

To: Kent Pension Board – 31 March 2026

From: Chairman Kent Pension Board  
Corporate Director - Finance

Subject: Employer governance matters

Classification: Unrestricted

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### **Executive Summary:**

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

An update is provided on the completed 31 March 2025 triennial valuation and Committees delegation of authority to the Head of Pensions and Treasury for approval of new employer and employer cessation cases.

Summary of key employer governance statistics and employer activity:

- The total number of employers in the Fund has increased from 462 to 465 over the quarter to 31 December 2025.
- Contribution income for this quarter totalled £90.1m.
- The Fund received an average of 100% of contributions measured by value and an average of 98% of contributions measured by employer on time during this quarter.
- An update is provided on the completed 31 March 2025 triennial valuation where the whole Fund was 104% funded. A draft Fund final report is attached at Appendix One.
- Ongoing delegation to the Head of Pensions and Treasury for new admission applications and cessation cases was agreed by Committee at their meeting on 11 December 2025, with a further review at the Committee's meeting in December 2026.
- 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, detailed in the attached Appendix Two.

## Recommendation:

The Board is recommended to note the report.

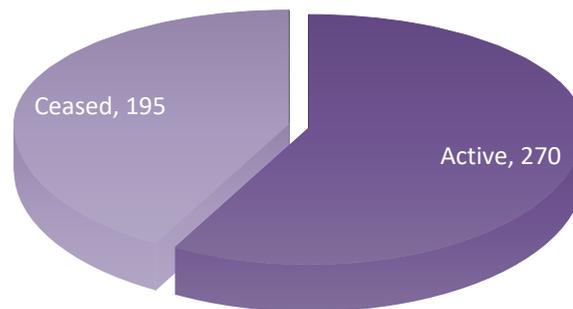
## FOR INFORMATION

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

- 1.1 On 30 September 2025 there were 462 employers in the Fund. This number increased by 3 overall since then to 465 employers in the Fund on 31 December 2025.
- 1.2 During this period, 2 new admitted bodies joined the Fund, and 1 resolution body joined the Fund.

### Split of Employers between Active and Ceased



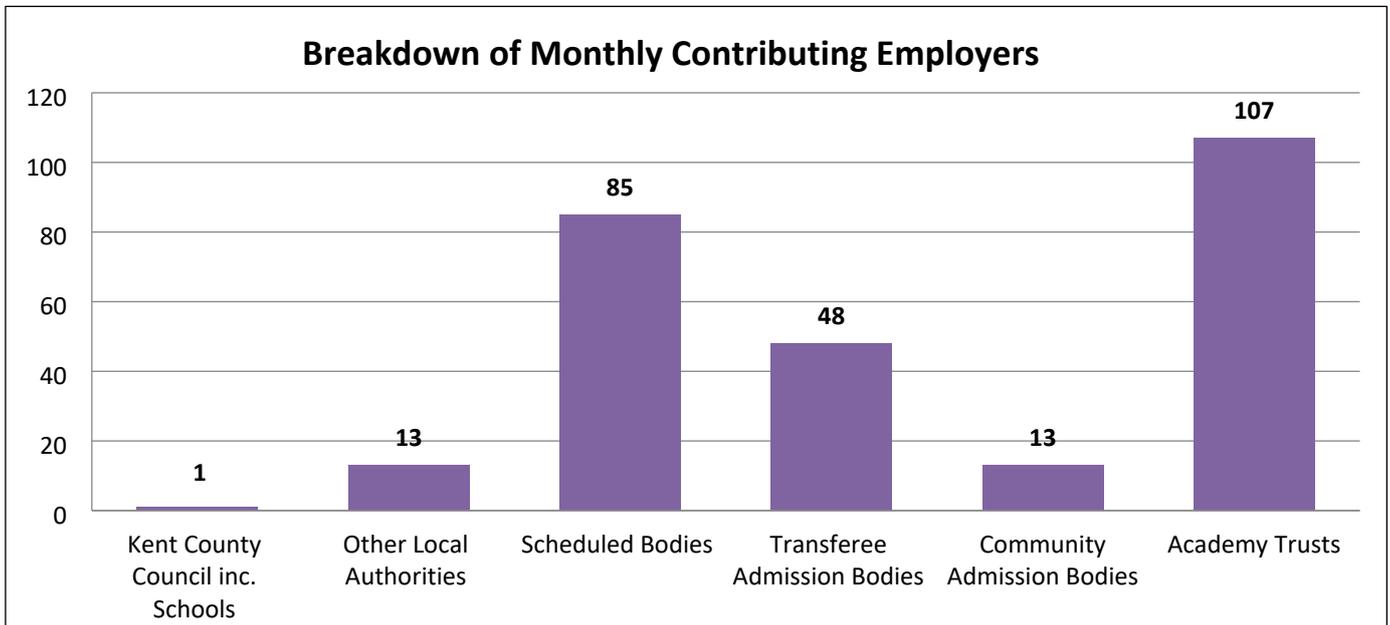
Type	New Employers	Effective Date
Resolution Body	Sutton at Hone & Hawley Parish Council	1 October 2025
Admitted Body	Churchill Contract Services Ltd (re Alethia Academy Trust)	18 December 2025 (backdated to 01 April 2024)
Admitted Body	Nourish Contract Catering Ltd (re Stour Academies Trust)	17 November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

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

	Received Early	Received on 19 <sup>th</sup>	Received Late	Total
	£	£	£	£
<b>October</b>	20,020,856.38	9,780,634.63	128,397.86	29,929,889
<b>November</b>	18,879,709.52	11,077,981.74	8,909.33	29,966,601
<b>December</b>	19,461,471.31	10,770,644.74	19,897.63	30,252,014

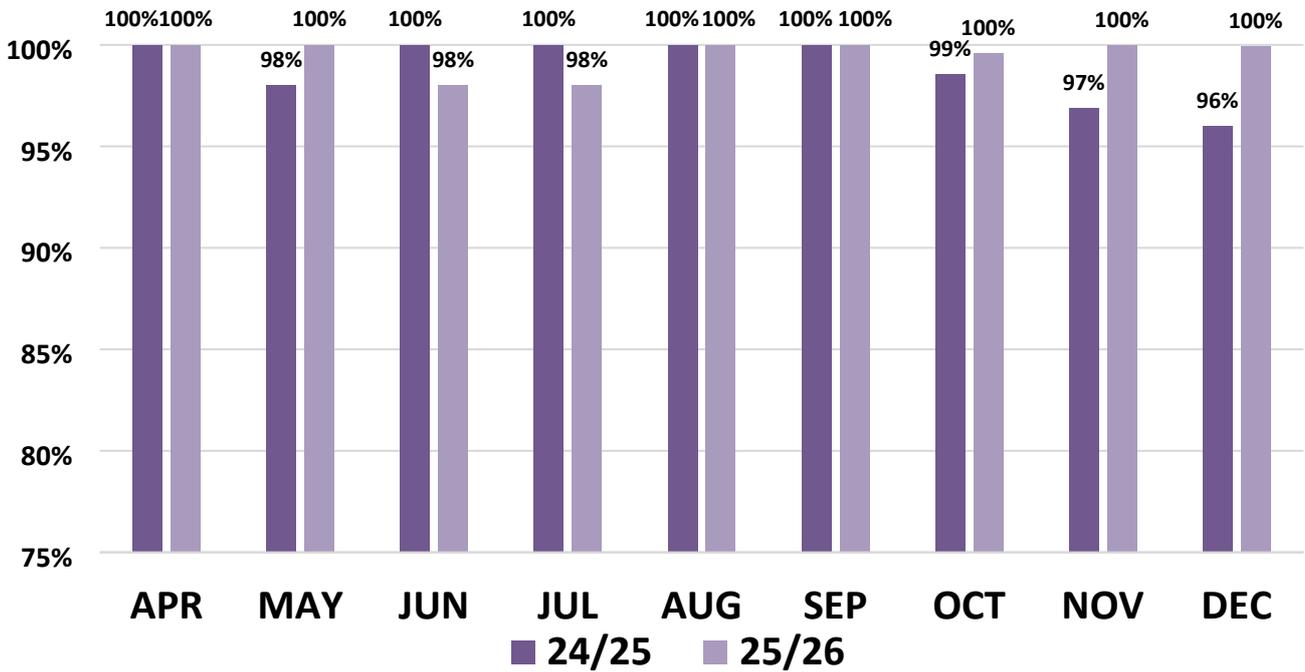
1.4 The £90.1m compares with contributions received for quarter 3 of 2024/25 of £85.4m as employer and employee membership will have changed and some employers have a stepped increase in their employer contributions.

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



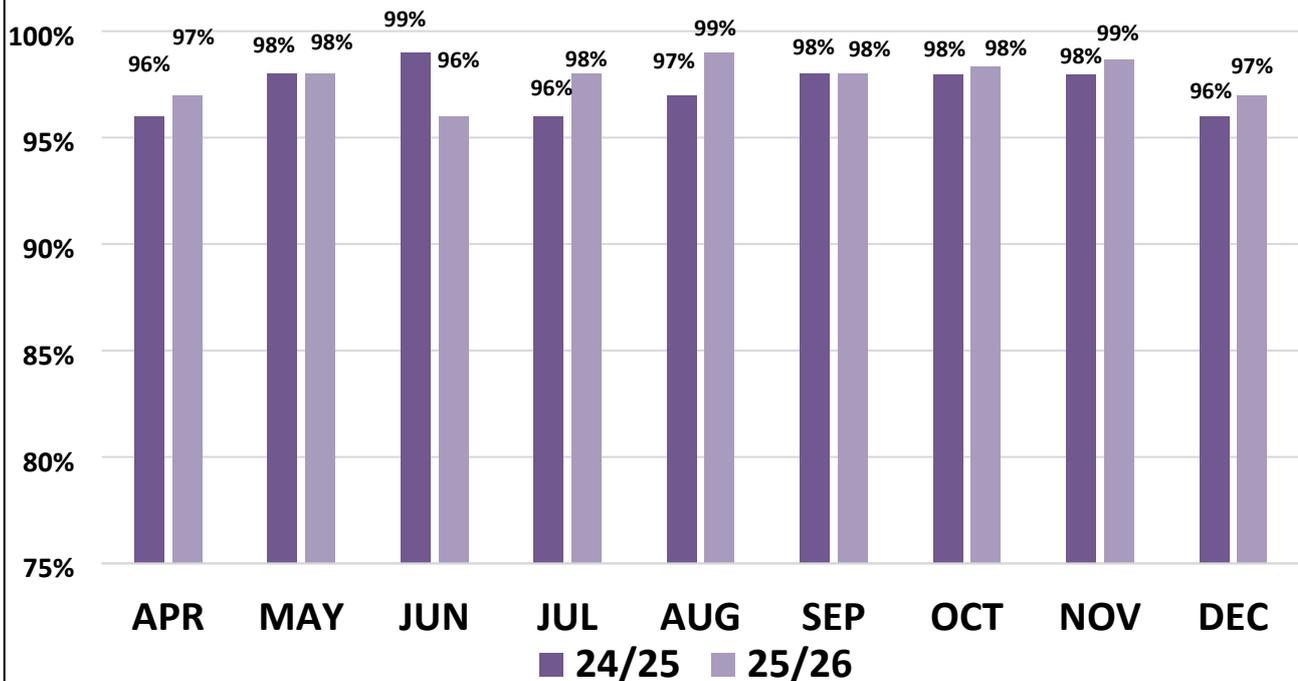
1.6 The following table shows the % of contributions received on time by value:

## % of contributions received on time by value



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

## % of contributions received on time by employer



## **2. 31 March 2025 triennial valuation**

- 2.1 As discussed at the Board's meeting in November, for the 31 March 2025 triennial valuation the whole Fund is 104% funded, being a marginal improvement of the 31 March 2022 triennial valuation position when the whole Fund was 102% funded. Employer results can be different to the whole Fund's funding position.
- 2.2 The employer results from the 31 March 2025 triennial valuation have now been sent to employers including the existing LGPS funding pool for academies, the existing funding pool for colleges and the new funding pool for town and parish councils who all received a single employer report for their respective pools. For employers not in funding pools, these employers were sent their own specific report.
- 2.3 The above reports confirm employers' funding levels for 31 March 2025 on a triennial valuation basis and certify employer contributions for the three years from 1 April 2026 to 31 March 2029. These employer contribution rates reference the draft Funding Strategy Statement as recommended to the Committee at their March 2026 meeting.
- 2.4 A draft whole Fund final valuation report is attached at Appendix One.
- 2.5 The final Fund valuation report will be signed by the Fund actuary Barnett Waddingham and submitted to government on or before 31 March 2026 including its Rates and Adjustment Certificate. This will be published on the Fund website on 1 April 2026.

## **3. Delegation of authority to the Head of Pensions and Treasury review**

- 3.1 The Committee has previously agreed to delegate approval of decisions for new employers joining the Kent Pension Fund as admitted bodies and employer cessation cases to the Head of Pensions and Treasury which have improved operational efficiencies, as last reviewed by Committee at their December 2025 meeting. These cases are as routinely reported to the Board and Committee, detailed in the attached Appendix Two.

### Background

- 3.2 At their meeting on 21 June 2019 Committee agreed the following delegations to officers to streamline processes -
  - *Legal agreements re admission body arrangements: – Treasury and Investments Manager (Alison Mings) / Senior Accountant – Pension Fund (Steve Tagg) / Investments Accountant (Sangeeta Surana) / Pension Fund Business Partner (Nick Vickers) and;*
  - *Termination letters re returns of surplus up to £20k and notifications re deficits, as described in the actuary's reports: - Treasury and*

*Investments Manager (Alison Mings) / Senior Accountant – Pension Fund (Steve Tagg) / Investments Accountant (Sangeeta Surana) / Pension Fund Business Partner (Nick Vickers).*

3.3 At their meeting on 3 December 2024 Committee agreed to -

- *delegate authority to agree to any new admission agreements to the Head of Pensions and Treasury subject to satisfactory legal and actuarial advice, including authority for the admission agreement and its associated security (a bond or guarantee) to be legally sealed on behalf of KCC as Administering Authority and;*
- *to delegate authority to the Head of Pensions and Treasury to discharge associated security (a bond or guarantee) and issue a Termination Certificate to an exiting employer.*

3.4 It was agreed at this meeting to then review these delegations in 12 months' time (i.e. at the Committee's winter meeting in 2025) to ensure that the arrangements are working as intended and remain appropriate.

3.5 At their meeting on 19 March 2025 Committee agreed to -

- *delegate authority to the Head of Pensions and Treasury to discharge any surplus when an employer exits the Fund.*

Review of delegation

3.6 As agreed at the Committee's meeting in December 2024 as mentioned above, officers have reviewed these delegations to ensure they remain appropriate and are working as intended.

3.7 As a result of the above delegations operational efficiencies have been achieved which has allowed Fund officers to complete cases more quickly than if they had been taken to Committee meetings for a decision.

3.8 Since the December 2024 delegation the following number of cases have been completed -

Type of decision	Total cases
New Admission to the Fund	15
Change of Security	2
Termination Certificate	6
Bond Discharge	3

- 3.9 Nick Buckland as Head of Pensions & Treasury has confirmed that he is “*very happy with how the process is working, and content to continue*”.
- 3.10 Actuarial advice from Barnett Waddingham and legal advice from Invicta Law will continue to be obtained as necessary when decisions are made by the Head of Pensions and Treasury.
- 3.11 A recommendation was made to the Committee for their decision at their December 25 meeting to continue the delegation to the Head of Pensions and Treasury for new admission and cessation case, which was agreed, with a further review at the Committee’s meeting in December 2026.
- 3.12 At their December 2025 meeting the Committee asked officers to provide a full list of delegations and legal obligations to the Head of Pensions and Treasury to members of Board and Committee for them to better understand what is being agreed on their behalf which the Committee has asked for Board to also be sight on.

#### New employers joining the Kent Pension Fund

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

3.15 Under KCC's constitution and given the commitments involved in many legal agreements, KCC will often require a Member decision which is why these matters were, prior to the delegation of authority, always brought to Committee for their decision.

3.16 The Head of Pensions and Treasury is therefore currently agreeing under delegation by the Pension Fund Committee, that subject to satisfactory legal and actuarial advice and including due diligence by Fund officers, SCHEDULE 2 PART 3 employers may join the Fund and that any associated legal documents may be executed on behalf of KCC as Administering Authority.

#### Employers exiting the Kent Pension Fund

3.17 As mentioned above, at their meeting on 21 June 2019 Committee agreed the following delegation to officers in respect of employer cessations -

- *Termination letters re returns of surplus up to £20k and notifications re deficits, as described in the actuary's reports: - Treasury and Investments Manager (Alison Mings) / Senior Accountant – Pension Fund (Steve Tagg) / Investments Accountant (Sangeeta Surana) / Pension Fund Business Partner (Nick Vickers).*

3.18 At their meeting on 3 December 2024 Committee agreed to -

- *to delegate authority to the Head of Pensions and Treasury to discharge associated security (a bond or guarantee) and issue a Termination Certificate to an exiting employer.*

3.19 Further to completion due diligence by Fund officers, the Head of Pensions and Treasury is therefore agreeing on behalf of Pension Fund Committee to the signing of any termination letters including the return of cessation surpluses over £20,000, and bond or guarantee discharge certificates on behalf of the Fund.

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

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

#### **Appendices:**

**Appendix One - Draft Fund final valuation report Barnett Waddingham.**

**Appendix Two - Employer admissions and associated matters.**

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

**T: 03000 416747**

**E: [steve.tagg@kent.gov.uk](mailto:steve.tagg@kent.gov.uk)**  
**10 March 2026**

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