KENT COUNTY COUNCIL

PENSION BOARD

MINUTES of a meeting of the Pension Board held in the Council Chamber, Sessions House, County Hall, Maidstone on Thursday, 4 June 2026.

PRESENT: Mr M Trebilcock, Cllr R Carnac, Mr B Fullbrook, Mr M Fraser Moat, Ms K King, Mrs A Mings and Mr J Parsons

IN ATTENDANCE: Mr N Buckland (Head of Pensions and Treasury), Miss M Bundy (Democratic Services Officer), Mrs C Chambers (Head of Pensions Administration), Mrs E Green (Senior Governance and Programme Manager), Ms K Neal (Technical and Compliance Lead Manager), Ms E Rutland (Senior Pension Fund Finance Officer), Mr C Steensel (Investments Accountant), Ms S Surana (Pensions and Treasury Investments Manager) and Mr S Tagg (Employers' Governance, Compliance and Funding Principal accountant).

UNRESTRICTED ITEMS

47. Election of Chair
(Item 1)

1. Mr Parsons proposed and Cllr Carnac seconded that Mr Trebilcock be elected as Chair of the Pension Board.

2. As there were no other nominations, Mr Trebilcock was elected as Chair of the Pension Board.

3. RESOLVED that Mr Trebilcock be elected as Chair of the Pension Board.

48. Apologies and Substitutes
(Item 2)

Apologies were received from Mr Chamberlain and Mr Ward.

49. Declarations of Interest by Board members on items on the agenda for this meeting
(Item 3)

There were no declarations of interest.

50. Minutes of the meeting held on 31 March 2026
(Item 4)

RESOLVED that the minutes of the meeting held on 31 March 2026 are correctly recorded and they be signed by the Chairman.

51. Date of next meeting
(Item 5)

It was noted that the next meeting of the Board would be held on 3 September 2026.

52. Pension Fund Committee Verbal Update
(Item 6)

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

   a. There had not been a Pension Fund Committee (PFC) meeting since the last Board meeting due to a change in the standard scheduling arrangements.

   b. A PFC meeting was scheduled in approximately 2.5 weeks, with the normal meeting cycle resuming thereafter.

2. RESOLVED to note the verbal update.

53. Pensions Administration
(Item 7)

1. Mrs Chambers, introduced the item, covering the following points:

   a. Performance remained strong between January and March 2026, with high customer satisfaction (95 -98%), strong rates of first- contact resolution and KPIs were largely met across core processing areas.

   b. Workload pressures persisted despite efficiencies gained from increased digital member engagement. Some teams were relying on overtime to meet these pressures, and work was underway to increase workload capacity.

   c. Transfer and interfund work was below the KPI target. An aggregation backlog was impacting performance with approximately 23,000 cases (18% complete) affected due to case complexity and the McCloud blackout period.

   d. Data quality remained high and progress was ongoing on the McCloud implementation system updates.

2. During consideration of the item the following points were discussed:

   a. The term ‘blackout’ related to the McCloud project, it required case processing paused.

   b. McCloud data had now been received and was undergoing validation; a pre- and post-data load snapshot would be taken to maintain an audit trail. Data loading was expected in the coming weeks, followed by checks on errors and rejections before progressing to next stages.

c. Approximately 2,000 aggregation cases were expected to build up in the backlog, reflecting the high-volume area of work. Final figures would inform recovery planning, and the overall impact would be captured in statistics.

3. RESOLVED to note the report.

54. Investments Update
(Item 8)

1. The item was introduced by Mr Steensel who covered the following points:

   a. Fund value was £9.4 billion as of March 2026, slightly down from the £9.5 billion previously reported. Quarterly funding level return was flat at 0.1%, with underperformance reflecting market volatility linked to tensions in the Middle East.

   b. The Fund achieved an 11.5% return to March 2026 relative to benchmark, driven by both strong relative and absolute returns. The report also set out the Fund's strategic asset allocation and key contributors to performance.

   c. No rebalancing was proposed to the investment strategy, ahead of the ongoing strategy review and transition to Borders to Coast Pension Partnership (BCPP). Officers had attended an investment officer group meeting and partnership work was ongoing with BCPP. Updates would be reported to the Board as required.

2. Sangeeta Surana also outlined the following:

   a. The Pensions Reform Bill had been passed in April 2026 with minimal changes and certain extended deadlines (including for the completion of the Investment Strategy Statement and the appointment of a Senior Responsible Officer). This confirmed that current work was on track and that funding also remained compliant.

   b. The Investment Management Agreement with BCPP was in its final stages of development, with completion expected by July.

   c. The Investment Strategy review was underway and Members would receive training before proposals go to the Board in September followed by the PFC. Then there would be stakeholder consultation, with final approval of the Strategy considered by the Committee in December.

3. During the consideration of the item, the following points were discussed:

   a. Work was ongoing with BCPP to transition assets in line with the Government's requirement to fully pool investments.

   b. A long-term transition plan was in place that included private equity and fixed income investments.

c. The costs of transition would be recorded and reported back to Members as part of the process.

4. RESOLVED to note the report.

55. Fund Governance

(Item 9)

1. The item was introduced by Mrs Green, who provided a summary of the key governance activity since March 2026, including the following:

   a. The 2025/26 budget outturn showed a net overspend of approximately £10 million, largely driven by higher investment management costs and partially offset by underspends in other areas.

   b. New Local Government Pension Scheme (LGPS) governance legislation would come into force on 30 June 2026, with a requirement to appoint a Senior LGPS Officer and an Independent Person. Fund policies were being updated in line with branding and would be reviewed once further guidance was released.

   c. The highest number of staff vacancies remained within the Pensions Administration section. Two new appointments were made within the Technical & Training Team and the Investments Team and further recruitment was planned.

   d. The internal audit review of debt recovery management found good prospects for improvement, with no high or medium risks identified, and recommendations were being considered by officers.

2. During consideration of the item the following points were discussed:

   a. The £10.5 million overspend was largely due to increased transaction costs from stamp duty relating to property acquisitions, and management fees that were higher than expected due to investment performance that was better than anticipated.

   b. The BCPP transition plan included indicative costings and suggested that the financial challenges of moving from ACCESS could be partly offset in the long- term by financial benefits.

   c. Anticipated staffing cost changes were factored into the budget and had been shared with the Board in March. They were not expected to significantly impact the current year.

   d. Any changes to asset management fees were unlikely to be reflected this year, as the initial transfer of assets to BCPP were expected towards the end of the year, with impacts more likely to be seen next year.

e. The Board discussed whether asset management fees should be included within the budget, highlighting that these costs were variable and not directly controllable by officers.

3. RESOLVED to note the updates outlined in this report.

56. Employer Governance Matters
(Item 10)

1. The item was introduced by Mr Tagg covering the period up to 31 March 2026, with brief updates on the triennial valuation, and the Funding Strategy Statement.

2. During consideration of the item the following points were discussed:

   a. Communication with employers on contribution rates was a key part of the triennial valuation process, with messaging emphasising stability to avoid significant reductions that could lead to future increases.

   b. LGR had created uncertainty regarding major employers, requiring a degree of flexibility in future preparations.

   c. It was highlighted that the triennial valuation, including the Funding Strategy Statement had been a key exercise in addressing employer concerns around contributions when joining and leaving the Fund.

3. RESOLVED to note the report.

Motion to Exclude the Press and Public

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

EXEMPT ITEMS
(Open access minutes)

57. Projects Updates
(Item 11)

1. The item was introduced by Mrs Green, who provided a summary of key project activity since March 2026, including the following:

   a. Updates were provided on a number of technology projects, including cyber security initiatives and the re-procurement of the pensions administration system.

   b. A new employer contacts database had been introduced to improve monitoring and management, with positive early results ahead of its planned go-live date.

c. The go- live date for the Oracle Cloud Phase 2 Programme was yet to be announced.

d. In relation to the UK Pensions Dashboards, no implementation date had yet been announced by Ministers. However, a six-month notice period would be provided prior to any changes being introduced.

e. The re-procurement of the pensions administration platform project was being overseen by the Commercial and Procurement Oversight Board, with the tender process currently underway and expected to be concluded by the end of the year to allow time for mobilisation. A further update would be provided in September.

2. During consideration of the item the following points were discussed:

a. The Board welcomed the use of an established framework for the re-procurement of the pensions administration platform that would help support an efficient and robust process.

b. Mr Buckland emphasised the importance of ensuring the procured system could deliver the required level of service, highlighting that quality had been prioritised within the evaluation process due to the platform's critical role in supporting pensions administration.

3. RESOLVED to note the report.

58. Local Government Re-organisation
(Item 12)

1. The report was introduced by Mrs Green, who provided a summary of the latest work undertaken in relation to LGR, including the following:

a. Officers had continued to engage with key stakeholders and other pension funds to support a collaborative approach to assessing the potential implications of LGR.

b. No further announcements had been made by Government regarding unitary authority proposals in Kent. Further details from Government were awaited, with a Board workshop scheduled for the summer to consider the options for the Fund.

c. An initial options appraisal had been completed, with three options proposed to be discounted and two options still under consideration.

2. Mr Buckland provided additional detail to the Board, including the following:

a. Members were informed of developments elsewhere in the LGPS sector, which would continue to be monitored as part of the Fund's consideration of its own future governance arrangements.

b. A paper would be presented to the PFC seeking agreement to rule out the options discounted through the appraisal process.

c. Further work was required to explore the remaining options and their potential implications for the Fund.

d. The importance of stakeholder engagement was highlighted, with officers seeking to ensure that relevant parties were able to contribute to the development of any future proposals.

3. During consideration of the item the following points were discussed:

a. Discussions to date with Kent Leaders and Chiefs had been constructive with no concerns raised in relation to the work being undertaken.

b. Similar approaches that had been followed elsewhere, although the options available would ultimately depend on the outcome of LGR and the structure that emerged in Kent.

c. The Board agreed with the outcome of the options appraisal and the proposal to proceed with the two preferred options.

d. Further consideration of the options would take place through future PFC and Board discussions, with opportunities provided for Members to review and comment on the proposals developed.

e. Costs would arise from any transition, but these would be unavoidable and would be managed with a view to minimising unnecessary expenditure and change.

4. RESOLVED to:
   - Note the update on the impact of Local Government Reorganisation on the Kent Pension Fund
   - Note the proposed workplan and timetable to analyse the options available for a new host authority for the Kent Pension Fund

59. Risk Register
(Item 13)

1. The item was introduced by Mrs Green, who provided an overview of the Fund's Risk Register since March 2026. This included the following:

a. The five highest-rated risks remained unchanged since March and related to cyber security, investment returns, employer events, local government reorganisation, and the pensions review.

b. The overall position of the Risk Register remained stable, with the majority of risks rated green, eleven rated amber and none rated red.

c. The separate risks relating to fraud and scams had been merged into a single risk category.

d. One risk had increased in rating and one had decreased.

2. During consideration of the item the following points were discussed:

    a. A separate risk register was being developed for LGR to support more detailed monitoring of the associated risks.

    b. A more concise dashboard could be developed to highlight key points in the Risk Register.

3. RESOLVED to note the updated Risk Register.

Chair's Signature: ______________________