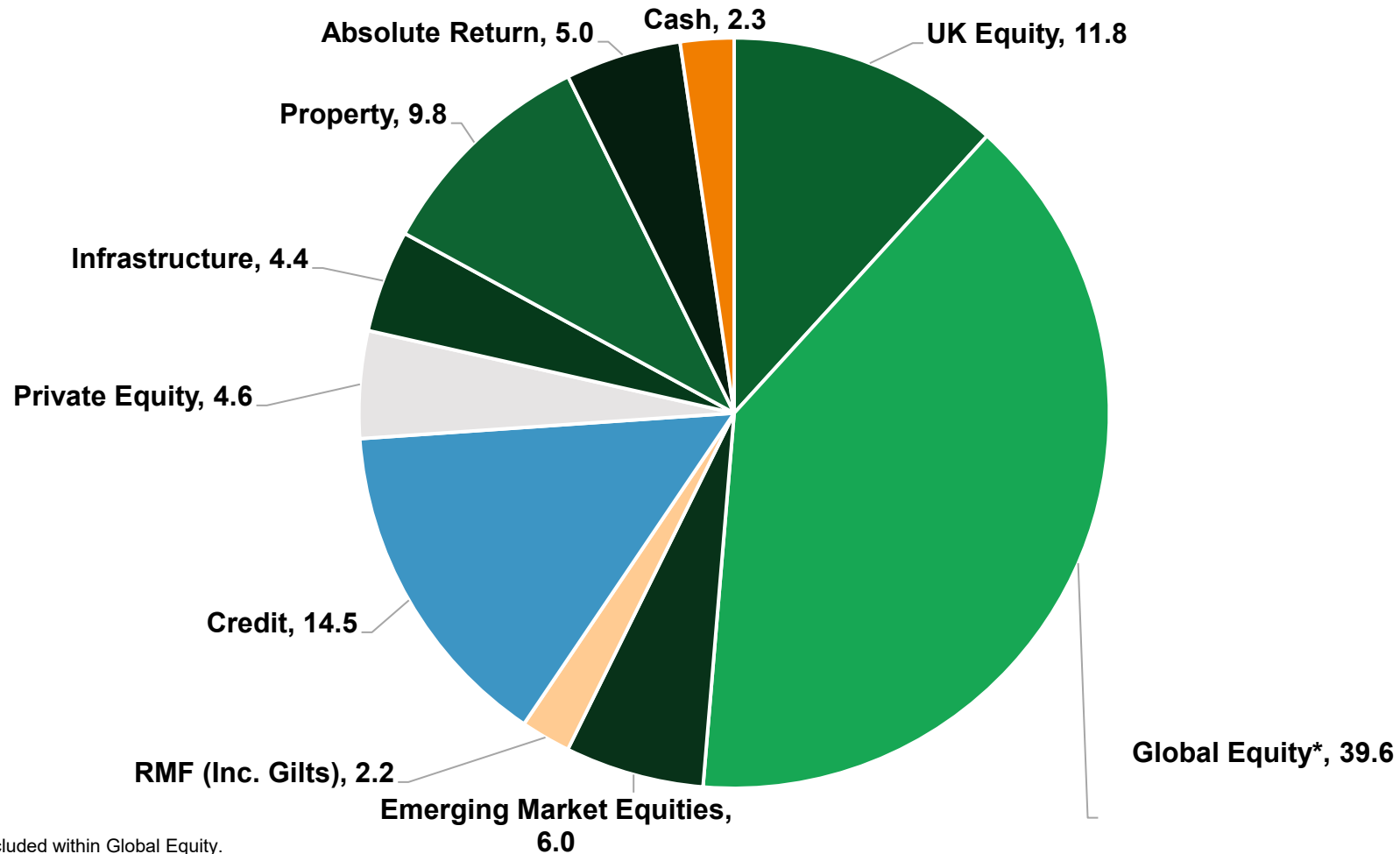
Market Returns (%)



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 March	Market Value as at 31 December	Change in MV (£m)	% of Total
		2026 (£m)	2025 (£m)		
UK Equity	Schroders UK Equity	1,107	1,104	3	11.8
	Woodford Equity	2	2	0	0.0
Global Equity	Impax	74	71	3	0.8
	Baillie Gifford	962	1,032	-70	10.2
	Robeco Global Stars	704	731	-28	7.5
	Schroders Global Active Value	638	612	26	6.8
	M&G Global Dividend Fund	785	773	12	8.3
	Insight (Synthetic Equity Exposure)	565	571	-7	6.0
Emerging Markets Equity	Columbia Threadneedle	275	265	10	2.9
	Robeco	289	276	12	3.1
Risk Management Framework (inc. Gilts)	Insight	203	190	13	2.2
Credit	CQS	296	297	-2	3.1
	Goldman Sachs	460	466	-6	4.9
	Schroders Strategic Bond Fund	295	298	-3	3.1
	M&G Alpha Opportunities	311	309	2	3.3
Absolute Return	Ruffer	205	202	3	2.2
	Pyrford	265	260	5	2.8
Property	DTZ	715	711	4	7.6
	DTZ Pooled Property	100	140	-40	1.1
	DTZ (previously Aegon)	27	27	0	0.3
	M&G Residential Property	33	34	-1	0.4
	Fidelity	44	44	0	0.5
Infrastructure	Partners Group	416	407	9	4.4
Private Equity	HarbourVest	352	347	5	3.7
	YFM	83	83	0	0.9
Cash	Internal Cash	217	146	72	2.3
Total		9,421	9,397	263	100.0

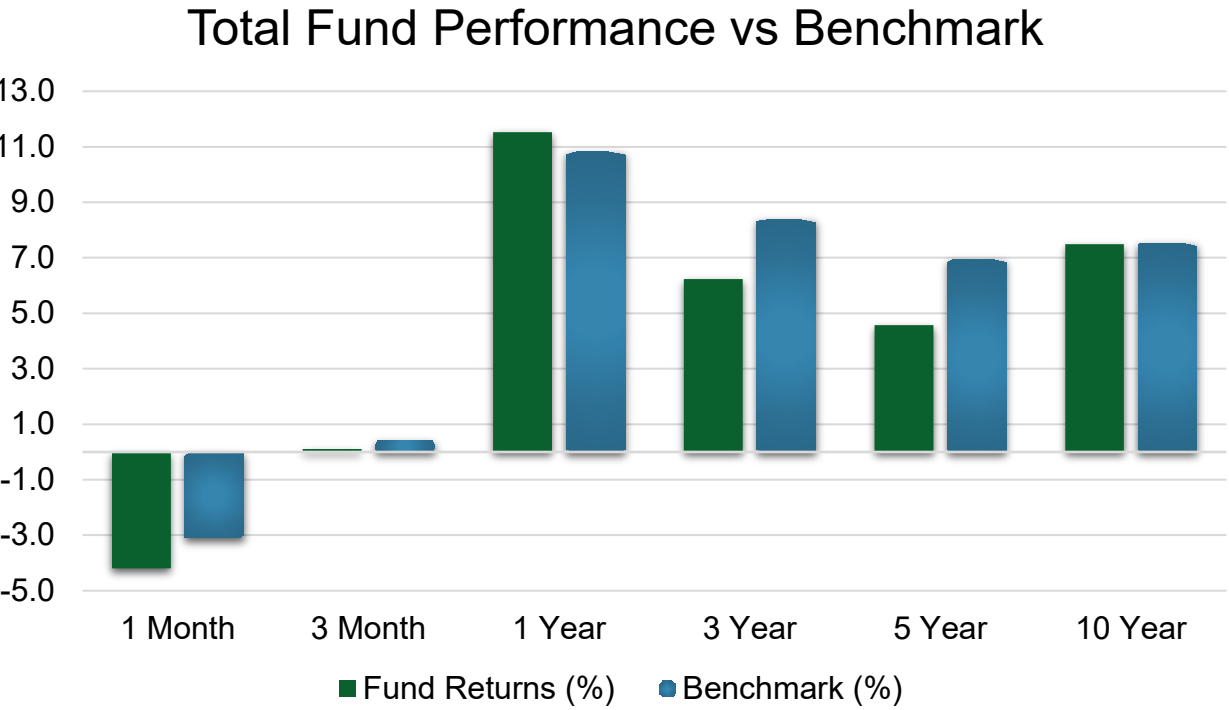
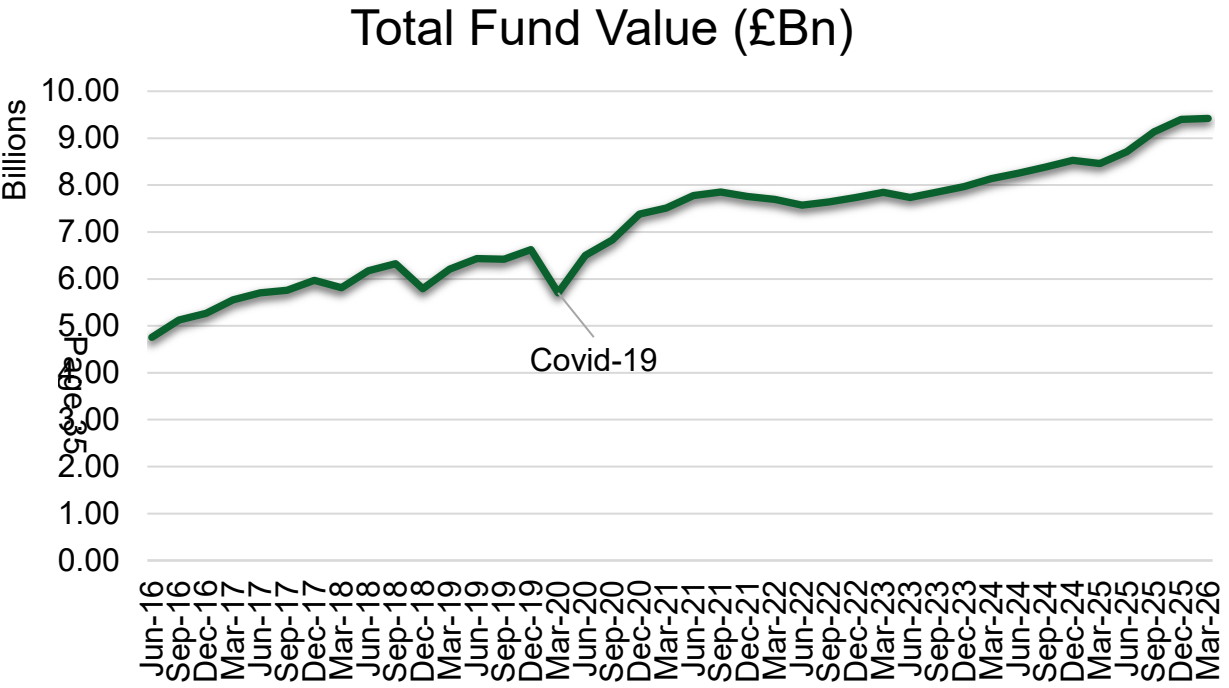
Page 34

Source: Northern Trust, RADAR Reporting



Kent Pension Fund

Historical Performance

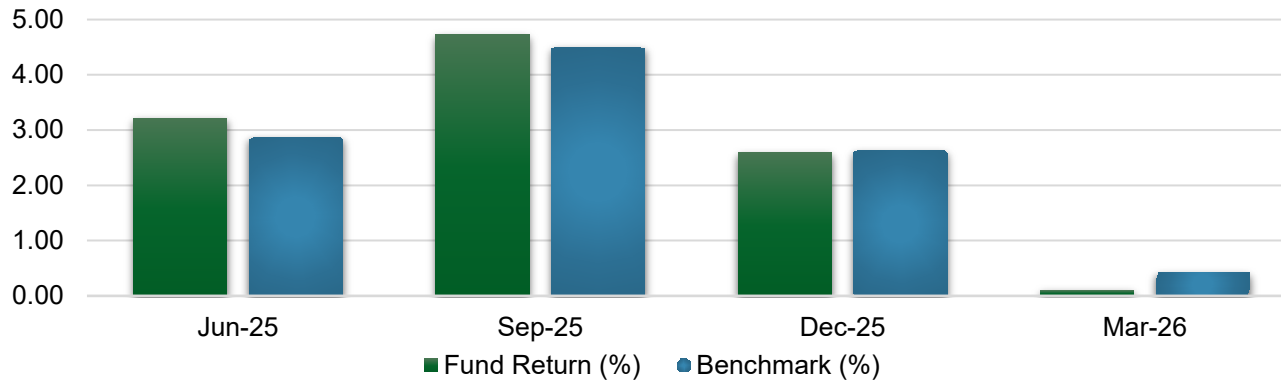


Source: Northern Trust, RADAR Reporting



Discrete Performance

Quarterly Returns



In the quarter to 31 March 2026, the Fund returned 0.1% compared with a benchmark return of 0.4%, representing a slight underperformance. The quarter was characterised mostly by significant market volatility, driven by escalating tensions between the US and Iran, as well as a sharp rotation away from growth assets.

Prior to this quarter, the Fund's returns broadly in line or slightly above that of its benchmark. Outperformance had been led by strong equity market performance amid resilient economic data earlier in the year.

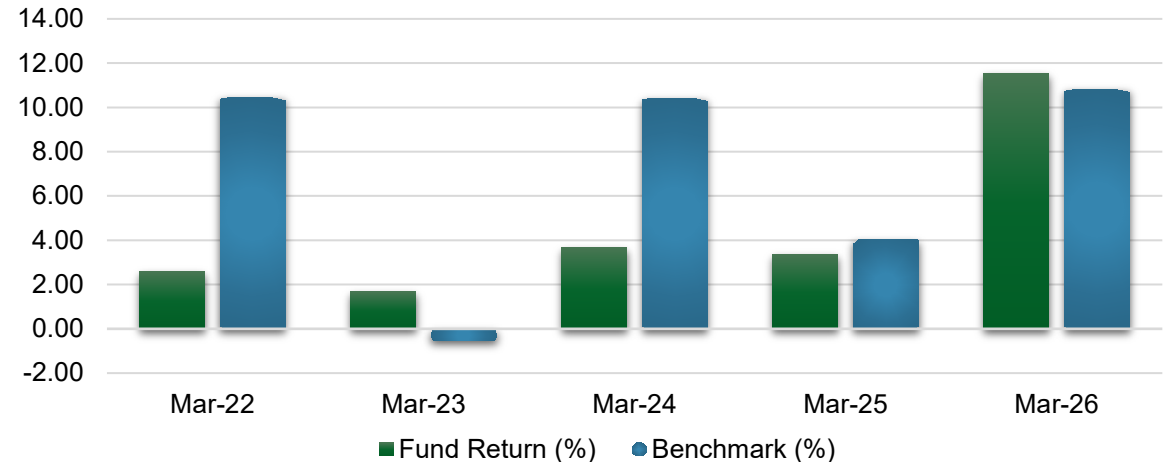
However, there was some market volatility around the US tariff shocks which created a more difficult backdrop earlier in the year, though the Fund's diversification led to strong gains.

Over the five years to 31 March 2026, the Fund has experienced mixed periods of performance following changes to investor sentiment and several challenging market conditions impacting the Fund's investments.

More recently, the Fund returned 11.5% which was an outperformance of 0.7%. This performance was driven by large absolute returns from the Fund's equity portfolios, though held up significantly by large relative returns from emerging markets as a result in changing investor sentiment and rotations away from the US. Absolute return also had a strong year for the Fund as the defensive-tilt of the strategies fared well given the market volatility.

Some of the earlier periods reflect a more difficult period for the Fund, where active management as a strategy struggled to produce returns on par with the market.

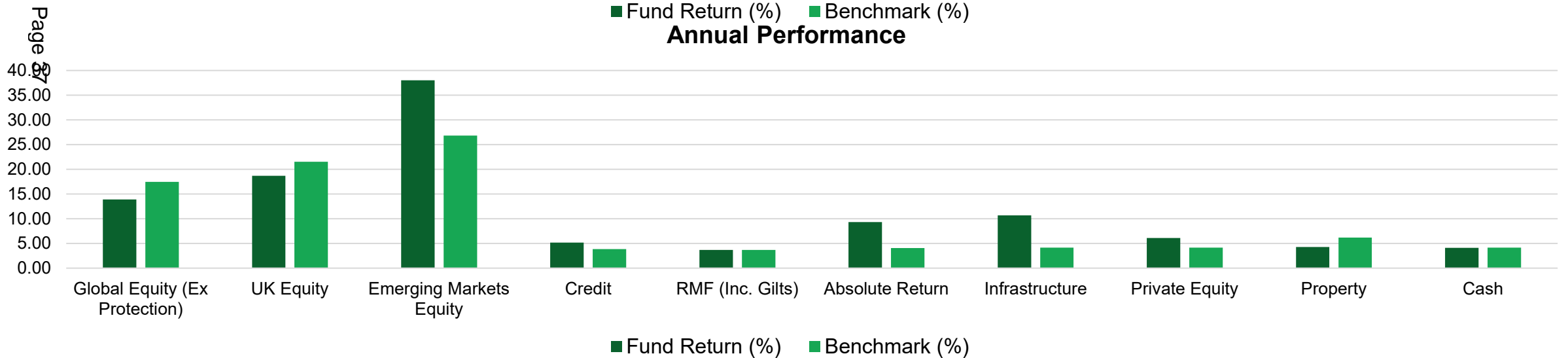
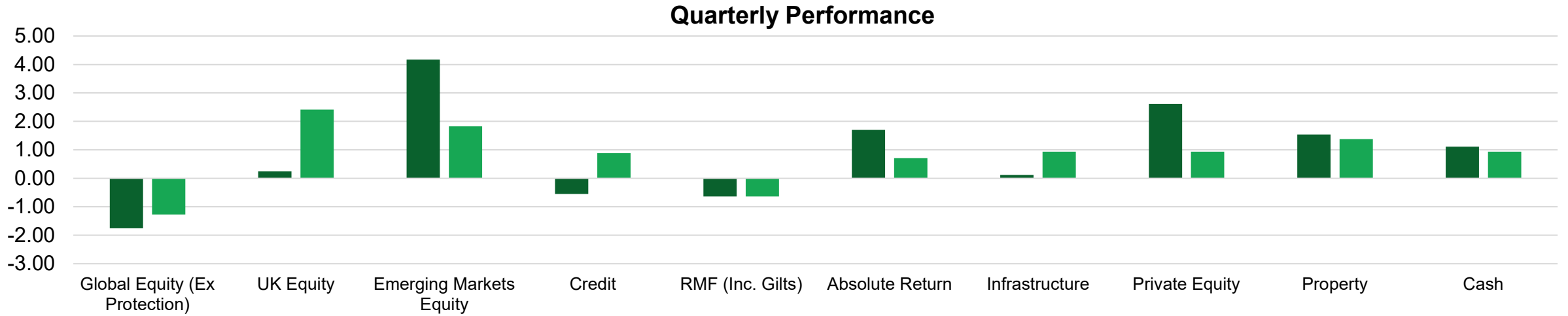
Annual Returns (last 5 years)



Source: Northern Trust, RADAR Reporting



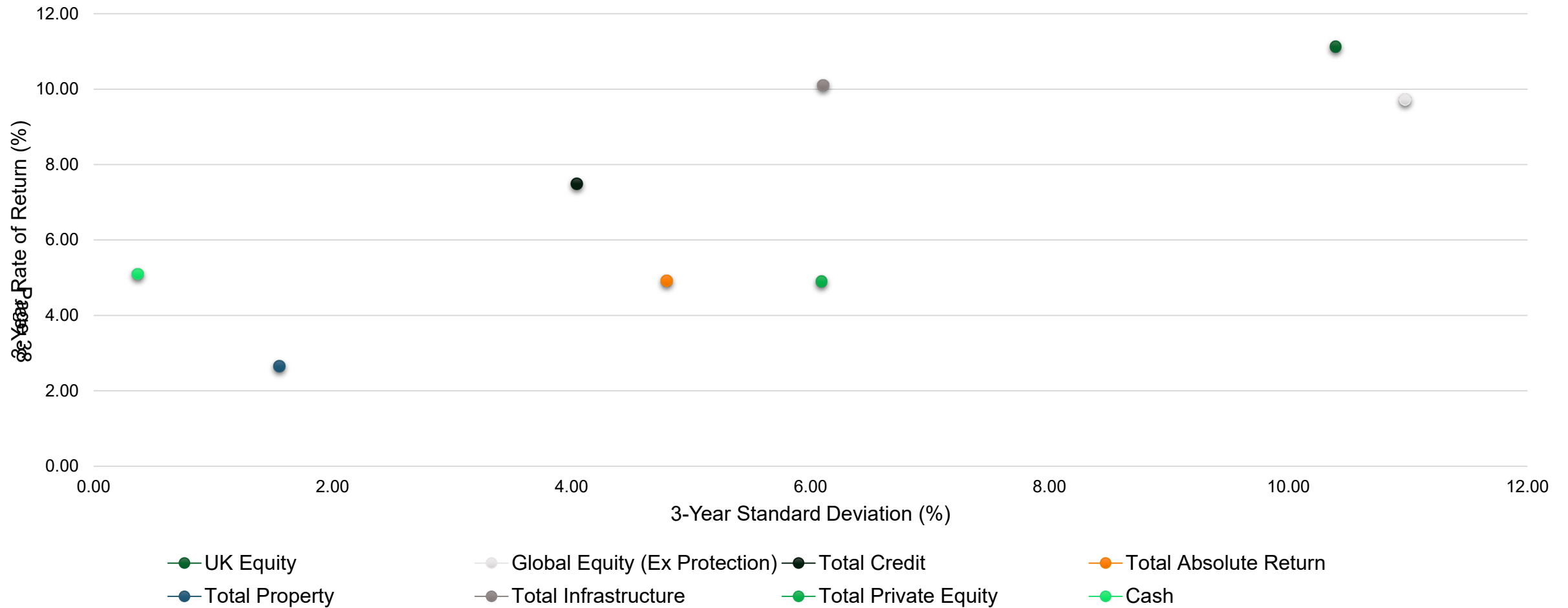
Asset Class Performance



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	0.1	0.4	11.5	10.8	6.2	8.4
UK Equity						
Schroders - WS ACCESS UK Equity Fund	0.2	2.4	18.7	21.5	10.8	13.3
Global Equity						
Baillie Gifford - WS ACCESS Global Equity Core Fund	-6.8	0.0	6.2	18.8	5.9	13.0
Robeco GS	-3.8	-1.3	--	--	--	--
Schroders - WS ACCESS Global Active Value Fund	4.3	-1.3	29.2	17.5	16.3	14.1
Impax	3.8	-1.3	12.5	17.5	0.4	14.1
M&G - WS ACCESS Global Dividend Fund	1.6	-1.3	17.3	17.5	13.5	14.1
EM Equity						
Columbia Threadneedle – WS ACCESS EM Equity Fund	3.9	1.8	32.7	26.8	--	--
Robeco – WS ACCESS EM Equity Fund	4.4	1.8	43.6	26.8	--	--
Credit						
Goldman Sachs	-1.0	0.9	5.1	3.5	6.1	3.5
Schroders Fixed Income	-1.0	0.9	6.0	4.1	7.2	4.8
CQS	-0.5	0.9	5.5	4.0	9.4	6.4
M&G Alpha Opportunities	0.5	0.9	4.2	4.0	8.2	6.4
Property						
DTZ	1.7	1.4	4.6	6.2	3.3	4.6
Fidelity	1.2	0.7	-0.6	4.3	3.4	3.3
DTZ (Kames)	1.4	0.7	10.3	4.3	3.8	3.3
M&G Property	-2.2	0.7	-1.4	4.3	-0.4	3.3
Private Equity						
HarbourVest	4.5	0.9	6.1	4.4	4.0	4.8
YFM	0.0	0.9	12.0	4.2	8.3	4.8
Infrastructure						
Partners Group	0.1	0.9	10.7	4.2	10.1	4.8
Absolute Return						
Pyrford	1.8	0.7	8.9	4.1	6.3	5.5
Ruffer - WS ACCESS Absolute Return Fund	1.5	0.7	9.9	4.1	2.3	5.5



Alternatives Performance

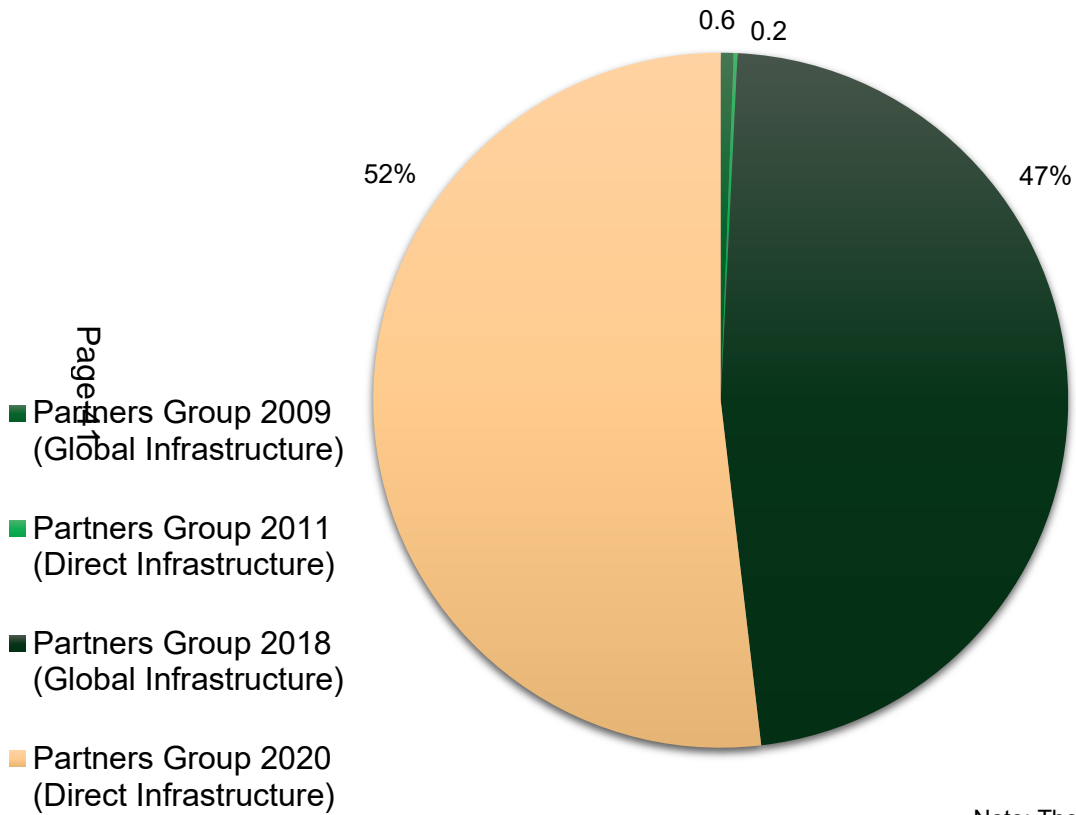
AS AT 31 MARCH 2026							
Name of Fund	Value of commitment (£m)	Date of original commitment	Cumulative contributions made (£m)	Distributions received (£m)	Net Asset Value at 31/03/2026 (£m)	IRR	TVPI
HIPEP VI-Cayman Partnership Fund L.P.	31	Oct-10	28.8	56.0	7.7	13.2%	2.13
HarbourVest Partners IX L.P.	53	Oct-10	40.9	94.1	16.4	17.1%	2.44
HarbourVest 2018 Global Feeder AIF L.P.	57	Oct-18	49.6	35.2	52.3	15.7%	1.74
HarbourVest 2019 Global Feeder AIF SCSp	57	Mar-19	48.6	23.2	55.0	16.3%	1.67
HarbourVest 2020 Global Feeder AIF SCSp	57	Mar-20	50.3	9.1	58.2	10.0%	1.35
HarbourVest 2021 Global Feeder AIF SCSp	57	Mar-21	46.0	2.8	50.9	9.0%	1.24
HarbourVest 2022 Global Feeder AIF SCSp	57	Dec-21	32.1	2.2	40.7		1.43
HarbourVest 2023 Global Feeder AIF SCSp	57	Dec-23	27.4	0.7	32.5		1.28
HarbourVest 2024 Global Feeder AIF SCSp	123	Jun-24	33.7	-	37.8		1.15
Partners Group Direct Infrastructure 2011 S.C.A., SICAR	19	Oct-10	16.5	22.6	0.7	5.8%	1.35
Partners Group Global Infrastructure 2009 S.C.A., SICAR	50	Oct-10	43.3	59.9	2.5	6.9%	1.43
Partners Group Global Infrastructure 2018 L.P. INC	222	Oct-18	180.5	67.8	195.4	10.0%	1.47
Partners Group Direct Infrastructure 2020 LP SICAV RAIF	222	Nov-19	163.3	26.1	214.0	15.5%	1.48
Chandos	6	Oct-07	6.0	6.7	22.1		1.13
YFM Equity Partners Growth Fund 1	10	Oct-14	10.0	19.8	7.8		2.77
YFM Equity Partners Buyout Fund 1	20	Mar-16	18.3	33.9	23.5		3.18
YFM Equity Partners Growth Fund 2	10	Oct-18	10.4	3.0	10.4		1.30
YFM Equity Partners Buyout Fund 2	20	Oct-18	16.7	18.4	13.3		2.13
YFM Equity Partners Growth Fund 3	10	Jun-21	9.1	1.5	11.5		1.26
YFM Equity Partners Buyout Fund 3	20	Sep-23	14.8	-	16.8		1.15

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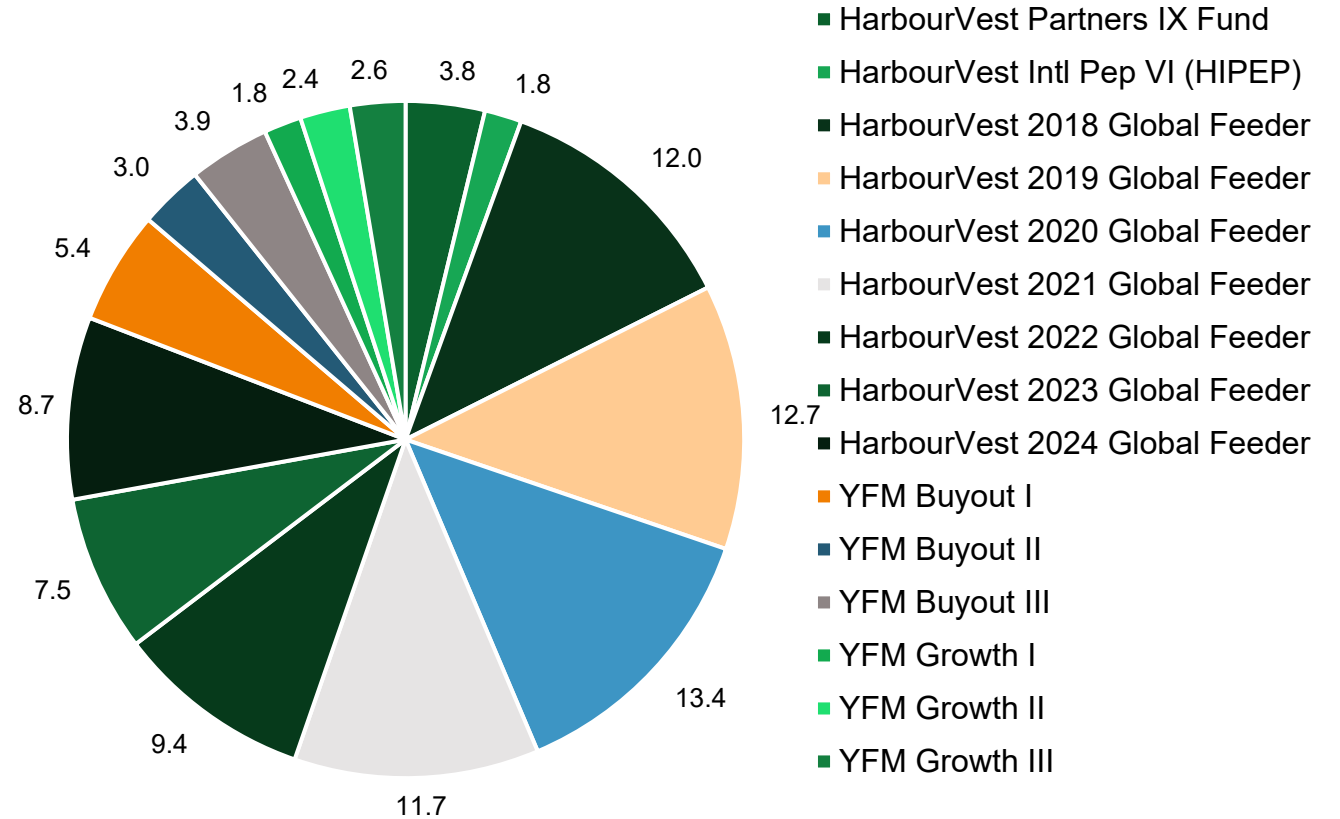


Alternatives Breakdown

Infrastructure Allocation (£413m)



Private Equity Allocation (£435m)

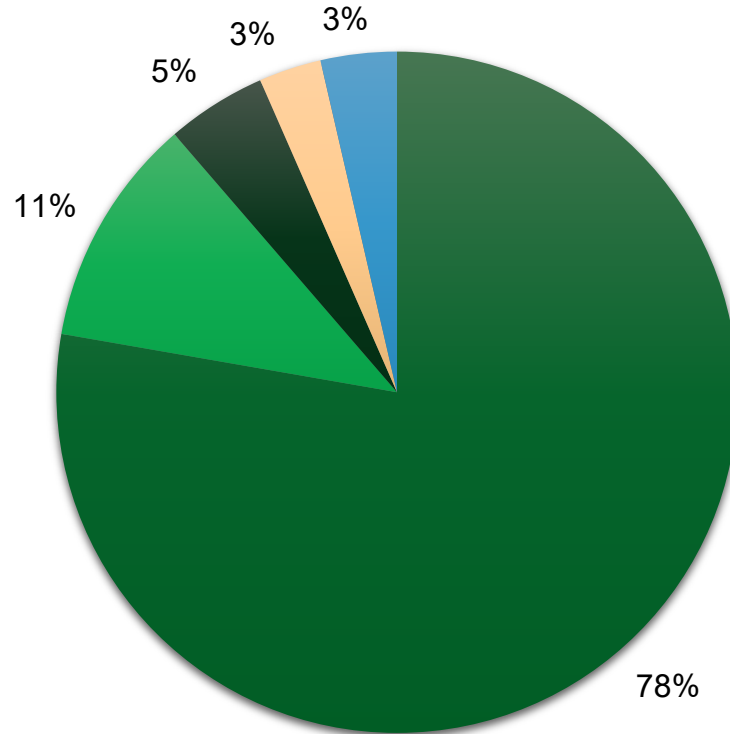


Note: The legend reads clockwise on the pie charts.



Property Breakdown

Property Allocation (£919m)

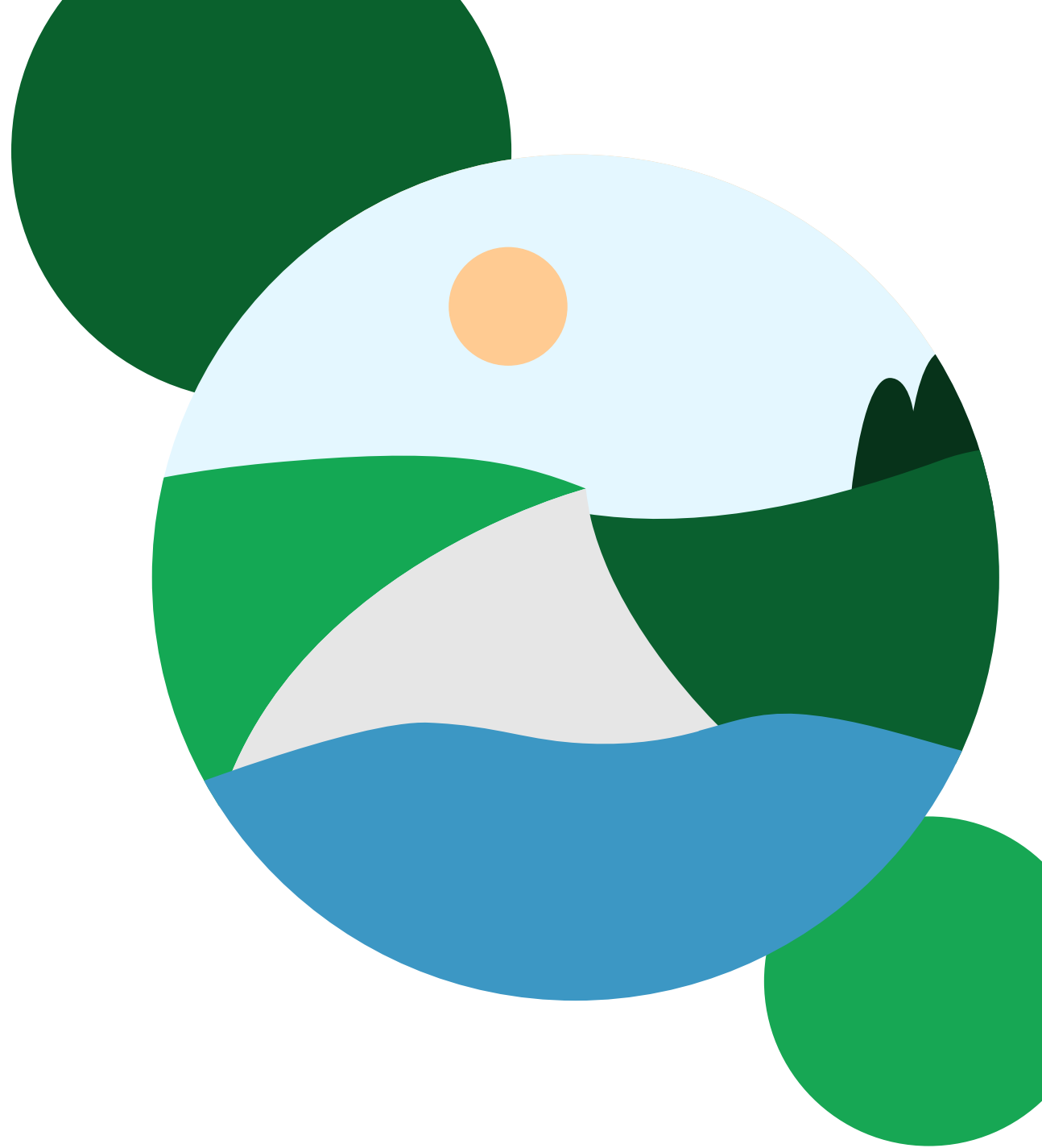


■ DTZ Direct Property ■ DTZ Pooled Property ■ Fidelity PUT ■ DTZ UKAV PUT (formerly Kames) ■ M&G Residential PUT

Note: The legend reads clockwise on the pie chart.



Appendix



Benchmarks and Targets

Appendix A

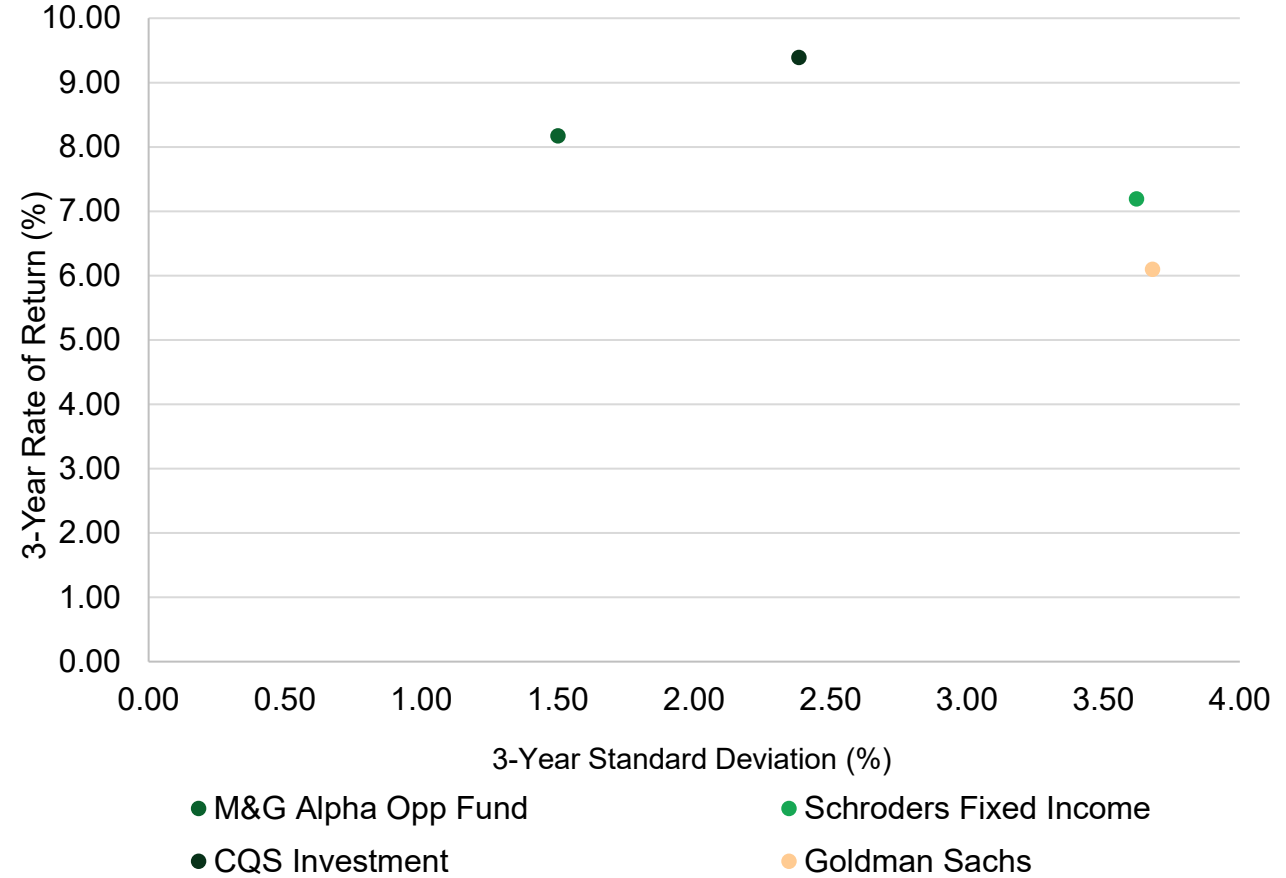
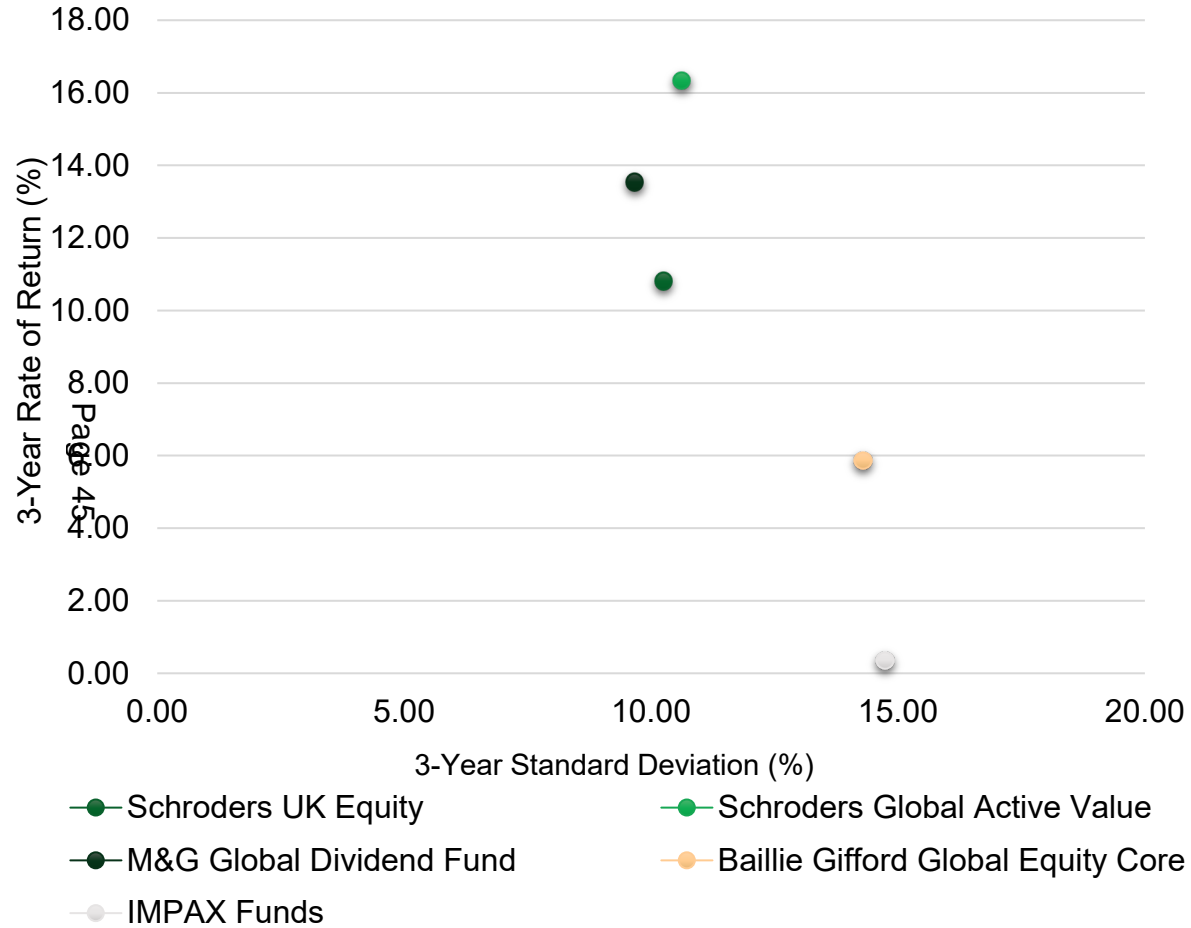
Asset Class / Manager	Performance Benchmark	Performance Target
UK Equities:		
Schroders - WS ACCESS UK Equity Fund	FTSE All Share	+1.5% pa over rolling 3 years
Woodford	FTSE All Share	Unconstrained
Global Equities:		
Baillie Gifford - WS ACCESS Global Equity Core Fund	Regional	+1.5% pa over rolling 3 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

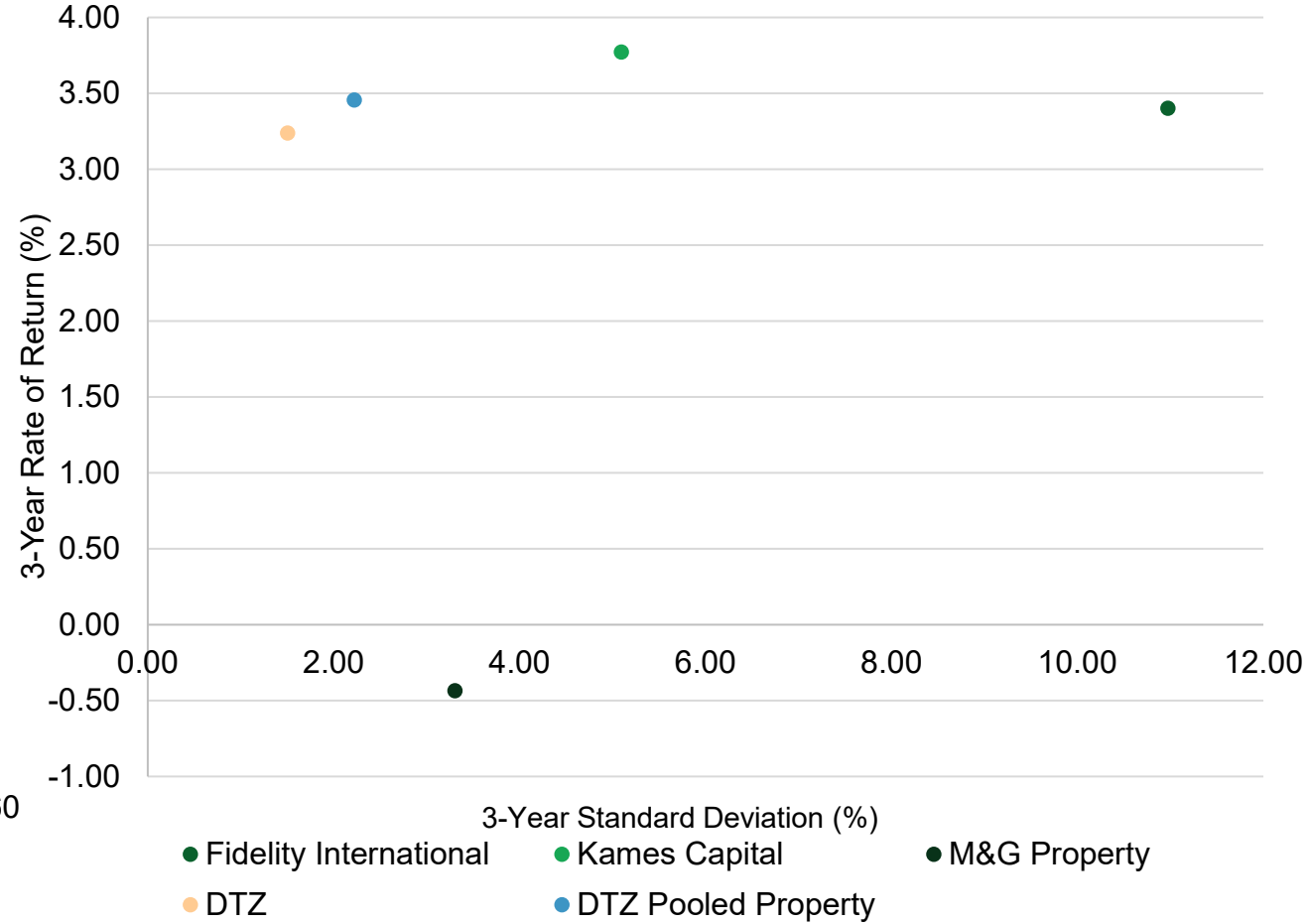
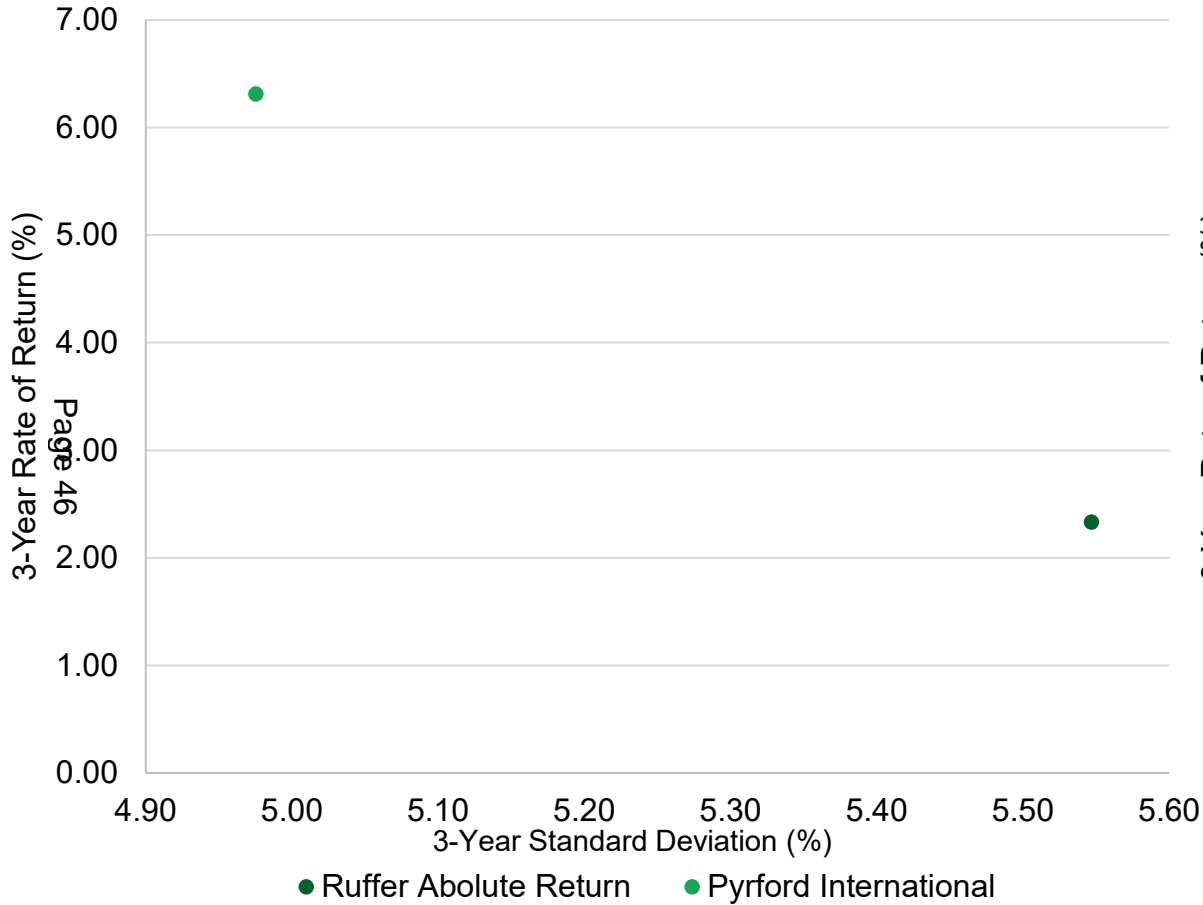


Source: Northern Trust, RADAR Reporting



Risk vs Return – Absolute Return and Property

Appendix C

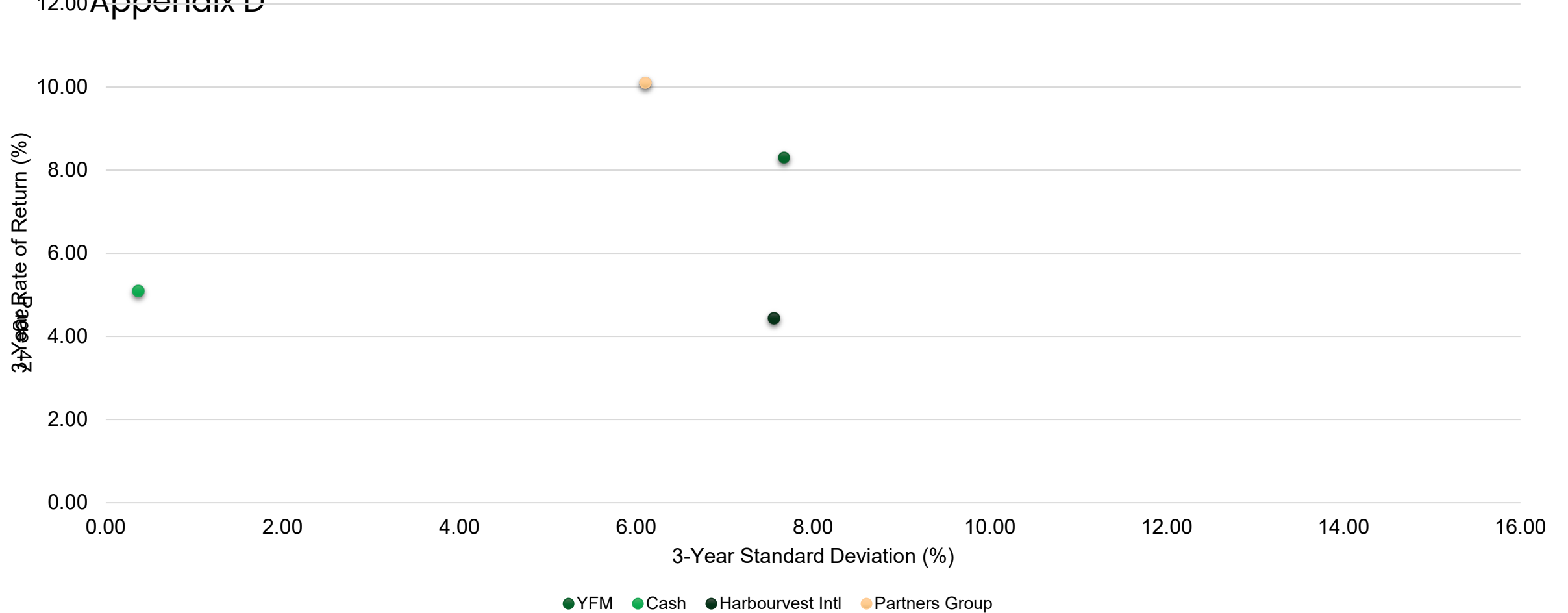


Source: Northern Trust, RADAR Reporting



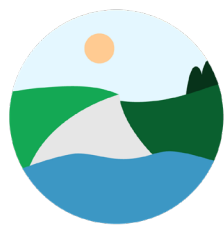
Risk vs Return - *Alternatives*

Appendix D



Source: Northern Trust, RADAR Reporting





Kent Pension Fund

For more information, please visit

www.kentpensionfund.co.uk

To: Kent Pension Board – 4 June 2026
From: Chairman Kent Pension Board
Corporate Director - Finance
Subject: Fund Governance
Classification: Unrestricted

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 £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.

Recommendation:

The Board is recommended to note the report.

FOR INFORMATION

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 and Fund Policies**

2.1 The Pensions Bill is now the Pensions Act. Other legal developments are expected over the next few months. Now that the Pensions Act has become law, it paves the way for the Government to make regulations for the LGPS, specifically those that fall under the Fit for the Future review. Two new sets of regulation will be made and laid in the coming weeks for:

- LGPS (Pooling, management and investment of funds) Regulations
- Local Government Pension Scheme (Amendment) (Governance) Regulations 2026.

The Government has issued their response to both consultations, and they 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>

Government officials have indicated that they expect the final regulations and accompanying statutory guidance to be issued in the coming weeks.

2.2 Work on the Fund's policies has been undertaken as follows:

Policy	Developments since March 2026	Next steps
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 and regs delayed.	To be reviewed and updated. To be brought to PB and PFC in September 2026.
Governance Policy & Compliance Statement	Guidance and regs delayed.	To be reviewed and updated. To be brought to PB and PFC in September 2026.
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 and regs delayed.	Full review required when new regs and guidance released.
Conflict of Interest Policy	Work in progress: application of KPF branding. Guidance and regs delayed.	Full review required when new regs and guidance released.
Breaches of of the 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 new regs and 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 and regs delayed.	Full review required when new regs and 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 & Incident Response Plan (Not on KPF website due to security concerns)		Regularly reviewed and updated to ensure contact details are correct.

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

- 3.1 Please see **Appendix Two**. Progress has been delayed as Officers are awaiting the finalised regulation and guidance to be released by the government – this is expected within the next few weeks. Initial conversations have commenced with various KCC teams including HR, Legal and Democratic Services.

4 Resourcing

- 4.1 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)	0	
Recruitment campaigns in progress	2	Training & Development Manager Pension Fund & Investments Officer (secondment)
New roles currently being considered to help meet business needs	2	Business Support Assistant LGR Programme Manager

4.2 Recruitment Update for Fund:

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 Consultant	Technical & Training	06/07/2026	1	Return of ex KPF colleague
Pension Fund Accounts and Investment Officer	Treasury & Investments	01/04/2026	1	Acting up secondment

4.3 Current Vacancies across the Fund, not currently being advertised:

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
Pensions Assistants	Operations	3

4.4 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.

4.5 The service is currently operating with a vacancy rate of 19.78%, indicating a notable level of unfilled positions which may impact service deliver and capacity.

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

5 Audits

5.1 **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.

5.2 **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)

6 Conclusion

6.1 Further updates to be provided to the Board and 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)

T: 03000 410 761

E: Emma.Green2@kent.gov.uk

Date: May 2026

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)
Administration Expenses	7,192,504	6,168,184	1,024,320
Audit Fee	121,429	129,654	(8,225)
Audit Fee	121,429	129,654	(8,225)
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
External Advice	2,537,604	607,370	1,930,234
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)
Governance and Oversight Expenses	1,797,323	1,911,828	(114,505)
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)
Investment Management Costs	34,203,360	47,042,338	(12,838,978)
Total	45,852,220	55,859,374	(10,007,154)

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Subject area	Action required	Developments since March 2026
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 regs and 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 regs and 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 regs and guidance Officers to meet in June 2026 with KCC's Legal and Democratic Services 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 regs and 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 regs and 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 regs and 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 regs and 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 regs and guidance. Discussions with S.151, KCC HR, Legal and Democratic Services ongoing.
	3f Consider the appropriate level of remuneration	Awaiting finalisation of regs and 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 regs and 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 regs and guidance

Person	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	Awaiting finalisation of regs and guidance
	4c Consider what the appointment process will be, and consider starting the recruitment process early to navigate HR processes	Awaiting finalisation of regs and guidance
	4d Consider the appropriate level of remuneration	Awaiting finalisation of regs and guidance
	4e Appoint to the new role within 6 months of the regulations coming into force	Awaiting finalisation of regs and guidance
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 regs and guidance
	5b Encourage Committee and Board members to feed in thoughts on the existing approach	Awaiting finalisation of regs and guidance
	5c The senior LGPS officer should ensure training logs are reviewed regularly and identify any non-compliance	Awaiting finalisation of regs and guidance
	5d Put the new training strategy on the agenda for the Pensions Board and Pensions Committee March meetings	Awaiting finalisation of regs and guidance
	5e Review and amend the Board and Committee's terms of reference to reflect the new knowledge and understanding requirements	Awaiting finalisation of regs and 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 regs and guidance
	6b Decide who will carry out the independent governance review	Awaiting finalisation of regs and 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 regs and guidance
	6d Decide when the first independent governance review will be carried out before 31 March 2028	Awaiting finalisation of regs and guidance
	6e Consider when the subsequent IGRs will be carried out	Awaiting finalisation of regs and 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 regs and guidance

To: Kent Pension Board – 4 June 2026

From: Chairman Kent Pension Board
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 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:

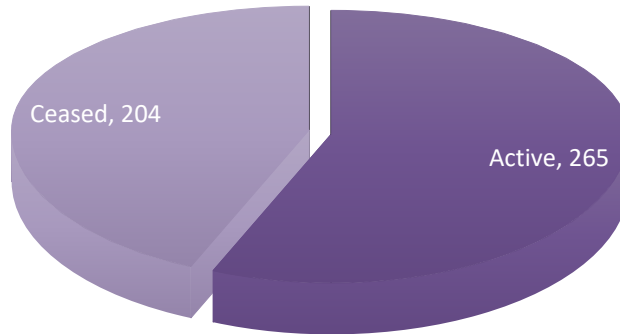
The Board is recommended to note the report.

FOR INFORMATION

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 joined the Fund. 9 employers ceased (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
Resolution Body	Bekesbourne with Patricbourne Parish Council	1 March 2026
Admitted Body	Principal Catering Consultants Ltd (re Turner Schools Trust formerly Inspira Academy Trust)	14 January 2026 (backdated to 01 April 2021)
Admitted Body	Principal Catering Consultants Ltd (re Aquila, The Diocese of Canterbury Academies Trust)	7 January 2026 (backdated to 01 September 2020)
Admitted Body	Sota Solutions Ltd (re Coastal Academies Trust)	25 February 2026 (backdated to 01 October 2025)
Admitted Body	Cucina Restaurants Ltd (re Leigh Academies Trust)	25 February 2026 (backdated to 01 March 2026)
Admitted Body	Ch & Co Catering Group Ltd (re Endeavour Multi Academy Trust)	4 February 2026 (backdated to 01 August 2024)

Type	Ceased Employers	Effective Date
Admitted Body	Wealden Leisure Ltd t/a Freedom Leisure Ltd	31 March 2026
Admitted Body	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)

Admitted Body	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)
Admitted Body	Principal Catering Consultants Ltd (re Kent County Council Schools)	31 July 2024 (cessation is incomplete due to the backdated nature of the admission)
Admitted Body	Pabulum Ltd (re Tenterden Schools Trust)	31 July 2025 (cessation completed 2 February 2026)
Admitted Body	Medway Community Healthcare CIC (re Balfour Centre)	31 March 2026
Admitted Body	Compass Contract Services UK Ltd (re The Stour Academy Trust)	31 July 2025 (cessation still in progress awaiting payment of deficit)
Admitted Body	Cater Link Ltd (re EKC Schools Trust, Briary Primary School)	18 April 2025 (cessation completed 22 April 2026)
Admitted Body	Agilisys Ltd	31 March 2026

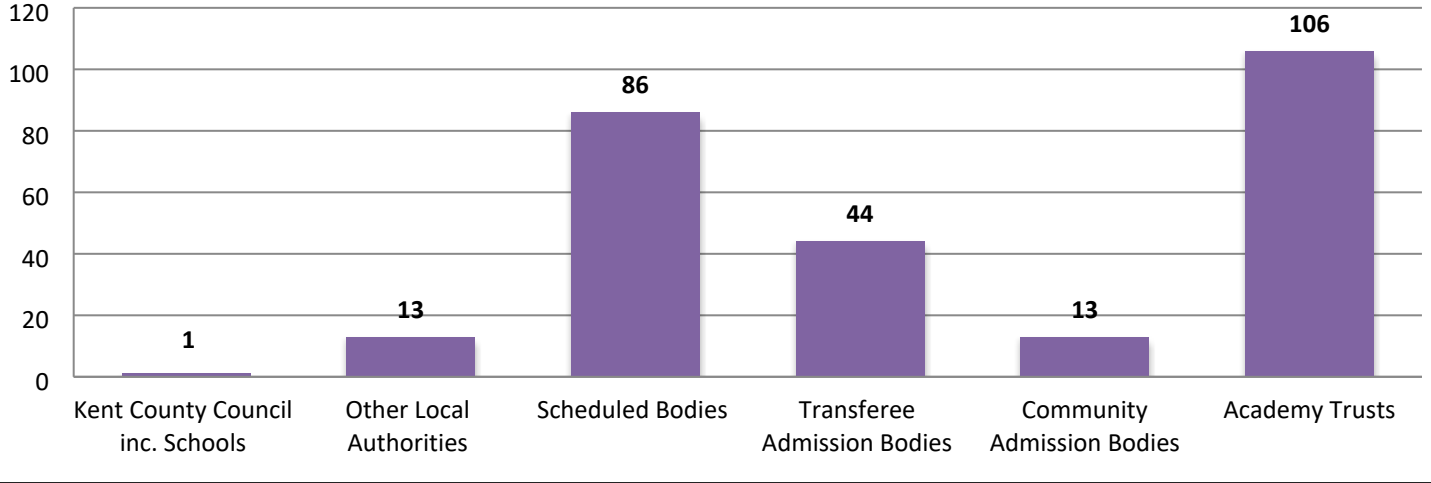
1.3 In quarter 4 the Fund received £89.9m in respect of monthly contributions (employer and employee) as follows:

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

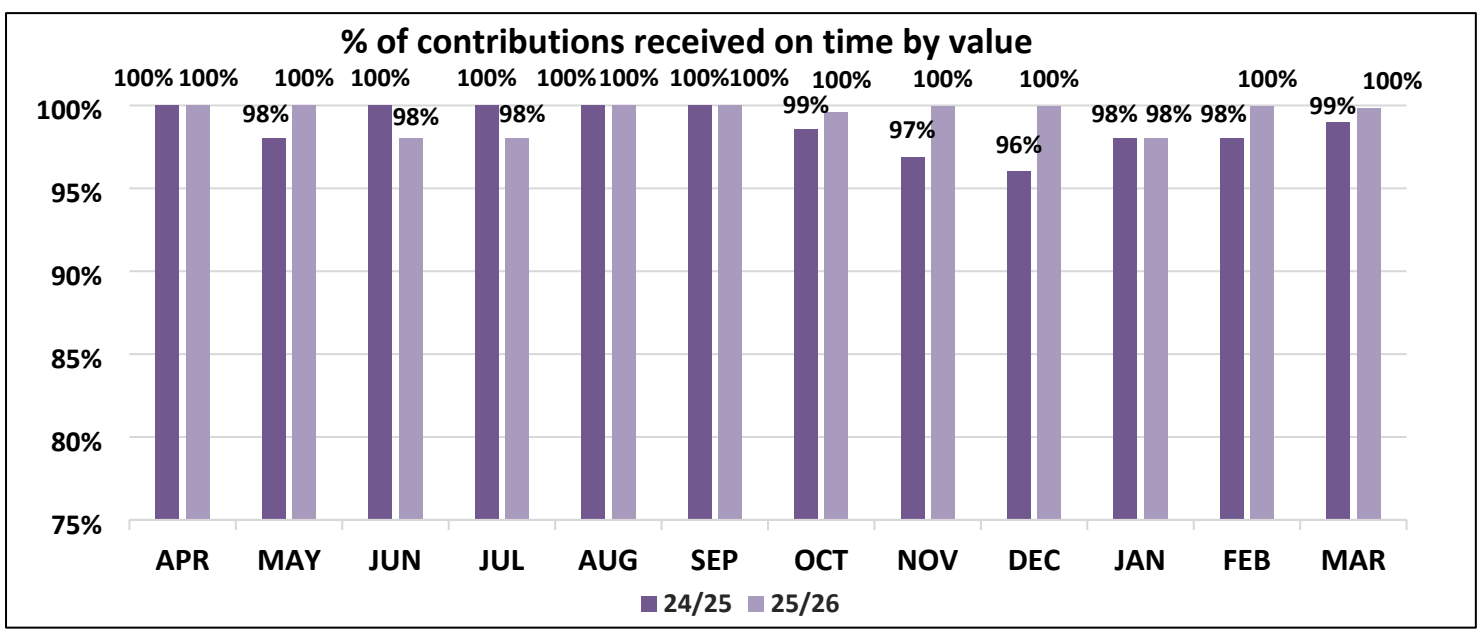
1.4 The £89.9m compares with contributions received for quarter 4 of 2024/25 of £84.8m as employer and employee membership will have changed and some employers have a stepped increase in their employer contributions.

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.

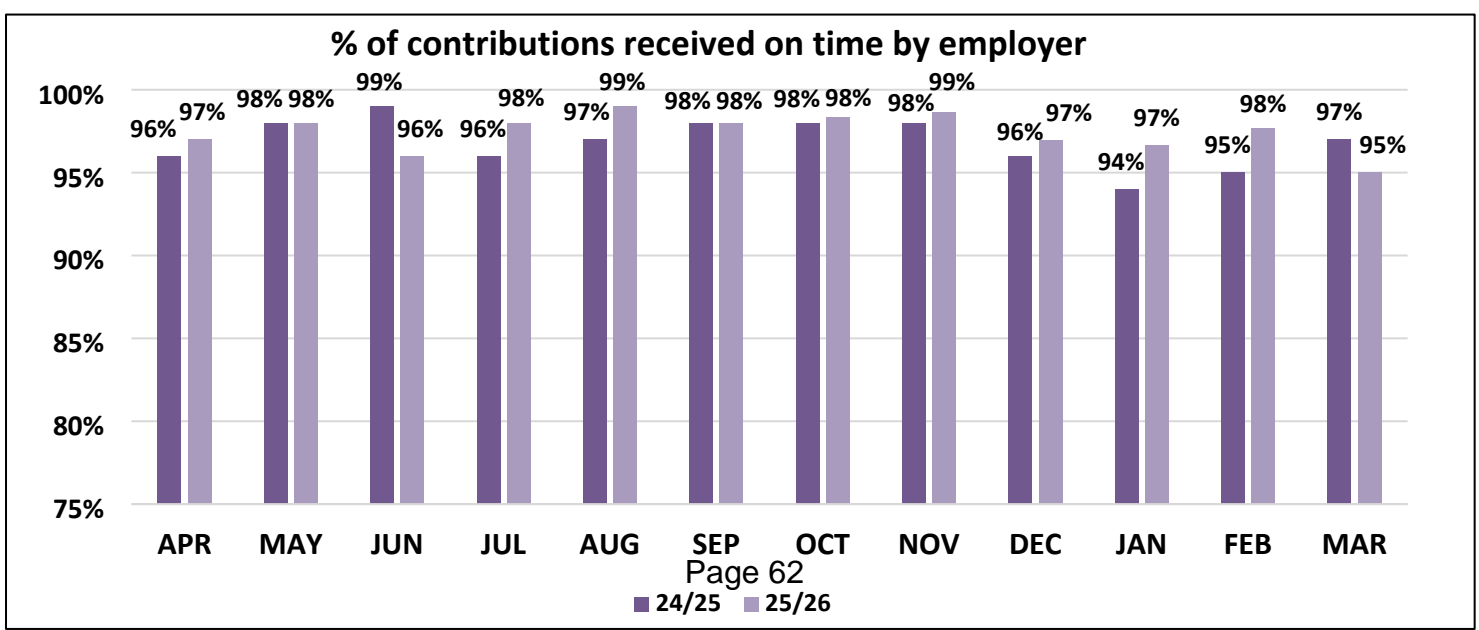
Breakdown of Monthly Contributing Employers



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 Board 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 As discussed at the Board's meeting in March 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.

Appendices:

Appendix One - Employer admissions and associated matters

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

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14 May 2026

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Appendix 1

Employer admission and associated matters

The following matters were agreed by the Head of Pensions and Treasury under Committee's delegated authority given at their meeting on 3 December 2024.

New Employers

	Admitted Body	Scheme Employer	Admission Date	Contract Length	Security	Contribution Rate	Transferring staff
1	May Harris Multi Services Ltd (Company Number 07111275)	The Academy of Woodlands (now Rivermead Inclusive Trust)	01/09/2021	3 Years Facilities	Guarantee £20,000	26.2% Closed	7
2	Vivify Venues Ltd (Company Number 12770812)	Tunbridge Wells Grammar School for Boys (Kent County Council)	01/09/2023	3 Years Facilities	Bond £16,000	30.1% Closed	1
3	Raigins Ltd (Company Number 7637078)	Thinking Schools Academy Trust	01/11/2023	3 Years Cleaning	Guarantee £35,000	24.5% Open	2
4	Steadfast Cleaning Company Ltd (Company number 01741651)	The John Wallis Church Of England Academy.	01/10/2024	3 Years (+2) Cleaning	Guarantee £84,000	26.2% Closed	6
5	Atlas FM Payroll Ltd (Company Number:15181418)	Dartford Grammar School	01/07/2025	3 Years (+2) Cleaning	Guarantee £87,000	26.0% Closed	18
6	Purgo Supply Services Ltd (Company number: 08665328)	Bourne Alliance Multi Academy Trust	23/07/2025	3 Years (+2) Cleaning	Guarantee £53,000	21% Closed	15
7	Aspens Services Ltd (Company Number 06561073)	Tenterden Schools Trust	01/08/2025	3 Years Catering	Guarantee £18,000	24.3% Closed	1
8	Independent Catering Management Ltd (Company Number 3222546)	Rivermead Inclusive Trust	01/08/2025	3 Years (+1) Catering	Guarantee £43,000	25% Closed	2
9	Cleantec Services Ltd (Company	Swale Academies Trust	20/10/2025	3 Years	Guarantee	16.9%	5

Number 4155336)			Cleaning	£16,000	Closed	
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Cessations

	Admitted Body	Scheme Employer	Admission date	Cessation date	Cessation Position	Officer Decision
1	Cater Link Ltd	Kent County Council	01/08/2016	31/07/2019	Surplus £12,000	Bond of £44,000 was discharged on 21 April 2026.
2	Cater Link Ltd	EKC Schools Trust	01/06/2023	18/04/2025	Surplus £4,000	Bond of £19,000 was discharged on 22 April 2026

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Other Decisions

	Admitted Body	Scheme Employer	Event date	Decision
1	Independent Catering Management Ltd	Dover Grammar School for Boys	01/09/2024	<p>Independent Catering Management Ltd was awarded a catering contract by Dover Grammar School for Boys with a commencement date of 01 September 2024 which involved 2 staff with previous LGPS membership.</p> <p>After numerous attempts by the Fund to progress the admission, Independent responded advising that they did not want to proceed with an application to join due to the associated upfront costs such as actuarial and legal fees. In addition, having recently gone through a cessation of another Independent contract leading to a large deficit owing, Independent was nervous about the potential future financial implications upon exit.</p> <p>The solution agreed is as follows:</p>

			<ul style="list-style-type: none">• Treat staff as if they had never transferred by seconding the transferred staff back to DGSB for the period they were employed with Independent (1 September 24 to 31 March 26);• Independent agreed to return all employee and employer contributions to DGSB;• DGSB pay said contributions to the Fund; and• Members pension records would show as continuous with DGSB.
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Steven Tagg, Employers Governance, Compliance and Funding Principal Accountant.

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18 May 2026

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Agenda Item 11

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Agenda Item 12

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