Kent Pension Fund Report and Accounts

For the year ended 31 March 2026



Kent Pension Fund

Delivering an outstanding service to our customers

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If you have any comments on the annual report,

- please call 03000 416 431
- email investments.team@kent.gov.uk, or
- write to: Kent Pension Fund, Treasury and Investments, Kent County Council, Room 3.08, Sessions House, County Hall, Maidstone, Kent ME14 1XQ

Highlights

£9.4bn
Pension fund value
(FY25: £8.5bn)

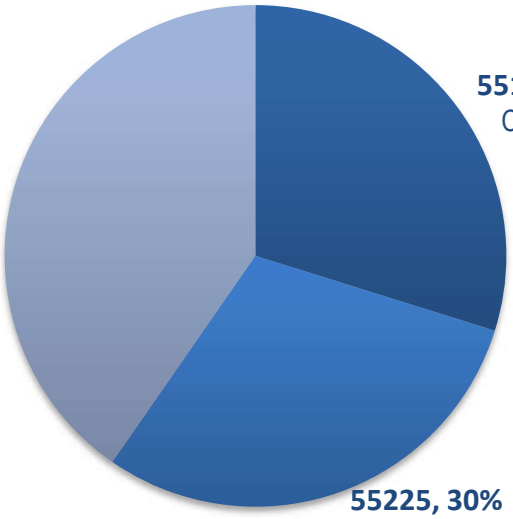
265
Active employers in the scheme
(FY25: 272)

£372m
Received in contributions
(FY25: £352m)

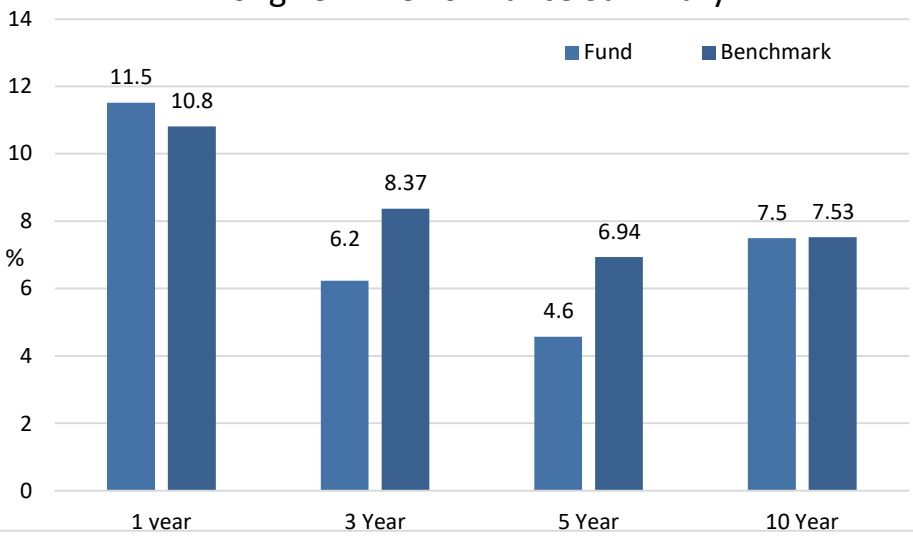
£353m
Benefits paid
(FY25: £333m)

104%
Funded (2025)

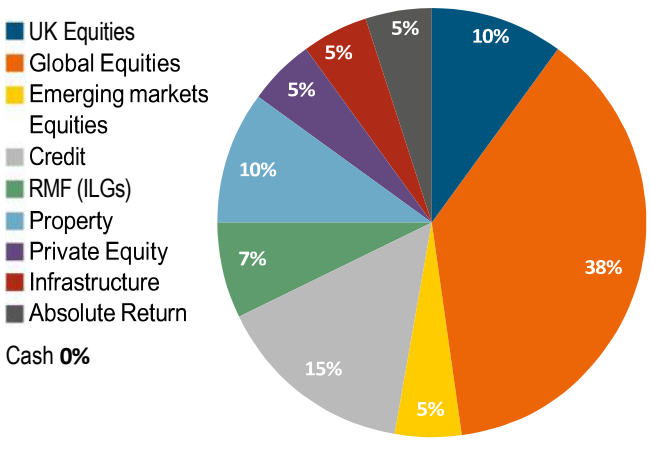
Membership



Long Term Performance Summary



Strategic asset allocation



Kent Pension Fund is a member of the ACCESS pool where we work with other local government pension funds to pool investments to significantly reduce costs, while maintaining investment performance. See below the savings made as a result of Pooling:

£5.7m
Current year savings

£30.5m
Cumulative savings

47.3%
of assets outside ACCESS pool

52.7%
of assets inside ACCESS pool

Chairman's foreword

It is my pleasure to present the Kent Pension Fund Annual Report and Accounts for 2025/26, my first year as Chair of the Pension Fund Committee.

This has been a year of significant change across the Local Government Pension Scheme (LGPS) landscape. Amid evolving regulatory requirements, investment pooling reforms and preparations for local government reorganisation, the Fund has remained firmly focused on its core purpose: delivering high-quality pension services for our members while safeguarding the long-term sustainability of the Fund.

The Fund's membership continues to grow, and we now support 185,028 members across a diverse and expanding employer base of 265 active employers. I would like to thank our officers for their dedication and professionalism in ensuring that members and employers continue to receive an excellent standard of service during a particularly demanding period.

A key milestone during the year was the completion of the Fund's triennial actuarial valuation as at 31 March 2025. The valuation assesses the Fund's ability to meet its long-term pension liabilities and informs the level of employer contributions required to ensure those obligations can be met when they fall due. Central to the valuation process is the objective of maintaining contribution rates that are stable, affordable and sustainable for participating employers while protecting the Fund's long-term financial position.

I am pleased to report that the Fund's overall funding level improved from 102% to 104% over the valuation period. While funding outcomes varied across individual employers, the valuation resulted in lower contribution rates for the majority of participating employers. This was particularly welcome at a time when many local authorities and public sector bodies continue to face significant financial challenges.

The Fund also admitted 17 new employers during the year, ensuring that employees continue to benefit from LGPS membership where services are outsourced or organisational structures change. Our Employer Governance team has continued to provide comprehensive support to employers throughout the admission and cessation process, while implementing governance improvements to strengthen efficiency and consistency. A notable achievement was the introduction of parish council pooling arrangements, designed to reduce funding volatility, improve stability of contribution rates and lessen the administrative burden for these smaller employers.

Delivering a high-quality member and employer experience remains a key priority. As detailed in the Administration Report, the Fund achieved significant progress during 2025/26 through a combination of backlog reduction, improvements in data quality, enhanced digital services and consistently high levels of customer satisfaction. These achievements have been delivered against a backdrop of increasing demand for pension services and a growing membership base.

The year was also marked by substantial developments in the LGPS investment landscape. As part of the Government's Fit for the Future reforms, expectations around investment management, pooling and governance have continued to evolve. Following a comprehensive selection and due diligence process, Kent Pension Fund joined the Border to Coast Pensions Partnership alongside six former ACCESS partner funds. With assets representing 18 LGPS funds, Border to Coast is now the largest LGPS asset owner in the country, providing the Fund with access to greater scale, enhanced investment opportunities and broader investment management capabilities. At the same time, ACCESS partner funds have worked collaboratively to ensure an orderly and efficient transition from the existing arrangements.

New pooling requirements place increased responsibilities on LGPS pools, including the management of all assets and the provision of investment advice. Fund officers continue to work closely with Border to Coast to ensure that its services meet the Fund's objectives and governance requirements. The priority for the coming year will be the planning and delivery of cost-effective asset transitions into the new pooling structure.

Despite pausing significant investment changes during the year in anticipation of the new pooling arrangements, the Fund delivered a strong investment return of 11.5%, outperforming our benchmark of 10.8% as well as the LGPS average. This performance reflects the resilience of the Fund's investment strategy and the continued oversight exercised by the Committee and officers during a period of heightened market volatility and economic uncertainty.

In parallel with implementing pooling changes, the Fund has continued to strengthen its governance framework. An independent governance review undertaken by Barnett Waddingham concluded that the Fund is well positioned to meet the Government's Fit for the Future requirements, reflecting both the progress already made and the programme of improvements planned. I was also delighted to welcome Matthew Trebilcock as the independent Chair of the Pension Board. Matthew brings extensive LGPS knowledge and experience, further strengthening the Board's role in providing effective governance, scrutiny and oversight.

The Fund has been required to respond to several important regulatory developments during the year. We welcome reforms that seek to improve fairness, transparency and access across the LGPS, although implementation has inevitably placed additional demands on resources. Alongside work to address McCloud and Pensions Dashboard requirements, the Fund has supported the Council's transition to Oracle Cloud. I am particularly grateful to our teams, who have demonstrated remarkable adaptability and commitment while continuing to deliver a first-class service throughout these significant changes.

Looking ahead, one of the most consequential developments facing the Fund is Local Government Reorganisation. The scale of change proposed across local government is unprecedented and will have important implications for governance, employer participation, administration and member services. The Fund continues to work closely with the administering authority, participating employers and wider stakeholders to assess the potential impact of these reforms. Officers are actively engaged in a cross-authority project group established to coordinate preparations, and the Fund is drawing on external expertise and lessons learned from other LGPS funds that have experienced similar structural change. A key consideration will be determining the future host authority arrangements for the Fund, with decisions guided by what is in the best long-term interests of members and employers.

As we look to the year ahead, our priorities remain clear. We will continue to support the implementation of investment pooling reforms, deliver the governance enhancements required under the evolving regulatory framework, and prepare the Fund for the challenges and opportunities presented by local government reorganisation. Throughout this period, our unwavering focus will remain on protecting the Fund's financial sustainability and delivering high-quality services for our members and employers.

Finally, I would like to thank the members of the Pension Fund Committee, the Pension Board, and officers for their support, dedication and commitment throughout the year. Their collective expertise and hard work continue to play a vital role in the successful stewardship of Kent Pension Fund on behalf of all our members, employers and stakeholders.

Councillor Sarah Emberson
Chair, Kent Pension Fund Committee
July 2026

Governance arrangements

The Pension Fund Committee

The Pension Fund Committee exercises all the powers and duties of the Kent County Council (KCC) in relation to its functions as Administering Authority for the Fund. The Committee was responsible for setting investment strategy, appointing professional fund managers and carried out regular reviews and monitoring of investments. It also monitored the administration of the Pension Scheme and determined Pension Fund policy in regard to employer admission arrangements.

There were three formal Committee meetings during the year, all were held in person with the option to join virtually. The Committee also held an informal meeting focused on strategy development during the year.

The membership of the Committee during 2025-26 is detailed below.

Committee members

Employer representatives

All elected members (employer representatives) have full voting rights at the Committee.



Sarah Emberson
Chair
Kent County Council



Alan Cecil
Vice Chair
Kent County Council



Dean Burns
Kent County Council
Joined March 2026



Terry Mole
Kent County Council



Mark Mulvihill
Kent County Council



Geoffrey Samme
Kent County Council
Joined August 2025



John Burden
Gravesham Borough Council



Paul Stepto
Kent County Council



Rob Yates
Thanet District Council

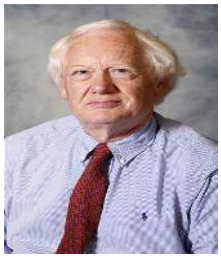


Stacey Blair
Dover District

Simon Sim
(Non-voting)
Staff representative



Harry Rayner
Kent County Council
Joined March 2026



Mark Jones
Medway Council



Adrian Kibble
Kent County Council
July 2025-March 2026



Isabella Kemp
Kent County Council
April 2025-November 2025

Paul Doust
(Non-voting)
Kent Active Retirement Representative



Albert Thorp
Kent County Council
July 2025-November 2025



Mark Ellis
Kent County Council



Bridget Porter
Kent County Council



Martin Paul
Kent County Council
Joined January 2026

Governance arrangements continued

Member Representatives

Member representatives do not have a vote but otherwise are treated equally in terms of access to papers, training and opportunity to contribute to the decision making process.

Kent Active Retirement Fellowship Representatives
Paul Doust

Union Representative
Vacancy

Kent County Council Staff Representative
Simon Sim

Local Pensions Board

The Board's role was to ensure effective and efficient governance and administration of the LGPS scheme including ensuring compliance with scheme regulations and other applicable legislation.
The membership of the Board during 2025-26 is detailed below; there were three full Board meetings during the year.

Kent County Council Officers and Others

The day-to-day operations and management of the Fund and implementing the decisions of the Pension Fund Committee are delegated to the KCC Section 151 officer and their staff. This includes the power to seek professional advice and devolve day to day handling of the Fund's investments to professional fund managers and advisers within the scope of the regulations. KCC undertakes the monitoring and accounting for the investments of and income due to the Fund.

Key Personnel

John Betts (until December 2025)	Interim Corporate Director Finance and S151 Officer
Brendan Arnold (From March 2026)	
Nick Buckland	Head of Pensions and Treasury

Board members

Matthew Trebilcock (Joined March 2026), Chairperson	Independent Member
Employer Representatives	**Representing**
Matthew Fraser Moat (Joined November 2025)	Kent County Council
Paul Chamberlain	Kent County Council
Barrie Fullbrook	Kent and Medway Fire Authority
Cllr Rachel Carnac	District/Canterbury City Council
Member Representatives	
Joe Parsons	Unison
Kelly King	Scheme Member Representative
Alison Mings	Scheme Member Representative
Grahame Ward	Scheme Member Representative

Governance 2025-26

During the year both the Pension Fund Committee and Pensions Board met three times. All Committee and Board meetings were held in person with the option to join virtually. Attendance at the Committee and Board meetings can be found below:

Pension Fund Committee

Member	Meetings attended
Sarah Emberson	3/3
Alan Cecil	3/3
Martin Paul	1/1
John Burden	3/3
Mark Mulvihill	3/3
Bridget Porter	3/3
Rob Yates	0/3
Harry Rayner	1/1
Stacey Blair	0/3
Albert Thorp	1/1
Paul Doust	3/3
Mark Jones	3/3
Geoffrey Samme	3/3
Dean Burns	NA
Simon Sim	2/3
Paul Stepto	3/3
Terry Mole	3/3
Mark Ellis	2/3
Isabella Kemp	1/1
Adrian Kibble	1/1

Pensions Board

Member	Meetings attended
Matthew Trebilcock	1/1
Paul Chamberlain	3/3
Joe Parsons	3/3
Matthew Fraser Moat	1/1
Cllr Rachel Carnac	3/3
Grahame Ward	0/3
Kelly King	1/3
Alison Mings	3/3
Barrie Fullbrook	2/3

Committee activity

Items considered by the Committee at its meetings in 2025/26 were as follows:

23/09/2026	11/12/2025	26/03/2026
Committee Work Plan/	Governance Update	Committee Work Plan/Action Log
Action Log	Update from the Pension Board	Pensions Administration
Governance Update	Pensions Administration	Investment Performance
Update from the Pension Board	Investment Performance	Member Training Update
Pensions Administration	and Strategy	Barnett Waddingham Governance update
Projects Update	Projects Update	Fund Governance
Investment Performance	Employer Governance Matters	Funding Strategy Statement
and Strategy	Risk Register Update	Projects Update
Risk Register	BCPP Pooling Update	LGR and Kent Pension Fund
Investment Consultant	Government Consultations	Asset Pooling
Employer Governance Matters	Update	
Actuarial Valuation		
Government Pensions Review-		
Pooling Future		

Board activity

Items considered by the Board at its meetings in 2025/26 were as follows:

04/09/2025	25/11/2025	31/03/2026
Pension Fund Committee update	Pension Fund Committee update	Pension Fund Committee Update
Governance update	Governance update	Pensions Administration
Training	Pensions Administration	Investments update
Pensions administration	Performance dashboard demo	Member training update
		Local Government Reorganisation
Projects Update		Barnett Waddingham Kent Pension Fund 2026 Governance
Investments Update	Investment Update	Funding Strategy Statement update
Risk Register	Projects Update	Risk Register
Employer Governance Matters	Valuation Update	Employer Governance Matters
Actuarial Valuation	Risk Register	Projects update
Pensions Review-Asset Pooling	Pooling Update	Asset Pooling

Training

As an administering authority of the Local Government Pension Scheme, Kent County Council recognizes the importance of ensuring that all officers and members charged with financial management and decision making for the pension scheme are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.

Training is undertaken, recorded and monitored as per the Kent Pension Fund Training Strategy (updated and approved at Pension Fund Committee March 2024). The Strategy sets out the Fund's strategic training objectives and training vision. It recognizes CIPFA's 'Code of Practice on Public Sector Pensions Finance, Knowledge & Skills' and CIPFA's 'Knowledge & Skills Framework'. Kent Pension Fund's Training Strategy outlines the requirement for those on Pensions Board and Pensions Fund Committee to have sufficient skills and knowledge to undertake their role.

During 25/26 training and industry updates were given at Pension Board, Pension Fund Committee, the Fund's Employer Forum meetings and in-between meetings (via email) throughout the year. Members took personal responsibility to maintain their pensions knowledge by accessing relevant literature and information.

Other training options were made available to Members throughout the year relevant to their roles. Overall, a wide range of topics were studied by members of the Fund's Board and Committee in 2025-2026:

The main training events attended by Committee and Board members during 2025-26 were as follows.

Date and approx. duration	Topic/Provider	Attendees
July 2025 1.5hours	An Introduction to Kent Pension Fund-Nick Buckland	Alan Cecil, Albert Thorp, Isabella Kemp, Mark Ellis, Paul Chamberlain, Paul Stepto, Sarah Emberson
Sept. 2025 35 mins	Hot Topic Training-Valuation (Barnett Waddingham)	Adrian Kibble, Alan Cecil, Albert Thorp, Mark Jones, Geoffrey Samme, Mark Ellis, Mark Mulvihill, Paul Doust, Paul Stepto, Sarah Emberson, Simon Sim, Terry Mole
Oct 2025 3 days	Fundamentals Training (LGA)	Geoffrey Samme, Mark Ellis, Sarah Emberson
December 2025 3 hours	ACCESS Committee Joint Observer	Barrie Fullbrook, Kelly King
Jan 2026 2 days	LGPS Governance Conference (LGA)	Paul Doust
Feb 2026 1 day	Pension Fund Committee Away Day (Barnett Waddingham and Mercer)	Alan Cecil, Bridget Porter, Geoffrey Samme, Mark Ellis, Mark Mulvihill, Martin Paul, Paul Doust, Paul Stepto, Sarah Emberson, Simon Sim, Terry Mole.

Completion of the Pension Regulator's E-toolkit for Public Service Pensions was as follows:

Fully completed	Working Towards Completion
Alison Mings	Terry Mole
Simon Sim	Stacey Blair
Geoffrey Samme	Harry Rayner
Mark Ellis	Sarah Emberson
Barrie Fullbrook	Alan Cecil
Paul Doust	John Burden
Paul Stepto	Mark Jones
Rachel Carnac	Matthew Fraser Moat
Joe Parsons	Bridget Porter
	Dean Burns
	Martin Paul
	Rob Yates
	Matthew Trebilcock
	Grahame Ward
	Kelly King

Individual members and officers have also attended training events organized by other external organizations in areas such as finance, pensions, investments, digital systems, governance and scrutiny.

Fund managers

Click on the links below to go to the fund managers website:

Schroders
Baillie Gifford
DTZ investors
Insight Investment
Fidelity International
YFM Equity Partners
Goldman Sachs Asset Management
HarbourVest
Pyrford
Impax Asset Management
Partners Group
Ruffer
CQS
Columbia Threadneedle
Robeco
Kent County Council Treasury Management Team
Waystone
M&G Investments

Further details of the fund manager mandates can be found in the Investment Strategy Statement (ISS).

Other organisations providing services to the Kent Fund

Service	Organisation
Custodian	Northern Trust Company
Bankers	National Westminster Bank
Fund Actuary	Howden
Additional Voluntary Contributions (AVC) Providers	Utmost Life, (earlier Equitable Life Assurance) Prudential Assurance Company Standard Life Assurance
Asset Pool	ACCESS Pool
Asset Pool Operator	Waystone Group
Investment Consultants	Marsh
Auditors	Grant Thornton
Legal Advisors	Invicta Law
Performance Measurers	Northern Trust Company CEM Benchmarking PIRC Limited
Scheme Administrators	Kent County Council
Administration Software Provider	Aquila Heywood

The Kent Pension Fund maintains the following statutory statements and policies; these are reviewed and updated regularly:

- Funding Strategy Statement
- Investment Strategy Statement
- Governance Compliance Statement
- Administration Strategy
- Communications Policy Statement
- Responsible Investment Policy
- Conflicts of Interest Policy
- Contributions Review Policy
- Deferred Debt and Debt Spreading Agreement Policies
- Training Strategy
- Recording and Reporting Breaches of the Law Policy
- Data Quality Policy

These documents can be found on the Pension Fund's website: https://www.kentpensionfund.co.uk/local-government/about-us/management-of-the-fund/policies

A copy of the latest triennial valuation can be found on the Pension Fund's website: Actuarial valuation as at 31 March 2025

Risk Management

Kent County Council as the Administering Authority for the Kent Pension Fund has delegated responsibility for the management of risk to the Pension Fund Committee.

Objectives of Risk Management

The Fund's primary objective is to ensure that over the long term it will have sufficient assets to meet pension liabilities as they fall due. The Fund is exposed to operational and financial risks that might affect its ability to achieve its objectives. The risks need to be monitored and managed on a regular basis.

Risk register

The Committee and Board maintains active oversight of the Fund's key risks and maintains a risk register. Risks are classified into Governance, Investment & Funding and Administration risks. All risks are scored and assigned a target level and mitigations are put in place and for risks measured at higher than target level.
Risks scored at target level are monitored. Risk is a regular agenda item at Pension Fund Committee and Board and members receive regular training on general and specific risks.

The key risks and actions identified included the following:

Key risk	Key Actions
Governance arrangements (implementation of changes due to recent and proposed regulatory changes)	A governance review by Barnett Waddingham was commissioned. This created a checklist of actions to be completed.
Increased risk of cyber attacks	The Fund's incident response plan was updated on a regular basis to ensure up-to-date contact details. Reviews of supplier cyber security assessments were undertaken. A system access list and system owner list was maintained.
Risk of increased funding deficit (investment strategy/ management and market risks)	Investment and funding items were regular agenda items at both Committee and Board, where recommendations were reviewed and discussed.
Scheme member data missing / inaccurate (risk of lack of readiness for national dashboard go-live)	Data rectification was undertaken with various workstreams including address tracing, mortality screening and backlog clearance.
Local Government Reorganisation	Initial investigations and planning commenced. (This work will continue in 26/27).

Arrangements have been agreed for the management of these risks in order to mitigate their impact on the Fund. These are regularly reviewed, and the risk register updated for changes in the level of risks and for emerging new risks.

Governance risks

These risks arise from the regulatory environment and control environment at the strategic level of the fund. Members and officers are guided, and supported by Kent County Council's governance framework, policies and procedures. The Committee has access to appropriate expert governance, technical and investment advice to enable them to fulfil their role. Cyber security risks are carefully considered by the Fund.

Investment and Funding risks

Details of the countermeasures in place for financial, demographic, regulatory, and employer risks are included in the Fund's Funding Strategy Statement (FSS). Further details of the Fund's policy on investment risk management are disclosed in the Fund's Investment Strategy Statement (ISS). These are reviewed regularly. The Fund has a well-diversified portfolio of different asset classes and investment strategies managed by different managers.

The Fund has a high exposure to equities which have high growth potential but are also exposed to higher risk. The Fund has implemented a risk management framework to manage equity risk. The Fund also operates an asset rebalancing policy to ensure that the actual asset allocation remains within tolerance of the Fund's target strategic asset allocation.

The Fund reviews its investment strategy on a regular basis and at least every three years to ensure the strategy remains suitable given the Fund's circumstances.

Assurance over external service providers operations is provided by investment managers and custodian[s] who are required to provide annual AAF 01/06 reports and ISAE 3402 reports.

Administration risks

Administration risks are operational risks that relate to the maintenance of member data and processing of contributions and payments for members. Comprehensive policies and procedures supported by training and effective communication with staff as well as employers are put in place to mitigate these risks. Regular monitoring of KPIs and participation in benchmarking exercise is employed to monitor the risks and effectiveness of the processes.

Pooling

During 2025/26, the Fund worked closely with the Government, local authority partners, legal advisers, ACCESS, and other LGPS pooling entities to assess its future pooling arrangements and undertake extensive due diligence. Following this process, the Pension Fund Committee approved the Fund's transition to the Border to Coast Pensions Partnership (BCPP) in September 2025, with formal approval subsequently provided by Full Council in December 2025.

Throughout the year, the Fund continued to engage proactively with all relevant stakeholders to ensure that the legal, governance and operational requirements necessary to become a shareholder in BCPP were completed within the required timeframe. These requirements were successfully met, significantly reducing the uncertainty associated with the Fund's future pooling arrangements.

The principal pooling-related risk now relates to the transition of the Fund's investments and assets to BCPP. Asset transitions can involve operational, market, governance and implementation risks, as well as potential costs associated with transferring assets between investment structures and managers.

To mitigate these risks, the Fund continues to work closely with BCPP, ACCESS and investment advisers to develop and implement a comprehensive transition plan. The Fund will continue to work with the Pool and to monitor progress carefully to ensure that any transition activity is carried out in a controlled and efficient manner, minimising risk and disruption to investment performance wherever possible.

Financial Performance

Fund Trends
A summary of the Fund's key trends is shown below:

	2021/22 £'000	2022/23 £'000	2023/24 £'000	**2024/25 £'000**	**2025/26 £000**
Net Assets at 31 March (£'000)	7,702,425	7,847,952	8,142,551	**8,451,611**	**9,418,341**
No. of Contributors	52,829	53,353	55,291	**55,713**	**55,159**
Contributions (£'000)	280,431	297,692	321,214	**352,490**	**371,882**
Number of Pensioners	46,706	48,583	50,408	**52,536**	**55,225**
Benefits Paid (£'000)	257,277	270,995	303,175	**332,551**	**353,466**

Financial Summary
A brief summary over the last 5 years is shown below:

	2021/22 £'000	2022/23 £'000	2023/24 £'000	**2024/25 £'000**	**2025/26 £'000**
Value of Fund at start of year	7,513,632	7,702,425	7,847,952	**8,142,551**	**8,451,00 611**
Revenue account for year					
– Contributions	280,431	297,692	321,214	**352,490**	**371,882**
– Transfers in	10,636	17,306	12,280	**24,781**	**21,162**
– Benefits	(257,277)	(270,995)	(303,175)	(**332,551**)	**(353,466)**
– Transfers out	(28,114))	(15,184)	(15,424)	(**16,129**)	**(15,269)**
Investment and other income net of expenditure					
– Income on investments	140,759	158,696	162,454	**175,793**	**190,691**
– Interest on cash	217	2,621	3,884	**4,183**	**6,909**
– Stock lending income	58	103	87	**76**	**61**
– Miscellaneous income	0	0	10	**40**	**(15)**
– Expenses on property	(7,591)	(8,506)	(9,659)	(**7,176**)	**(8,762)**
– Management expenses	(34,840)	(32,502)	(34,788)	(**40,123**)	**(55,868)**
Net Revenue	104,279	149,231	136,884	**161,382**	**157,325**
Increase (Decrease) in market value of investments in year	84,514	149,231	157,715	**151,075**	**809,404**
Increase (Decrease) in Fund during year	188,793	145,527	294,599	**309,060**	**966,730**
Value of Fund at end of year	7,702,425	7,847,952	8,142,551	**8,451,611**	**9,418,341**

Investment assets have continued to grow in value in a supportive investment environment, taking the Fund from £8.45bn in 2024/25, to £9.42bn in 2025/26, an increase of almost £1bn.

The amount the Fund spends on benefits has increased by 6.3% over the year, which was slightly above the increase in contribution income, and by 37% since 2021/22. This is partly due to inflation as LGPS benefits are index-linked, although it is also as a result of increases in the number of pensioners, with 18% more pensioners in the Fund now compared to 2021/22.

Pension Fund Budget and Outturn
The following table compares actual Administration, Governance and Oversight and Investment Management costs against the budget for 2025-26.

	2025-26 Budget £	2025-26 Actual £
Administration Staff	**3,455,327**	**3,381,535**
IT Expenses	**1,169,853**	**1,173,458**
Data Rectification Project	**2,011,996**	**1,020,316**
Pensions Payroll Services	**270,442**	**282,971**
Printing and Mailing Costs	**200,000**	**165,165**
Administration Other	**84,886**	**145,307**
Administration Expenses	**7,192,504**	**6,168,752**
Audit Fee	121,429	147,804
Audit Fee	**121,429**	**147,804**
Actuarial fee	**471,260**	**524,329**
Direct recovery of actuary, legal fees and admin costs	**(327,397)**	**(299,165)**
Investment Consultancy	**261,967**	**188,225**
Legal Fees	**69,776**	**63,977**
Governance Consultancy	**15,000**	**10,980**
Cyber Security	**2,000**	**-**
Performance Measurement Fees	**44,998**	**32,006**
Pooling Advice	**2,000,000**	**75,000**
External Advice	**2,537,604**	**595,352**
Governance Staff	**1,081,839**	**1,156,758**
Governance Other	**108,146**	**98,190**
KCC Overheads Recharges	**607,338**	**655,906**
Governance and Oversight Expenses	**1,797,323**	**1,912,393**
Pooling Costs	**302,492**	**179,191**
Transaction costs	**2,707,788**	**13,300,932**
Fund manager fees – fixed income	**5,011,787**	**4,967,458**
Fund manager fees – equities	**11,474,949**	**11,436,896**
Fund manager fees – Private equity/infrastructure	**9,303,637**	**9,525,101**
Fund manager fees – risk management framework	**1,254,231**	**1,027,833**
Fund manager fees – property	**2,796,152**	**2,012,522**
Fund manager fees – absolute return	**1,304,966**	**2,185,234**
Fund manager fees – emerging markets	**-**	**2,365,352**
Custody	**47,358**	**54,887**
Investment management costs	**34,203,360**	**47,055,408**
Total	**45,852,220**	**55,859,373**

Commentary on Budget Outturn

Key reasons for variances in Administration costs and external advice were:

- Administration staffing costs had 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.
- The data rectification project is a multi-year exercise and is progressing, but the invoicing is dependent on progress being 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 anticipate an increase in costs next year.
- Actuarial fees are dependent on activity undertaken throughout the year. For 2025/26 budget the actual spend on actuarial support could not be accurately estimated in advance and added a level of complexity when setting the budget. The estimate cost of the valuation was c.£55,000 less than the actual spend.
- For 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 and Risk Management, which has seen a reduction in costs.
- On pooling, due to the Government consultation, and the 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.

Key reasons for variances in Governance and Oversight costs were:

- For governance staffing, costs appear to be higher than the estimate, however this figure includes a reorganisation of budget responsibilities and includes some costs that were originally accounted for in Administration section.
- The recharges costs were higher as it includes costs for treasury services for the Fund. These costs were higher than budgeted as the cost is dependent on the cash balances of the Pension Fund account which was higher than anticipated.

Key reasons for variances in investment management costs were:

- Fund manager fees have increased by roughly £2.5m when compared to the budget. This is as a result of forecasts being set on estimate valuations set 12 months in advance. In this case, those valuations had grown at a quicker pace than forecast, especially in the equities asset class which is very volatile. As fees are paid on the value of asset under management, this has led to an increase in fees.
- 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 a number of property purchases that took place throughout the year to bring the property allocation in line with the strategic target. These purchases had been identified by the Fund's property manager after the budget had initially been set, hence the large variance seen.

Investments

The Pension Fund Committee is responsible for setting investment strategy, carrying out regular reviews, and monitoring the Fund's investments.

The Fund must invest any fund money that is not needed immediately for the payment of benefits and the Fund has established an Investment Strategy Statement (the "ISS") to document the principles, beliefs and policies by which investment assets are managed.

Additionally, the Funding Strategy Statement (FSS) aims to establish a clear and transparent strategy that will identify how participating employers' pension liabilities are best met going forward. To determine the value of accrued liabilities and derive future contribution requirements it is necessary to discount the Fund's future cash flows to present day values. The discount rate used in the actuarial valuation is derived by considering the expected return from the Fund's long-term investment strategy. This ensures consistency between the funding strategy and investment strategy.

Accordingly, there is a fundamental link between the FSS and the ISS relating to the discount rate that underlies the funding strategy as set out in the FSS, and the expected rate of investment return which is expected to be achieved by the long-term investment strategy as set out in the ISS.

During 2025/26, the Fund's investment activity was largely focused on supporting its transfer to the Border to Coast Pensions Partnership (BCPP). Significant work was undertaken with both BCPP and ACCESS to ensure the legal, governance and operational requirements were met to enable the Fund to become a shareholder in BCPP within the required timeframe. As a result, further asset transitions were paused during the year while BCPP continued to develop its investment capabilities. The Fund is now working with BCPP to develop a transition plan for future pooling activity.

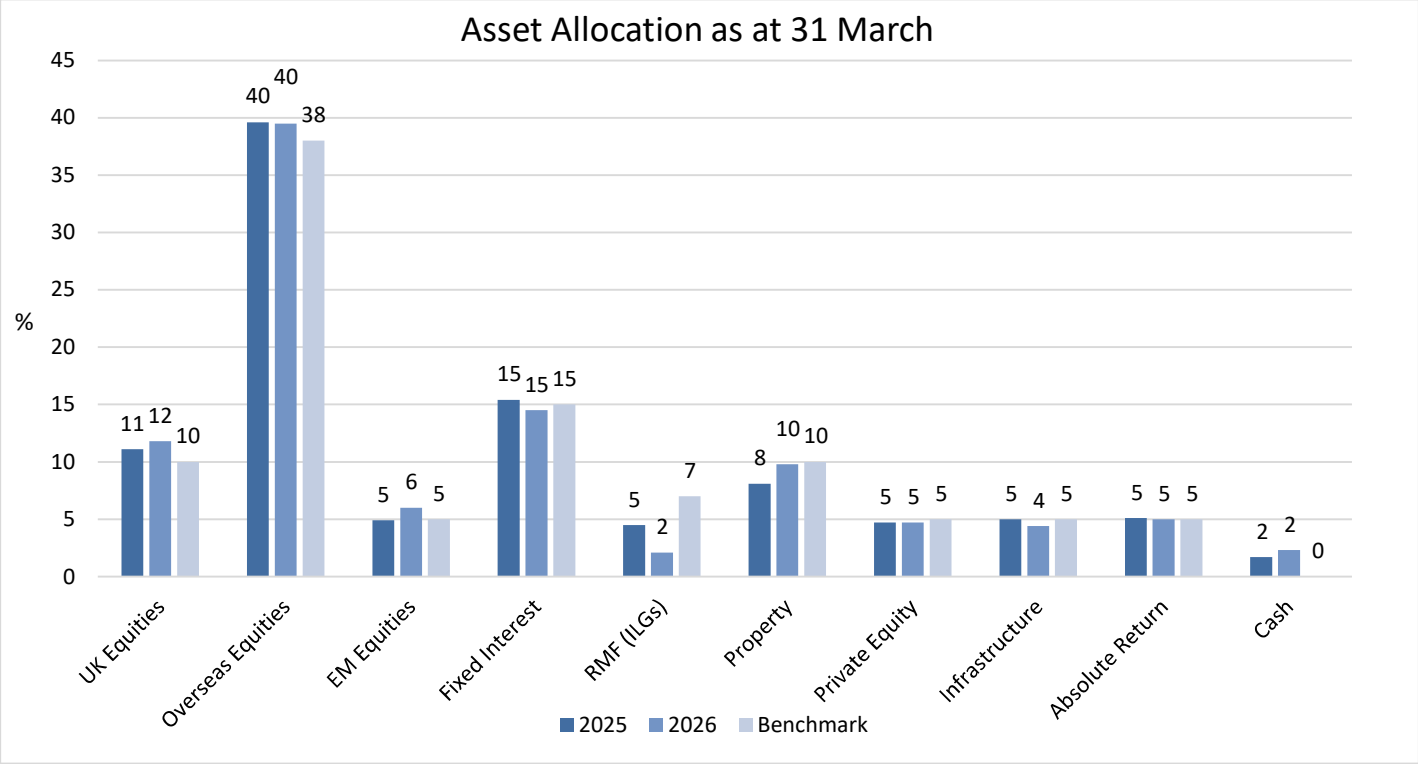
The Fund will also undertake a review of its Investment Strategy during 2026/27 to assess the continued suitability of its strategic asset allocation and investment arrangements, following the 2025 triennial valuation.

Despite the pause in wider transition activity, several acquisitions were completed within the Fund's direct property portfolio. These purchases were made following a period in which the property allocation had fallen to approximately 7% of Fund assets, compared with the strategic target of 10%. Officers worked closely with the Fund's property manager, DTZ, and BCPP to confirm that it remained appropriate to proceed with these investments. To help fund the acquisitions and maintain strategic asset allocation targets, the Fund undertook a proactive rebalancing of its equity portfolio, which had become slightly overweight, while also restoring cash balances to an appropriate level.

The Fund's strategic asset for 2025/26 is shown below::

	SAA	Benchmark
Total Equities	53.0%	
UK	10%	FTSE All Share (GBP)
Global	38.0% (protected)	Global Equity Composite
Emerging Markets	5.0%	MSCI Emerging Markets ND
Total Fixed Income	**22.0%**	
Credit	15.0%	Fixed Income Composite
Index Linked Gilts	7.0%	ILG Portfolio Return
Cash	0.0%	SONIA
Total Alternatives	**25.0%**	
DGFs	5.0%	RPI +5%
Property	10.0%	MSCI UK All Property Index
Infrastructure	5.0%	SONIA
Private Equity	5.0%	SONIA
Total	**100.0%**	

Portfolio Distribution
The graph below shows the allocation of the Fund's investments compared both against the strategic allocation and the prior year allocation.



Asset Pooling

The Kent Pension Fund remained a member of the ACCESS Pool throughout 2025/26. During the year, the Committee considered its long-term pooling arrangements following the Government's LGPS reforms and, in September 2025, agreed to become a shareholder in the Border to Coast Pensions Partnership (BCPP). This decision was subsequently approved by Kent County Council in December 2025.

Following these decisions, significant work was undertaken by the Fund, ACCESS and BCPP to ensure all legal, governance and operational requirements were met to facilitate a smooth transition. At the same time, the Fund had been working closely with ACCESS and the other ACCESS authorities to agree the terms of an amended and restated IAA, incorporating a new governance structure, in order to support the orderly wind-down of the ACCESS Pool. Following this work and in line with Government deadlines, the Fund became a shareholder in BCPP on 1 April 2026.

The Fund remains committed to achieving value for money through pooling. Following the introduction of the Pensions Act 2026, pooling is now a statutory requirement for LGPS funds. As a result, the Fund is working closely with BCPP to develop a transition plan for the migration of its assets into pooled investment solutions, while continuing to recognise the practical challenges associated with pooling directly held property assets.

As at 31 March 2026, the Kent Pension Fund had investments of £4.96 billion in five ACCESS sub-funds, representing almost 53% of assets.

The Kent Pension Fund has achieved £30.5m of savings in pooling initiatives of which £9.9m are in relation to assets awaiting pooling.

Investment management arrangements and asset allocation

All investment management activities are carried out externally via appointed asset managers and the ACCESS pool for 2025/26. There are no internally managed investment assets, other than cash. The Fund has a policy of appointing specialist managers who are expert in managing specific investment strategies which should help the Fund deliver over different investment cycles.

Northern Trust Ltd are the Fund's custodians for the safekeeping and settlement of trades relating to the Fund's direct investments managed by external investment managers.

The Fund recognises that diversification is key to managing portfolio risks. Assets are invested across different asset classes and distinct investment management styles are combined with the aim of securing sufficient and stable returns and using risk efficiently.

In assessing suitability, the Fund evaluates the expected returns and expected volatility of particular asset classes together with the correlations between asset classes and the diversification benefits available from combining different asset classes.

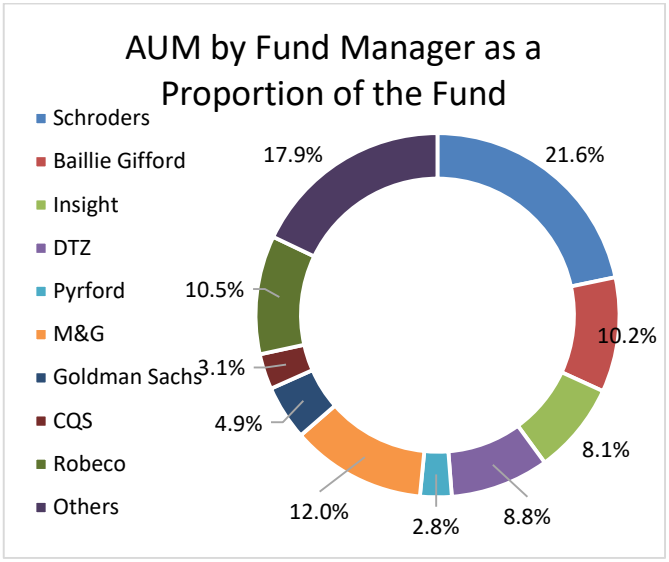
The Fund makes use of illiquid investments (such as infrastructure, private equity and property), recognising that investors are rewarded over the long term for bearing liquidity risk. In setting and reviewing its strategic asset allocation, the Fund further considers the legality of all investments for compliance with the LGPS Regulations.

Value of funds under management by fund manager

The following graph shows the assets under management (AUM) and the proportion of the Fund under management by fund manager as at 31 March 2026:

Fund Managers	AUM (£m)
Schroders	2,039
Baillie Gifford	962
Insight	767
DTZ	825
Pyrford	265
M&G	1,128
Goldman Sachs	461
CQS	296
Robeco	992
Others	1,689
Total	**9,424**

AUM by fund manager as a proportion of the Fund



Investment performance 2025-26

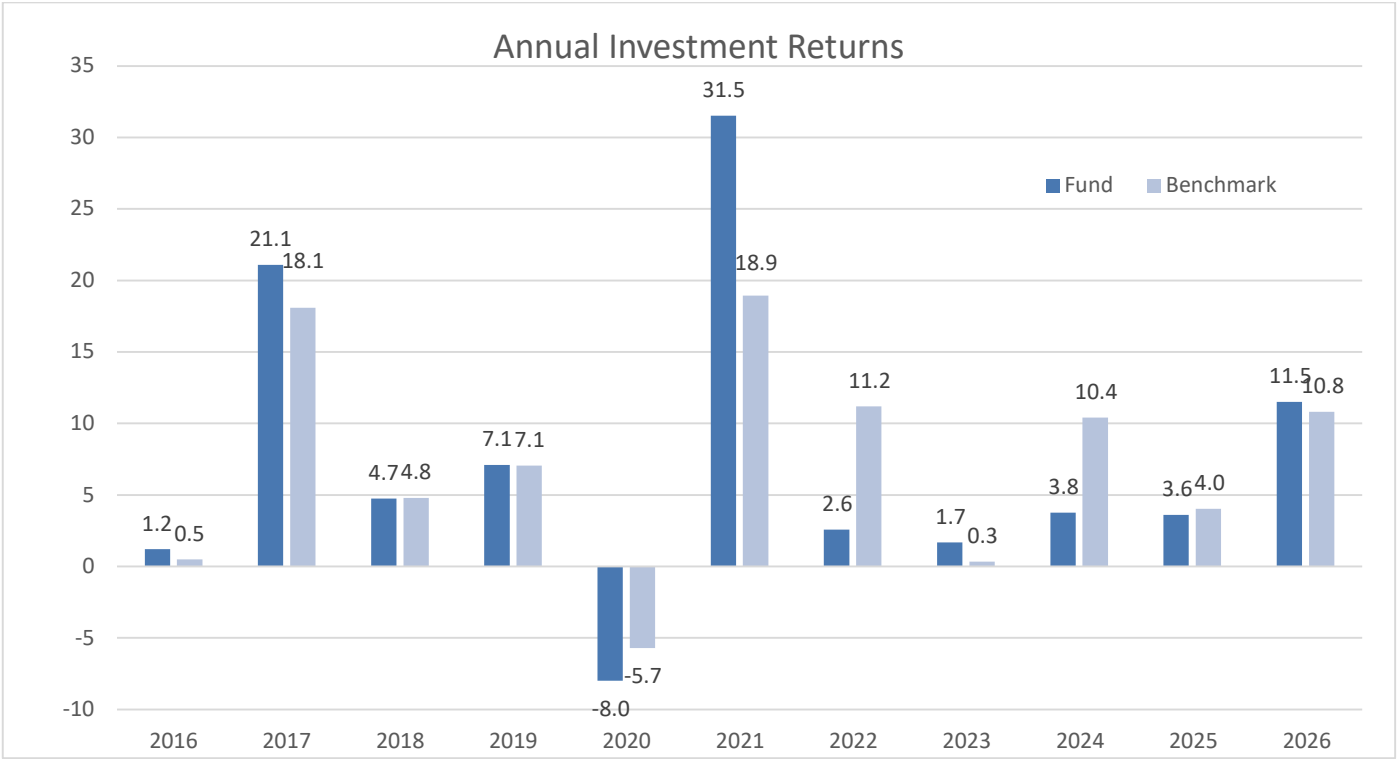
The performance of the Fund's investment managers is reported on a quarterly basis to the Pension Fund Committee.

The ACCESS pool and appointed asset managers submit reports and valuations for this purpose and independent performance measurement is provided by the Fund's custodian, Northern Trust. As part of the oversight arrangements for external asset managers, Committee members and officers meet with the Fund's appointed asset managers on a regular basis as part of a formal programme.

Total fund performance

The graph below shows the relative performance of the investments over the last 10 years. The overall return on the investments for 2025-26 was 11.5% compared to the Fund's strategic benchmark of 10.8%.

For comparison the PIRC Local Authority Universe average annual fund return for 2025-26 was 9.6%.

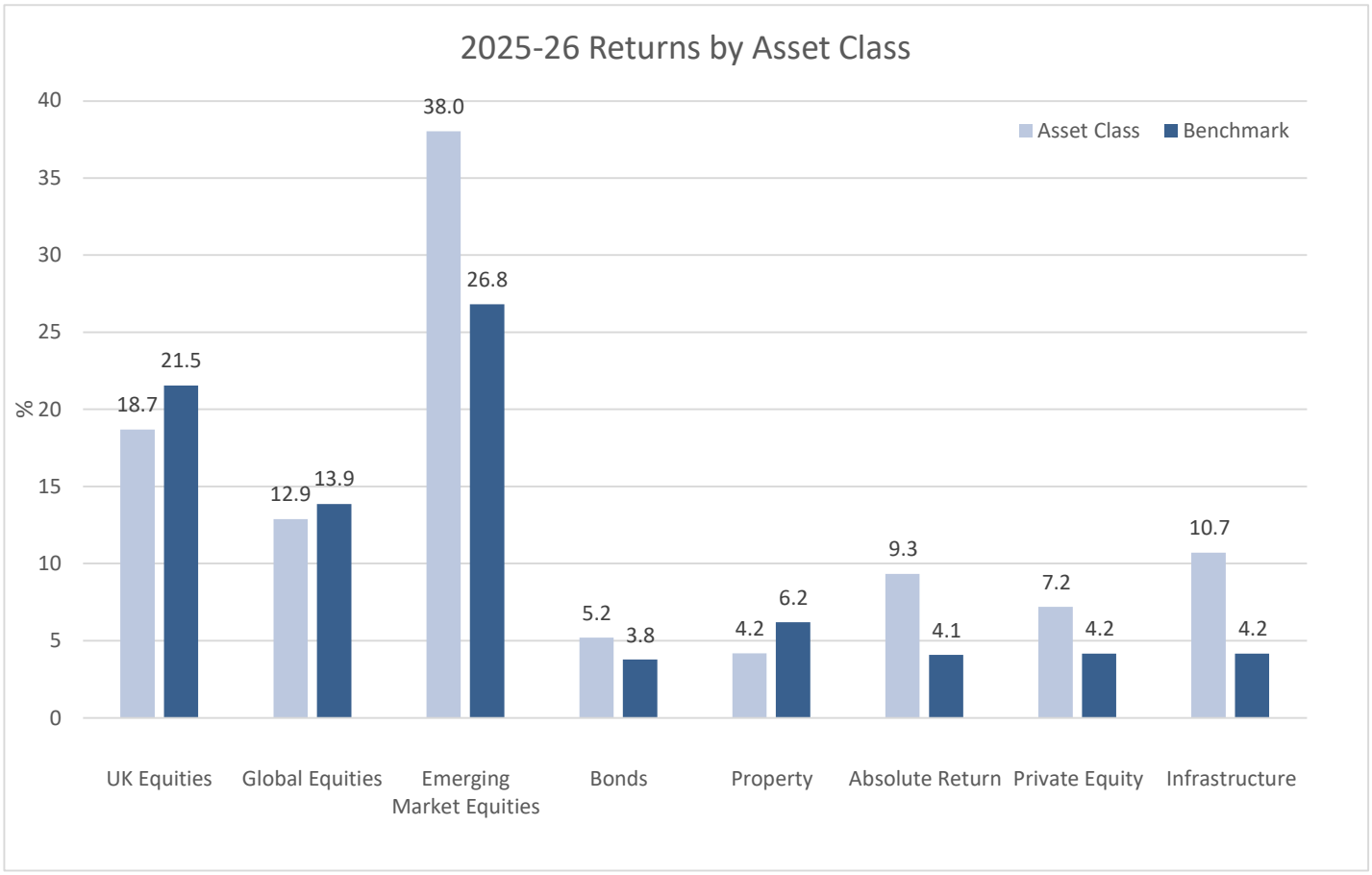


The graph below shows the long term performance of the Fund's investments compared against its Strategic benchmark.



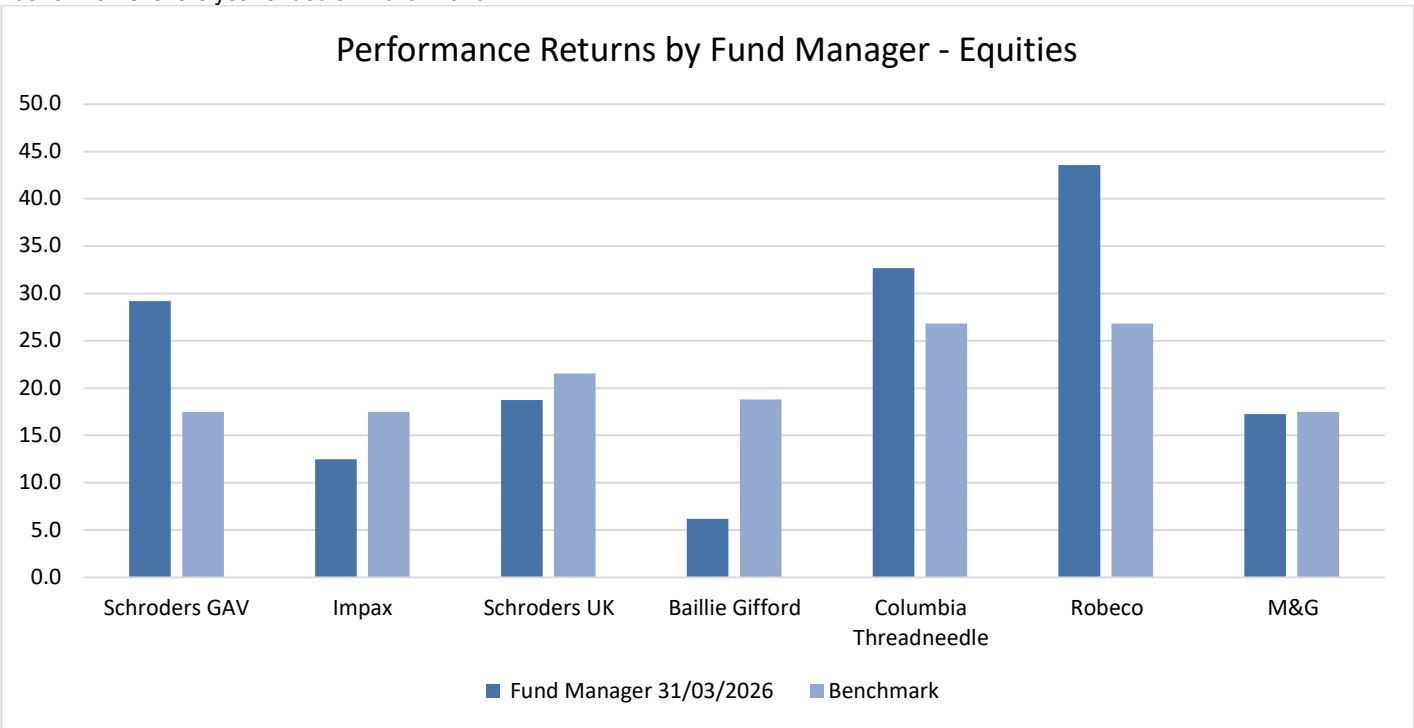
Returns by Asset Class

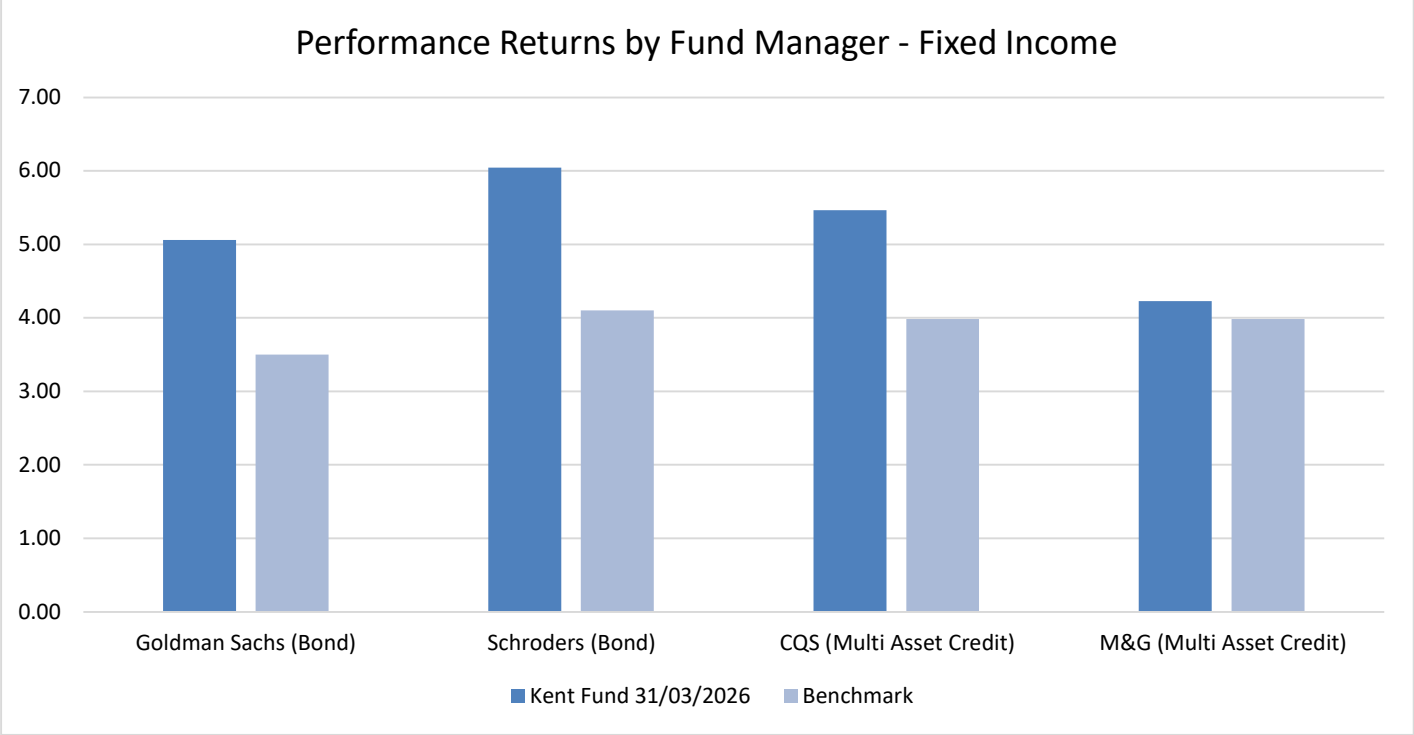
The analysis set out below shows the returns by asset class for 2025-26:



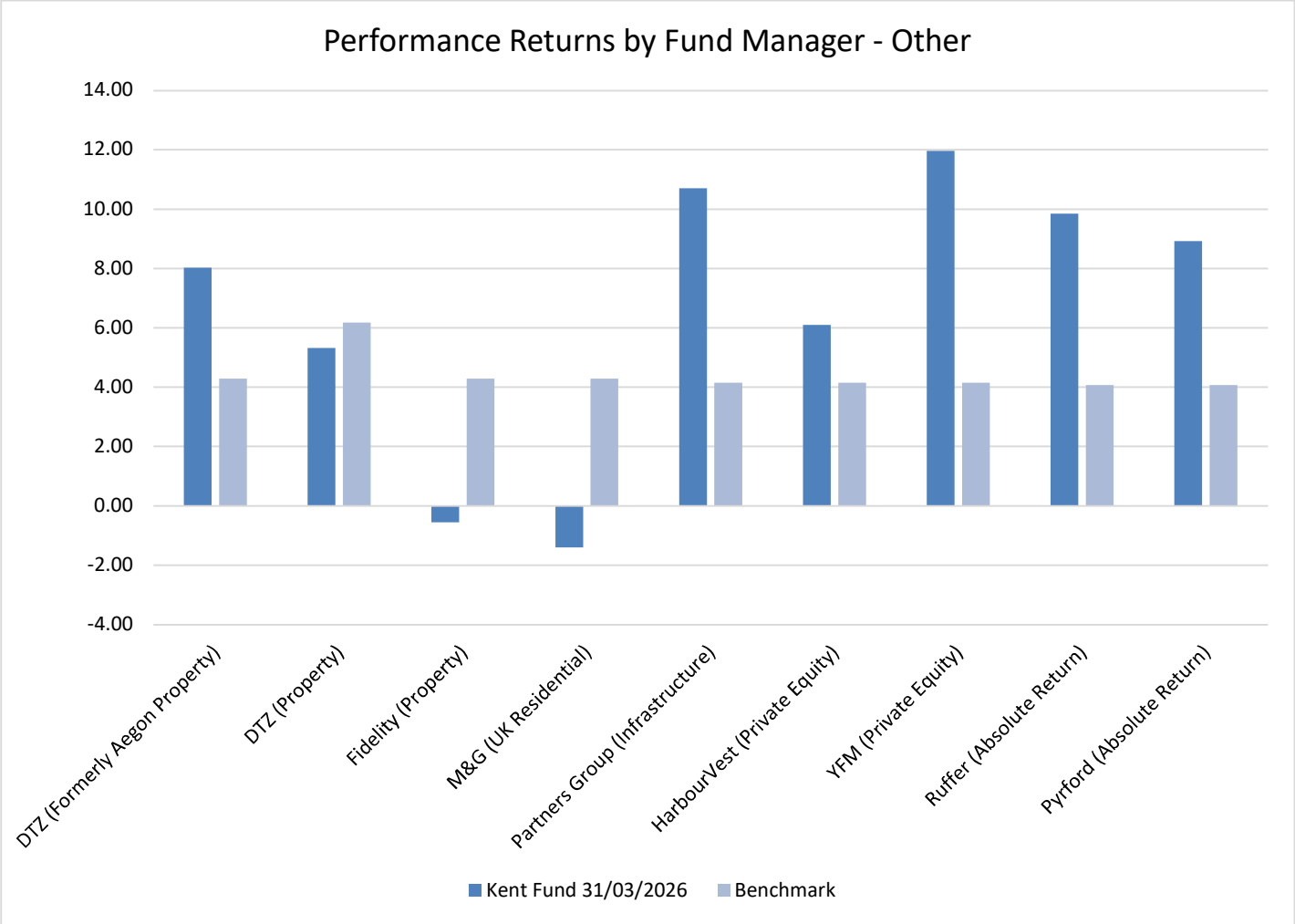
Performance by Fund Manager

The following graphs show the performance of the Equity and other Mandates compared to their benchmarks for the year ended 31 March 2026.





Value of funds under management by manager continued



Responsible Investment (RI)

The Kent Pension Fund (the Fund) is committed to being a responsible investor and a good long-term steward of the assets in which it invests.

The Responsible Investment Policy sets out the Fund's approach to responsible investment including where responsibility lies; how environmental, social and governance (ESG) considerations are embedded in the Fund's investment processes; and how the Fund stewards its investment assets in the interests of its beneficiaries. The Fund's RI policy can be viewed here.

As an asset owner, the Fund implements its investment strategy via external asset managers (including the ACCESS pool) and service providers, who play a critical role in delivering and discharging the Fund's Responsible Investment Policy.

During 2025/26, the Fund continued to pursue its responsible investment objectives through the ACCESS Pool while also preparing for its future transition to Border to Coast. The Fund worked collaboratively with partner authorities to support the development of responsible investment practices and stewardship activities.

The Fund recognises that collaboration with other institutional investors can enhance its ability to influence corporate behaviour and achieve positive long-term outcomes. The Fund is a signatory to the Principles for Responsible Investment (PRI) and supports the six PRI principles. The Fund is also a member of the Local Authority Pension Fund Forum (LAPFF), Pensions for Purpose (PfP) and the Institutional Investors Group on Climate Change (IIGCC).

Net Zero Progress

The Fund remains committed to achieving net zero greenhouse gas emissions from its listed equity investments by 2050.

To support this ambition, the Fund has adopted interim targets of a 43% reduction in emissions by 2030 and a 69% reduction by 2040, consistent with a pathway aligned to limiting global warming to 1.5°C. The Fund has also established a target to allocate 15% of assets to sustainable investment opportunities by 2030.

Responsibility for implementing future investment decisions has now been transferred to the Pool. As such, the Fund intends to work closely with its new pooling partner, Border to Coast, to keep the net zero commitment and approach to climate change under review.

Voting

The Fund believes that active ownership helps the realisation of long-term shareholder value. The Fund has a duty to exercise its stewardship rights and active ownership responsibilities (voting and engagement) effectively by using its influence as a long-term investor to encourage responsible investment behaviour

The Fund delegates voting decisions to its investment managers and expects them to fully participate in voting at company annual general meetings and to carry out all voting decisions on behalf of the Fund, in line with our RI policy.

As a member of LAPFF. the Fund utilises voting alerts to guide its stewardship activities and engage with its external asset managers on specific stewardship issues.

Voting activity is reported to the Pension Fund Committee on a quarterly basis.

Voting activity is reported to the Pension Fund Committee on a quarterly basis.

Voting by Managers 2025/26

	Number of Resolutions			
	For	Against	Abstain	Total
Baillie Gifford	2,548	99	38	2,685
Schroders UK Equity	952	70	4	1,026
Schroders GAV	7,566	1,658	99	9,323
M&G Global Dividend	497	108	22	627
Ruffer	1,634	383	20	2,037
Robeco Emerging Market	521	84	4	609
Robeco Global Stars	275	19	0	294
Columbia Threadneedle	805	195	26	1,026
Impax	1,772	88	37	1,897
Pyrford	896	47	0	943
Total	**17,466**	**2,751**	**250**	**20,467**

Key Activity 2025/26

During 2025/26, the Fund's responsible investment work took place during a period of significant change. After the local elections in May 2025, a number of new members joined the Pension Fund Committee which provided the opportunity to revisit and better understand members' views on responsible investment. This coincided with the completion of the triennial valuation as at 31 March 2025 and the subsequent review of the Investment Strategy Statement, where members' responsible investment priorities are an important consideration.

At the same time, preparations continued for the Fund's transition to Border to Coast Pensions Partnership (BCPP), making it important that the Fund's responsible investment priorities were clearly

understood and communicated to the Pool, given their requirement to implement these policies.

Against this backdrop, the Fund progressed a number of responsible investment initiatives during the year, including:

- A survey of Pension Fund Committee members' responsible investment beliefs, undertaken with support from the Fund's investment consultant, to identify priority areas for future training and policy development.
- A dedicated training session from Border to Coast covering responsible investment and local investment opportunities.
- Initial engagement with Border to Coast to support the Fund's transition to the new pooling arrangement and understand future stewardship and responsible investment arrangements.
- Review of the Fund's latest Principles for Responsible Investment (PRI) assessment results.
- Consideration of the implications of the Government's Mansion House reforms and Fit for the Future consultation on the Fund's future responsible investment arrangements.

Mansion House Speech and Fit for Future Government Consultation

During the year, the Government's LGPS reform programme, including the Mansion House agenda and the *Fit for the Future* consultation, accelerated the evolution of asset pooling arrangements across the Local Government Pension Scheme. The Government confirmed its intention to strengthen pooling through the transfer of all LGPS assets into FCA-regulated investment management pools, accompanied by enhanced governance and delegation requirements.

Following the Government's assessment of initial pooling options, ACCESS was not selected as one of the preferred pooling arrangements, and as such, existing partner funds were required to identify an alternative FCA-regulated investment pool meeting the Government's future pooling requirements.

After considering the available options and undertaking extensive due diligence, the Kent Pension Fund agreed to become a member of the Border to Coast Pensions Partnership along with six other previous ACCESS Funds. This decision represents a significant strategic milestone in the Fund's pooling journey and will support compliance with future LGPS pooling requirements.
The transition to Border to Coast is expected to provide the Fund with access to a larger and more integrated investment platform, enhanced internal investment capabilities and broader access to private market investment opportunities. The scale of Border to Coast is anticipated to support the delivery of investment efficiencies, cost savings and improved long-term value for members and employers.

Throughout the transition process, the Fund's priority remains the protection of members' benefits and the delivery of its long-term investment objectives. The Pension Fund Committee, supported by officers and advisers, will continue to oversee the migration of assets and governance arrangements to ensure a smooth transition while maintaining appropriate levels of stewardship, responsible investment oversight and risk management.

Impact on Responsible Investment

The transition to Border to Coast provides an opportunity to enhance the Fund's responsible investment capabilities through access to a larger internal responsible investment and stewardship function, specialist ESG resources and established climate risk expertise.

While responsibility for setting the Fund's responsible investment priorities rests with the Pension Fund Committee, the implementation of many of these activities will increasingly be carried out by Border to Coast. The Fund will continue to work in partnership with Border to Coast and other partner funds to steer the development of the Pool's responsible investment framework, including its Responsible Investment Policy. This policy is developed in partnership with the other partner funds and is reviewed once every three years to ensure it continues to meet our needs. A link to Border to Coast's current Responsible Investment Policy is provided at: Responsible Investment Policy 2026 - Border To Coast.

In any pooled arrangement the Fund accepts that a common approach is required between all of the partner authorities and that individual preferences cannot always be accommodated in pooled policies or their implementation. However, the Fund will continue to work proactively with Border to Coast to ensure the Fund's own views are taken into account these policies continue to develop.

The Fund will continue to pursue its responsible investment objectives through the Pool, including:

- Integration of ESG considerations into investment decision-making.
- Active stewardship through voting and engagement.
- Monitoring progress against the Fund's net zero commitment.
- Identification of sustainable investment opportunities.
- Collaboration with industry initiatives and investor groups.

The Fund remains committed to delivering strong long-term financial outcomes for members while acting as a responsible and engaged long-term investor.

Administration

Overview

The Kent Pension Fund (the "Fund") is part of the Local Government Pension Scheme (LGPS) and is administered by Kent County Council (the "Administering Authority") in accordance with the Local Government Pension Scheme Regulations.

The administration service is responsible for the delivery of pension services to members, employers and other stakeholders. This includes maintaining member records, processing benefits, collecting and reconciling contributions, and ensuring compliance with statutory and regulatory requirements.

The administration service use Altair, a Heywood's system, to provide all aspects of pensions administration including pensioner payroll and employer web access. Members can access their pension information online via the Member Portal. Information for members and employers can be found on the Kent Pension Fund website.

The administration service is split into three main teams supported by finance, projects and governance colleagues:

- An Operations Team responsible for administering all casework and handling all member queries.
- An Engagement and Systems Team responsible for supporting and training scheme employers to ensure they have the knowledge and tools necessary to provide timely and accurate information relating to scheme members. The team works to improve data quality across employer submissions, including driving improvements in data quality scores. The team also delivers informative webinars to scheme members, covering various aspects of the scheme. Maintenance of the Pension Fund website and member self-service portal falls under the remit of this team, including the implementation of new technological enhancements.
- A Technical and Training Development Team responsible for providing advice and information to colleagues and scheme members in respect of all technical issues and legislative changes. The team also manage the learning and professional development of the workforce, through arranging and delivering training plans.

Pensioner Payroll is dealt with by the Kent County Council Payroll Operations Team.

Assurance over the effective and efficient operation of the administration is provided by Internal Audit, who carry out assurance and consultancy in accordance with a risk-based programme. An internal audit opinion concludes on the overall adequacy and effectiveness of the administration service framework of governance, risk management and control.

During the year to 31 March 2026, the Fund continued to focus on delivering an efficient, accurate and member-focused service, while managing ongoing regulatory change and increasing data and reporting requirements.

Administration Strategy.

The Fund operates in accordance with its published Administration Strategy, which sets out:

- The roles and responsibilities of the Fund and participating employers
- Service standards and performance targets
- Data and contribution requirements
- Processes for ensuring regulatory compliance

The Strategy supports effective partnership working with employers and aims to improve the quality and timeliness of data submitted to the Fund.

Benchmarking

As part of the Fund's objective to be 'best in class' and to be able to track the service transformation journey, the Fund partners with CEM to undertake independent, peer-relevant benchmarking to demonstrate value, drive better decisions, and stay connected to best practice.

CEM works with over 400 funds worldwide, and provide clients with objective, actionable benchmarking insight into how to maximise value for money in pension administration.

The report provided compares the Funds pension administration costs and member service with a peer group of other pensions schemes.

The Fund's pension administration costs of £31.43 per member were £6.00 below the adjusted peer average of £37.43.
The total member score was 57 out of 100, this was below the peer median of 63.

The Fund scored well for the secure area of the website with more active and deferred members registering and actively using the secure member area to view their annual statements. The Fund also scored well for implementing a new telephony system, which reduced the average wait time for reaching a live agent and call abandonment rate has improved, decreasing from 37.7% to 13.7%.

In addition, the Fund scored well for meeting members in groups, with increased attendance at online member webinars.

The Fund scored lower than peers in the following areas:

- Feedback from members
- Pension set up
- Secure website users - pensioners

Overall, the Fund was positioned as basic member service with low cost.

The Funds Service Improvement Plan addresses the issues above by continuing to promote the new and improved member self-service portal and regularly encourages feedback from both members and employers via surveys and focus groups.

Service Delivery

Core Activities

The administration service delivered the following key activities during the year:

- Processing retirements, transfers, deaths and refunds
- Maintenance and updating of member records
- Calculation and payment of pension benefits
- Issuing Annual Benefit Statements to active and deferred members
- Responding to member and employer enquiries

Performance

The Fund monitors performance against a suite of Key Performance Indicators (KPIs). Performance is reviewed regularly by the Pension Fund Committee and Local Pension Board.

During 2025/26, the administration service delivered strong overall performance across most areas, with continued focus on improving timeliness in complex casework.

Key Performance Indicators

Table A - Total number of casework

Casework KPI	Total number of cases open as at 31 March (starting position)	Total number of new cases created in the year (1 April to 30 March)	Total number of cases completed in the year	Total % of cases completed in the year	Total number of cases completed in previous year	Total % of cases completed in previous year
Deaths recorded of active, deferred, pensioner and dependent members	133	1,526	1,604	96.7	1,584	97.6
New dependent member benefits	74	663	682	92.5	580	97.2
Payment of retirement benefits	560	3,589	3,677	88.6	2,829	91.6
Deferred benefits	5,675	4,842	4,610	43.8	3,811	58.5
Transfers in (including interfunds in, club transfers)	380	537	437	47.7	274	61.9
Transfers out (including interfunds out, club transfers)	711	1,657	1,238	52.3	285	55.9
Refunds	2,548	4,226	4,610	43.8	1,425	97.7
Divorces	26	504	504	95.1	404	90.4
Member estimates requested either by scheme member and employer	537	5,013	5,192	93.5	4,723	93.6
New joiner notifications	1,560	15,150	16,650	99.6	14,903	97.7
Aggregation cases	10,493	6,156	4,255	25.6	2,502	37.56
Optants out	341	605	510	53.9	329	75.5

Key Performance Indicators continued

Table B - Time taken to process casework

Casework KPI	Fund target (days)	% completed within Fund target in year	% completed in previous year
Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member	10	83.2	*15 days in 24/25 89
Communication issued confirming the amount of dependents pension	15	76.1	78.5
Communication issued to deferred member with pension and lump sum options (quotation)	20	91.8	*Not published in 24-25
Communication issued to active member with pension and lump sum options (quotation)	20	85.5	80.2
Communication issued to deferred member with confirmation of pension and lump sum options (actual)	20	79.4	*Not published in 24-25
Communication issued to active member with confirmation of pension and lump sum options (actual)	20	67.4* Change of reporting methodology to better represent member experience	96.7
Communication issued with deferred benefit options	60	42.9	23

Communication issued to scheme member with completion of transfer in	20	26.8	11.3
Communication issued to scheme member with completion of transfer out	20	14.2	17.5
Payment of refund	20	92.3	90
Divorce quotation	30	93.7	77
Communication issued following actual divorce proceedings i.e. application of a Pension Sharing Order	120	81.8	86 * 80 days in 24-25
Communication issued to new starters	30	73.6	93

Table C– Communications and engagement

Engagement with online portals	Percentage as at 31 March
% of active members registered	38.42%
% of deferred members registered	21.76%
% of pensioner and survivor members registered	21.27%
Number of registered users by age	21-30 = 3,123 31-40 = 6,244 41-50 = 9,122 51-60 = 14,836 61-70 = 13,262 70+ = 2,632
% of all registered users that have logged onto the service in the last 12 6 months	Number = 6,370 – 12.9%
Communication	
Total number of telephone calls received in year	17,003
Total number of email and online channel queries received	18,665 emails + 7,766 MPO registration Queries = 26,431
Number of scheme member events held in year (total of in person and online)	18

Number of employer engagement events held in year (in person and online)	**23**
Number of active members who received a one-to-one (in person and online)	**9**
Number of times a communication (i.e. newsletter) issued to:	
Active members	**2**
Deferred members	**1**
Pensioner members	**2**

Performance Commentary

- Strong performance was achieved in processing deaths, refunds and the provision of estimate quotations.
- Retirement processing fell slightly in response to changes in retirement processes and reporting methodology following completion of the enhanced admin to payroll integration project.
- Customer service metrics remained stable, with call handling exceeding targets.

Overall, the Fund maintained a high level of service delivery, with targeted improvement plans in place for areas where performance fell short of targets.

Membership

The Fund continues to experience growth in membership across all categories:

- Active members
- Deferred members
- Pensioners and Dependants

This growth increases administrative demand and reinforces the importance of efficient processes and robust data management.

The Kent Pension Fund provides pensions for employees of Kent County Council, and the 12 District/Borough Councils in the Kent County area. These are 'Scheduled Bodies', which means their employees have a statutory right to be in the Scheme. Other Scheduled Bodies include Medway Council, Kent and Medway Fire and Rescue, the Office of the Police and Crime Commissioner and the Chief Constable for Kent, as well as all Academy Trusts. Town and Parish Councils that have opted to join the Fund are known as 'Resolution Bodies'.

There are also 'Admission Bodies' which include voluntary organisations that the County Council has admitted to the Scheme under its discretionary powers. Other Admission Bodies include employees of contractors for jobs transferred from Scheduled Bodies. Teachers, Police Officers and Firefighters have separate non funded pension arrangements. Under the Pensions Act 2011, all employers are obliged to automatically enrol eligible employees into a qualifying pension scheme and re-enrol anyone who opts out of the scheme every three years. The LGPS is a qualifying scheme under the automatic enrolment regulations and can be used as such by Fund employers.

Further information on automatic enrolment can be found on the Pensions Regulator website www.thepensionsregulator.gov.uk

On 31 March 2026 there were 55,225 pensioners, 74,644 deferred members, and 55,159 contributors, a total of 185,028 Scheme members. Included in the deferred pensioners are 22,528undecided leaver members

Employer Management

The Fund works closely with participating employers to ensure:

- Accurate and timely submission of member data
- Correct payment of contributions
- Compliance with LGPS regulatory requirements

Employers are supported through:

- Training sessions and guidance materials
- Employer forums and regular communications
- Dedicated employer support within the administration team

Where necessary, the Fund applies escalation procedures in line with the Administration Strategy to address persistent non-compliance.

Employer Monthly Data Submissions (iConnect)

The team have planned an iConnect rollout programme to employers, with an aim to get all employers using iConnect to submit their data by 1 April 2027. To date, 297 employers have been onboarded to iConnect, representing 54% of the Fund's Active membership.

At 31 March 2026 there were 469 Employers in the Fund. During the year 17 organisations joined the Fund as either Scheduled Bodies (such as a new parish or town council making a resolution to join the Fund) or Admitted Bodies following the transfer of staff from existing Fund Employers and as Schools converted to Academy Trusts. Academy Trusts also consolidated, and other employers exited the Fund as their last active members left or retired. During the year 21 employers either ceased to be members of the Fund or merged with other employers.

The following table shows a summary of the number of employers in the Fund analysed by employer type which are active (i.e. with contributing members) and ceased (i.e. with no active members but with some outstanding liabilities).

Number of employers			
	Active	Ceased	Total
Scheduled Body	206	66	272
Admitted Body	59	138	197
Total	265	204	469

The following table shows a summary of employers in the fund analysed by type:

Employer Type	Employers	Active Members	Deferred Members	Pensioner Members
Kent County Council (inc. Schools)	1	21,682	34,344	27,644
Local Authorities	13	8,893	11,356	14,052
Resolution Bodies	86	5,149	7,360	5,944
Transferee Admission Bodies	44	252	584	834
Community Admission Bodies	15	1,105	2,721	2,085
Academy Trusts	106	18,078	18,279	4,666
Total	265	55,159	74,644	55,225

A full listing of contributing Scheme employers as at 31 March 2025 can be found in the Fund's 'Rates and Adjustments Certificate' (Appendix 5 of the Actuarial Valuation report) found here: Actuarial valuation as at 31 March 2025

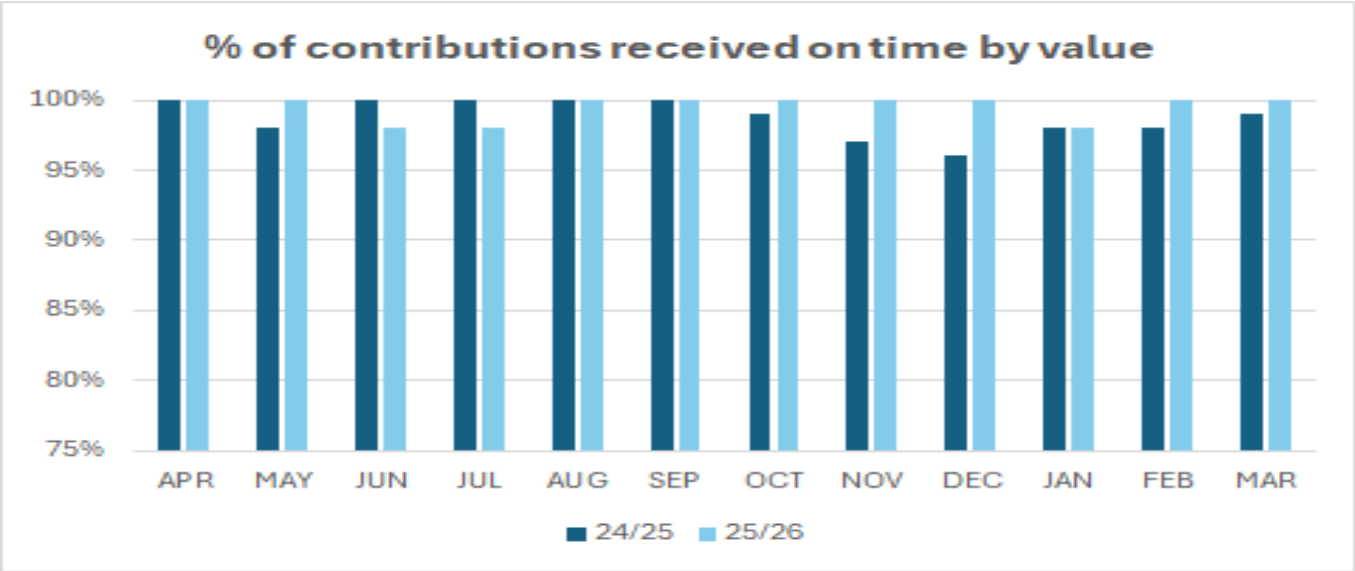
In 2025-26, the Kent Pension Fund monitored the timely receipt of contributions by the deadline of the 19th of the following month the contributions relate to in two different measures: by value and by number of employers.

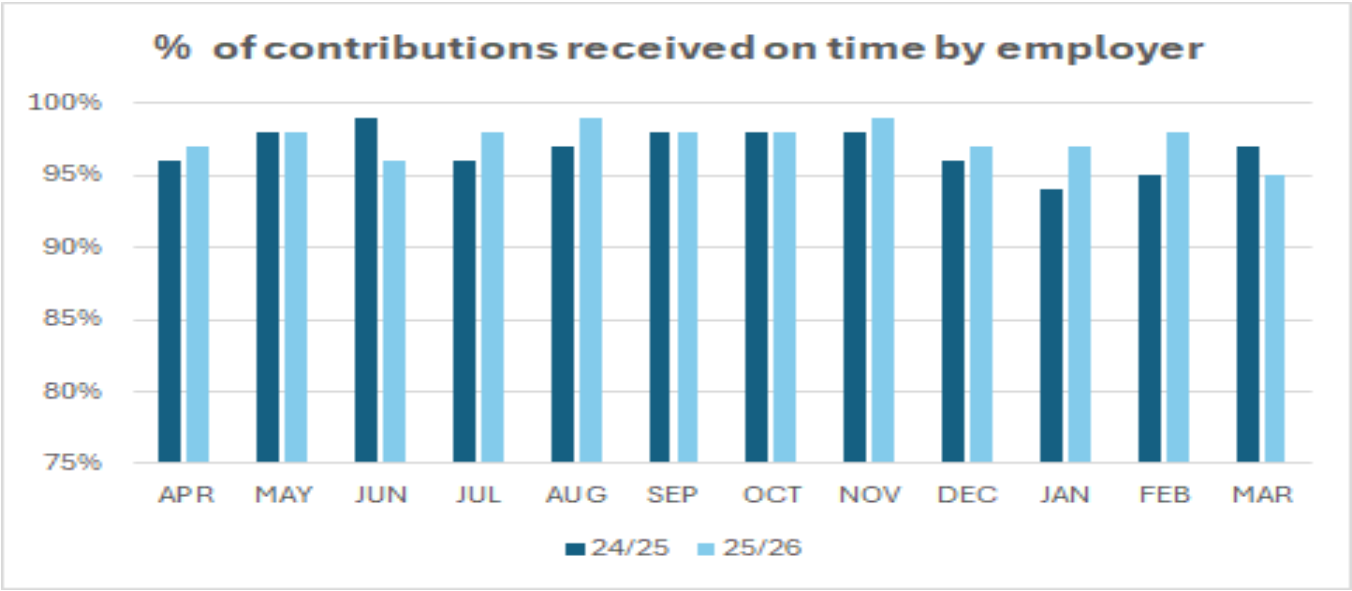
The tables below show the measures over the 12-month period, with a contrast to the same months of the previous year.

Averaging 99.5% of total contribution income by value from the employers and 97.5% of employers paid on time. The lower percentage reflects the difficulties some small employers have and some backdated admissions in the Fund.

The option to levy interest on overdue contributions was not exercised.

At 31 March 2026, contributions relating to March salaries totalling £28.9M were not received until the due date of 17 April.





Annual Benefit Statements (ABS')/Pension Saving Statements (PSS')

ABS' were produced by the statutory deadline of 31 August for 51,238 active members and 50,144 deferred members. Statements were published on the member self-service portal, with paper copies posted to those who requested.

Pension Savings Statements (PSS) were produced by the statutory deadline of 6 October for the 48 members who were identified as breaching the annual allowance limit in 2024/25, or who made a formal request to be provided with their pension input amount. Of these, 1 member has so far elected to use the Scheme Pays option to meet payment of a tax charge.

Communications Policy

The latest version of the Funds Communications Policy was approved by the Pension Fund Committee on 26 March 2026. All prospective, active, deferred and pensioner members have access to the following:

- Major changes to scheme regulations are communicated to member groups and are published on the website in an effective, straightforward, and timely manner.
- Kent Pension Fund website has dedicated areas for all members. It includes information about the scheme, guides, factsheets, and forms. Customers can request a paper copy of information or documents by contacting their employer (if applicable) or the Fund. Members and employers can use the online enquiry and document upload form on a secure area of the website.
- The Pensions Customer Helpline is available Monday to Friday. The current opening times are available on the Kent Pension Fund website. The telephone number is 03000 41 34 88.
- Written correspondence can be sent to the Fund, together with forms and certificates. The address is Pension Section, Sessions House, County Hall, Maidstone, Kent, ME14 1XQ.
- One to one appointments with a member of the Kent Pension team are available Monday to Friday via MS Teams on request, during the opening times of the pensions customer helpline.

All active, deferred and pensioner members have access to MyPension Online which is an online secure facility for members of the

Fund, hosted by Heywood Pension Technologies Ltd.

Registered members can:

- view a summary of the details the Fund holds for them and keep their personal details up to date
- create, view, and update their expression of wish for any death grant that may be payable
- perform quotations for deferred benefits and future benefits (depending on member status)
- view figures for P60s and pay slips (pensioner members). Members can also download a copy of their pay slips.

A dedicated area of the website is provided for those thinking of joining the scheme containing information, guides, and factsheets.

Data Quality

Maintaining high-quality data remains a key priority for the Fund.

During the year:

- Data validation checks continued to be strengthened
- Employers were supported in improving data submissions
- The Fund monitored compliance with The Pensions Regulator's record-keeping requirements

Improvements in data quality support:

- Accurate benefit calculations
- Regulatory compliance
- Effective actuarial valuation outcomes

Table E – Data Quality

Annual Benefit Statements	
Percentage of annual benefit statements issued as at 31 August	98.89%
Short commentary if less than 100%	574 statements were excluded due to issues with pay
Data Category	
Common data score	97.80%
Scheme specific data score	82.20%
Percentage of active, deferred and pensioner members recorded as 'gone away' with no home address held, or address is known to be out of date	Active = 0.4140% Deferred = 4.8601% Pensioner = 0.9349%
Percentage of active, deferred and pensioner members with an email address held on file	Active = 67.0861% Deferred = 51.6304% Pensioner = 66.5378%
Employer performance	
Percentage of employers set up to make monthly data submissions	74%
Percentage of employers who submitted monthly data on time during the reporting year	100%

Mortality Screening and National Fraud Initiative

Kent Pension Fund undertakes a monthly mortality screen to ensure that all deaths are reported promptly to the Fund and to minimise overpayments of pension.

Overpayments are recovered by the Fund by written request to the estate, or, with permission from the beneficiary, from a death grant or dependent pension.

The Fund also participates in the bi-annual National Fraud Initiative (NFI).

Regulatory Compliance

The administration service operates within a complex regulatory framework, including oversight by The Pensions Regulator (TPR).

Key areas of focus during the year included:

- Compliance with the Public Service Pensions Dashboard Programme requirements
- Ongoing work in relation to the McCloud Remedy
- Strengthening internal controls and governance processes

The Fund continues to maintain and review its risk register, internal controls and procedures to ensure full compliance.

Pensions Dashboard Programme

The Fund continued its preparations for connection to the national Pensions Dashboard Programme.

Work undertaken during 2025/26 included:

- Reviewing and improving data readiness
- Developing technical solutions for connectivity
- Engaging with scheme software providers

The Fund remains committed to meeting statutory staging deadlines.

Digital Development

The Fund continued to invest in digital solutions to improve service delivery, including:

- Enhancements to the member self-service portal
- Increased use of electronic communications
- Process automation where appropriate

These developments support improved member engagement and operational efficiency.

Risk Management

The administration service maintains a detailed risk register, identifying risks relating to:

- Data quality
- Regulatory compliance
- System and process resilience
- Resource capacity

Mitigation measures are regularly reviewed and reported to the Pension Fund Committee and Pension Board.

Staffing and Resources

The administration service is structured to deliver services effectively across all key functions.

During the year:

- Recruitment and retention remained a focus due to sector-wide challenges
- Training and professional development were prioritised
- Work continued to ensure resilience and succession planning

The Fund recognises that a skilled and well-resourced team is essential to maintaining high service standards.

Table D – Resources

Resources	

Total number of administration staff (FTE)	70.73
Average service length of all administration staff	11.60 years
Staff vacancy rate as %	21.17
Ratio of all administration staff to total number of scheme members (all staff including management)	1:2,524

Staff training

Training figures for the period 01/04/2025 – 31/03/2026

In house training sessions	98
Sessions led by Training Officers	79
External LGA training courses attended	23

From April 2024 the team changed the training schedule to build a 'protected week' into the schedule therefore any training postponed can now be rescheduled within the protected week. Colleagues no longer have to wait (potentially up to 3 months) for training to be rescheduled onto the following quarters schedule.

Two colleagues successfully completed the PMI Award in Pensions Essentials (level 2) this was a pilot intake of students. The Award in Pensions Essentials (APE) is a level 2 qualification aimed at those new to pensions. Level 2 qualifications are equivalent to GCSE. The qualification is delivered by Barnett Waddingham.

Progress has been made on the teams new SharePoint area containing procedure notes, regulations and 'how to' videos for colleagues on a variety of subjects. 7 areas have been launched to date.

Complaints and Internal Dispute Resolution Procedure (IDRP)

Complaints

If customers have a complaint about the service, the Fund will do it's best to put things right. If customers are still dissatisfied, they can write to Pensions Section, Sessions House, Maidstone, ME14 1XQ.

There were 8 formal complaints made in 2025/26. These were all investigated, and changes were made to processes where appropriate.

Appeals

The LGPS regulations provide a two-stage formal appeal process for members. For stage 1 it will be heard by an independent adjudicator.

If the member is still dissatisfied, they can make a second stage appeal, which will be considered by the Head of Pensions Administration if an appeal against an employer decision, or the Head of Pensions and Treasury if an appeal against the Administering Authority.

After this second stage, if the member wishes, the matter can be investigated by the Pensions Ombudsman. The Pensions Ombudsman is an independent organisation set up by law to deal with pension complaints. Contact details are:

Phone: 0800 917 4487

E-mail: enquiries@pensions-ombudsman.org.uk

The Fund considered 6 stage 1 Internal Dispute Resolution Procedure (IDRP) appeals against the Pension Fund during 2025/26. None of these proceeded to stage 2 of the IDRP process.

Value for Money Statement

The Fund delivers an efficient and effective administration service as demonstrated by:

- Low administration cost per member
- Low number of member complaints
- Good prospects for improvements
- A number of formally qualified team members

Work has continued in the year to improve data quality, with a focus on working with employers to improve the timeliness and quality of

the information they provide.

With support from Lumera and Hymans, work has continued to rectify and remedy member data and records in preparation for and compliance with McCloud and Pensions Dashboard.

Outlook

Looking ahead, the Fund will continue to focus on:

- Maintaining high standards of service delivery
- Preparing for regulatory change and Dashboard implementation
- Improving data quality and digital capability
- Supporting employers in meeting their obligations

The Fund remains committed to delivering a high-quality, compliant and member-focused administration service.

Actuary's Statement as at 31 March 2026

Introduction

The last full triennial valuation of the Kent Pension Fund (the Fund) w as carried out as at 31 March 2025 as required under Regulation 62 of the Local Government Pension Scheme Regulations 2013 (the Regulations) and in accordance with the Funding Strategy Statement of the Fund. The results were published in the triennial valuation report dated 30 March 2026.

Asset value and funding level

The results for the Fund at 31 March 2025 were as follows:

- The smoothed value of the Fund's assets as at 31 March 2025 for valuation purposes was £8.60bn.
- The Fund had a funding level of 104% i.e. the assets were 104% of the value that they would have needed to be to pay for the benefits accrued to that date, based on the assumptions used. This corresponded to a surplus of £336m.

Contribution rates

The employer contribution rates, in addition to those paid by the members of the Fund, are set to be sufficient to meet:

- The annual accrual of benefits allowing for future pay increases and increases to pensions in payment when these fall due;
- plus an amount to reflect each participating employer's notional share of the Fund's assets compared with 100% of their liabilities in the Fund, in respect of service to the valuation date.

The primary rate of contribution on a whole Fund level was 16.7% of payroll p.a. The primary rate as defined by Regulation 62(5) is the employer's share of the cost of benefits accruing in each of the three years beginning 1 April 2026.

In addition, each employer pays a secondary contribution as required under Regulation 62(7). This secondary rate is based on their particular circumstances, and so individual adjustments are made for each employer. The total secondary contributions payable by all employers, in each of the three years in the period 1 April 2026 to 31 March 2029 is set out in the table below:

Secondary Contributions	2026/27	2027/28	2028/29
Total as a % of payroll	2.4%	1.0%	0.6%
Equivalent to total monetary amounts of	£30.7m	£13.1m	£7.5m

In practice, each employer was assessed individually in setting the minimum contributions due from them over the inter-valuation period. Details of each employer's contribution rate are contained in the Rates and Adjustments Certificate in the triennial valuation report.

.Assumptions

The assumptions used to value the liabilities at 31 March 2025 are summarised below:

Assumptions	Assumptions used for the 2025 valuation
Financial assumptions	
CPI inflation	2.7% p.a.
Long-term salary increases	3.7% p.a.
Discount rate	4.9% p.a.
Demographic assumptions	
Post-retirement mortality	Male/Female
Member base tables	S4PA
Member mortality multiplier (Male/Female)	105%/105%
Dependant base tables (Male/Female)	S4DA
Dependant mortality multiplier (Male/Female)	100%/110%
Projection model	CMI 2024
Long-term rate of improvement	1.50%
p.a.Initial addition to improvements	0% p.a.
Overlay half-life (not applicable in 2022)	1 year

The mortality assumptions translate to life expectancies as follows:

Assumed life expectancies at age 65:	
Average life expectancy for current pensioners – men currently age 65	21.37 years
Average life expectancy for current pensioners- women currently age 65	23.68 years
Average life expectancy for future pensioners – men currently age 45	22.97 years
Average life expectancy for future pensioners – women currently age 45	25.41 years

Full details of the demographic and other assumptions adopted as well as details of the derivation of the financial assumptions used can be found in the 2025 valuation report.

Actuary's Statement as at 31 March 2026 continued

Updated position since the 2025 valuation

Assets

Investment returns on the Fund's assets over the year to 31 March 2026 have been strong, which has had a positive impact on the Fund's asset position. In addition, the assets have increased due to contributions paid by the employers over the year, partially offset by benefits paid out.

Liabilities

The value of the Fund's liabilities has increased over the year to 31 March 2026. This is primarily due to interest accruing on those liabilities and the accrual of one more year of pension benefits for active members.

Overall position

Both the value of the assets and the liabilities are estimated to have increased over the year to 31 March 2026. The assets have been estimated to have increased by more than the liabilities and so the funding level has been estimated to have increased over the year to 31 March 2026.



Roisin McGuire, FFA
Principal, Barnett Waddingham LLP

Statement of Responsibilities for the Statement of Accounts

Kent County Council's Responsibilities
The Council is required:

- to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Corporate Director of Finance;
- to manage its affairs to secure economic, efficient and effective use of resources and to safeguard its assets; and
- to approve the Statement of Accounts.

I confirm that these Accounts were approved by the Governance and Audit Committee at its meeting on 30 October 2026 on behalf of Kent County Council

Michael Brown
Chairman of the Governance and Audit Committee
6 November 2025

The Corporate Director of Finance's Responsibilities
The Corporate Director Finance is responsible for the preparation of the Council's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Council Accounting in the United Kingdom (the Code), and is required to give a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31 March 2026.

In preparing this Statement of Accounts the Corporate Director of Finance has:

- selected suitable accounting policies and then applied them consistently
- made judgements and estimates that were reasonable and prudent; and
- complied with the Code.

The Corporate Director of Finance has also:

- kept proper accounting records which were up to date; and
- taken reasonable steps for the prevention and detection of fraud and other irregularities.

I confirm that these accounts give a true and fair view of the financial position of the Council at the reporting date and its income and expenditure for the year ended 31 March 2026.

John Betts
Interim Corporate Director of Finance
6 November 2026

Pension Fund Accounts

Fund Account for the year ended 31 March 2026

	Notes	2025–26 £'000	2024–25 £'000
Dealings with members, employers and others directly involved in the Fund			
Contributions	7	**371,882**	**352,490**
Transfers in from other pension funds	8	**21,162**	**24,781**
		393,044	**377,270**
Benefits	9	**(353,466)**	(332,551)
Payments to and on account of leavers	10	**(15,269)**	(16,129)
		(368,735)	**(348,680)**
Net additions/(withdrawals) from dealings with members		**24,309**	**28,590**
Management expenses	11	**(55,868)**	**(40,132)**
Net additions/(withdrawals) including fund management expenses		**(31,559)**	**(11,541)**
Returns on investments			
Investment income	13	**188,885**	**169,754**
Taxes on income		**0**	**(228)**
Profits on disposal of investments and changes in the market value of investments	15a	**809,404**	**151,075**
Net Return on Investments		**998,289**	**320,601**
Net increase/(decrease) in the net assets available for benefits during the year		**966,730**	**309,060**
Opening net assets of the scheme		**8,451,611**	**8,142,551**
Closing net assets of the scheme		**9,418,341**	**8,451,611**

Net Assets Statement as at 31 March

	Notes	2025–26 £'000	2024–25 £'000
Investment assets		**9,429,125**	**8,449,146**
Investment liabilities		**(4,638)**	**(781)**
Net investment assets	15	**9,424,486**	**8,448,364**
Current assets	21	**38,346**	**39,602**
Current liabilities	22	**(44,490)**	**(36,356)**)
Net assets available to fund benefits at the period end		**9,418,341**	**8,451,611**

Notes to the Pension Fund Accounts

1. Description of the Fund

General

The Kent Pension Fund (the Fund) is part of the Local Government Pension Scheme (LGPS) and is administered by Kent County Council (KCC) for the purpose of providing pensions and other benefits for the pensionable employees of KCC, Medway Council, the district and borough councils in Kent and a number of other employers within the county area. The Fund is a reporting entity and KCC as the Administering Authority, is required to include the Fund's accounts as part of its own Report and Accounts. Teachers, police officers and firefighters are not included as they come within other national pension schemes. The LGPS is a contributory defined benefit pension scheme.

The Scheme is governed by the Public Service Pensions Act 2013. The Fund is administered in accordance with the following secondary legislation:
– the Local Government Pension Scheme Regulations 2013 (as amended);
– the Local Government Pension Scheme (Transitional Provisions, Savings and Amendments) Regulations 2014 (as amended);
– the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

The Fund is overseen by the Kent Pension Fund Committee (the Scheme Manager). The Local Pension Board assists the Scheme Manager to ensure the effective and efficient governance and administration of the Scheme.

Membership

Membership of the LGPS is voluntary and employees are free to choose whether to join or remain in the Scheme or to make personal arrangements outside the Scheme. Employers in the Fund include Scheduled Bodies which are local authorities and similar entities whose staff are automatically entitled to be members of the Scheme; and Admission Bodies which participate in the Fund by virtue of an admission agreement made between the Administering Authority and the relevant body. Admission bodies include voluntary, charitable and similar entities or private contractors undertaking a local authority function following a specific business transfer to the private sector.

There are265 employers actively participating in the Fund and the profile of members is as detailed below:

	Kent County Council	Kent County Council	**Other Employers**	Other Employers	**Total**	Total
	31 Mar 2026	**31 Mar 2025**	**31 Mar 2026**	**31 Mar 2025**	**31 Mar 2026**	**31 Mar 2025**
Contributors	**21,644**	**21,870**	**33,515**	**33,843**	**55,159**	**55,713**
Pensioners	**27,641**	**26,548**	**27,584**	**25,988**	**55,225**	**52,536**
Deferred Pensioners	**34,316**	**34,033**	**340,328**	**37,647**	**74,644**	**71,680**
Total	**83,601**	**82,451**	**101,427**	**97,478**	**185,028**	**179,929**

Funding

Benefits are funded by contributions and investment earnings. Contributions are made by active members of the fund in accordance with the Local Government Pension Scheme Regulations 2013 and ranged from 5.5% to 12.5% of pensionable pay for the financial year ending 31 March 2026. Employers' contributions are set based on triennial actuarial funding valuations. The last such valuation was at 31 March 2025. Employers' contribution rates consist of a primary rate (representing the rate required to meet the cost of future accrual of benefits) and a secondary rate, which is an adjustment to the primary rate for employer specific circumstances (e.g. to allow for deficit recovery). Currently, employers' primary contribution rates range from 10.1% to 37.4% of pensionable pay.

Notes to the Pension Fund Accounts continued

Benefits
Pension benefits under the LGPS are based on the following:

	Service pre April 2008	Membership from 1 April 2008 to 31 March 2014	Membership from 1 April 2014
Pension	1/80 x final pensionable salary	1/60 x final pensionable salary	1/49 (or 1/98 if opted for 50/50 section) x career average revalued salary
Lump sum	Automatic lump sum of 3/80 x final pensionable salary.	No automatic lump sum	No automatic lump sum.
	In addition, part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.	Part of the annual pension can be exchanged for a one-off tax-free cash payment. A lump sum of £12 is paid for each £1 of pension given up.

There is a range of other benefits provided under the Scheme including early retirement, ill health pensions and death benefits. For more details, please refer to the Kent Pension Fund website: www.kentpensionfund.co.uk

2. Basis of preparation

The Statement of Accounts summarises the Fund's transactions for the 2025-26 financial year and its position at 31 March 2026.

The accounts have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2025-26 which is based upon International Financial Reporting Standards (IFRS), as amended for the UK public sector. The accounts are prepared on a going concern basis.

The following International Financial Reporting Standards have been issued but are not yet effective for accounting periods beginning before 1 January 2027, and have therefore not yet been adopted by the Fund in these 2025/26 accounts: IFRS 18 (Presentation and Disclosure in Financial Statements); IFRS 19 (Subsidiaries without Public Accountability: Disclosures); and the amendments to IAS 21 (The Effects of Changes in Foreign Exchange Rates - Translation to a Hyperinflationary Presentation Currency). These standards are expected to be adopted by the CIPFA Code for the 2026/27 financial year. It is not anticipated that any of these amendments will have a material impact on the Pension Fund.

The accounts summarise the transactions of the Fund and report on the net assets available to pay pension benefits. The accounts do not take account of obligations to pay pensions and benefits which fall due after the end of the financial year. The actuarial present value of promised retirement benefits, valued on an International Accounting Standard (IAS)19 basis is disclosed at note 20 of these accounts.

Going concern
The Statement of Accounts has been prepared on a going concern basis. The vast majority of employers in the pension scheme are scheduled bodies that have secure public sector funding, and therefore there should be no doubt in their ability to continue to make their pension contributions. Following the latest actuarial valuation and schedule of employer contribution prepayments, the Pension Fund has reviewed its cashflow forecast and is confident in its ability to meet is ongoing obligations to pay pensions from its cash balance for at least 12 months from the date of signing the accounts. In the event that investments need to be sold, 81% of the Fund's investments can be converted into cash within 3 months.

Notes to the Pension Fund Accounts continued

3. Summary of Significant Accounting Policies

Fund Account – revenue recognition

a) Contribution income

Normal contributions are accounted for on an accruals basis as follows: Employee contribution rates are set in accordance with LGPS regulations, using set percentage rates for all schemes which rise according to pensionable pay. Employer contribution rates are set at the percentage recommended by the Fund Actuary for the period to which they relate. As set out in the Fund Actuary's Rates and Adjustment certificate, certain employers can pay the primary and/or secondary contributions for the 3 years of the valuation period.

Employers' deficit funding contributions are accounted for on the due dates on which they are payable under the schedule of contributions set by the Fund Actuary or on receipt if earlier than the due date.

Employers' augmentation contributions and pensions strain contributions are accounted for in the period in which the liability arises. Any amount due in year but unpaid will be classed as a current financial asset.

b) Transfers to and from other schemes

Transfer values represent the amounts received and paid during the year for members who have either joined or left the Fund during the financial year and are calculated in accordance with the Local Government Pension Scheme Regulations. Individual transfers in/out are accounted for when received/paid, which is normally when the member liability is accepted or discharged. Transfers in from members wishing to use the proceeds of their additional voluntary contributions to purchase scheme benefits are accounted for on a receipts basis and are included in 'transfers in'. Bulk transfers are accounted for in accordance with the terms of the transfer agreement.

c) Investment income

Dividends, distributions, interest, and stock lending income on securities have been accounted for on an accruals basis and where appropriate from the date quoted as ex-dividend. Changes in the net market value of investments are recognised as income and comprise all realised and unrealised profits/losses during the year. Where the Fund's investments are held in income accumulating funds that do not distribute income the accumulated income on such investments is reflected in the unit market price at the end of the year and is included in the realised and unrealised gains and losses during the year. Direct property related income mainly comprises of rental income which is recognised when it becomes due.

Fund Account – expense items

d) Benefits payable

Pensions and lump-sum benefits payable include all amounts known to be due as at the year end. Any amounts due but unpaid are disclosed in the Net Assets Statement as current liabilities providing the payment has been approved.

e) Taxation

The Fund has been accepted by the HM Revenue and Customs as a registered pension scheme in accordance with paragraph 1(1) of Schedule 36 to the Finance Act 2004 and, as such, qualifies for exemption from UK income tax on interest received and from capital gains tax on proceeds of investments sold. Tax is therefore only applicable to dividend income from equity investments. Income arising from overseas investments is subject to deduction of withholding tax unless exemption is permitted by and obtained from the country of origin. Investment income is shown gross of tax, and any recoverable tax at the end of the year is included in accrued investment income.

By virtue of KCC being the administering authority, VAT input tax is recoverable on all Fund activities including investment and property expenses.

f) Management expenses

All expenses are accounted for on an accruals basis. Costs relating to KCC staff involved in the administration, governance and oversight of the Fund, and overheads incurred by KCC and recharged to the Fund at the end of the year. Fees of the external investment managers and custodian are agreed in the respective mandates governing their appointments. Broadly these are based on the market value of the investments under their management and therefore increase or reduce as the value of these investments change. Fees incurred include fees directly paid to fund managers as well as fees deducted from the funds by pooled fund managers which is grossed up to increase the income from these investments.

Notes to the Pension Fund Accounts continued

Net Assets Statement

g) Financial assets

Financial assets other than cash and debtors are included in the Net Assets Statement on a fair value basis as at the reporting date. A financial asset is recognised in the Net Assets Statement on the date the Fund becomes party to the contractual acquisition of the asset. Any purchase or sale of securities is recognised upon trade and any unsettled transactions at the year-end are recorded as amounts receivable for sales and amounts payable for purchases. From the trade date any gains or losses arising from changes in the fair value of the asset are recognised by the Fund. The values of investments as shown in the net assets statement have been determined at fair value in accordance with the requirements of the Code and IFRS 13 and IFRS 9. For the purposes of disclosing levels of fair value hierarchy, the fund has adopted the classification guidelines recommended in Practical Guidance on Investment Disclosures (PRAG/Investment Association, 2016).

The values of investments as shown in the Net Assets Statement have been determined as follows:

– Quoted investments are stated at market value based on the closing bid price quoted on the relevant stock exchange on the final day of the accounting period.
– Fixed income securities (bonds) are recorded at net market value based on their current yields.
– Investments in unquoted property and infrastructure pooled funds are valued at the net asset value or a single price advised by the fund manager.
– Investments in private equity funds and unquoted listed partnerships are valued based on the Fund's share of the net assets in the private equity fund or limited partnership using the latest financial statements published by the respective fund managers. The valuation standards followed by the managers are in accordance with the industry guidelines and the constituent management agreements. Such investments may not always be valued based on year end valuation as information may not be available, and therefore will be valued based on the latest valuation provided by the managers adjusted for cash flow and foreign exchange rate movements to the year end.
– Pooled investment vehicles are valued at closing bid price if both bid and offer prices are published; or if single priced, at the closing single price. In the case of pooled investment vehicles that are accumulation funds, the change in market value also includes income which is reinvested in the fund.
– Debtors/receivables being short duration receivables with no stated interest rate are measured at original invoice amount. Debtors are adjusted for provision made for doubtful debts relating to rent income.

h) Freehold and Leasehold Properties

The freehold and leasehold properties were valued at open market prices in accordance with the valuation standards laid down by the Royal Institution of Chartered Surveyors. The last valuation was undertaken by Colliers International, as at 31 December 2025. The valuer's opinion of market value and existing use value was primarily derived using comparable recent market transactions on arm's length terms. The results of the valuation have then been indexed in line with the MSCI Monthly Index movement to 31 March 2026. The indexation is carried out by DTZ, who are managers of the Fund's direct property portfolio.

i) Derivatives

The Fund uses derivative instruments to manage its exposure to specific risks arising from its investment activities. The Fund does not hold derivatives for speculative purposes. At the reporting date the Fund only held forward currency contracts. The future value of the forward currency contracts is based on market forward exchange rates at the year-end date and determined as the gain or loss that would arise if the outstanding contract were matched at the year-end with an equal and opposite contract. Under the European Market Infrastructure Regulations the Fund's forward currency contracts are required to be covered by margin cash. These amounts are included in cash or cash equivalents held by the Fund and reflected in a corresponding margin cash liability under investment liabilities.

j) Foreign currency transactions

Assets and liabilities in foreign currency are translated into sterling at spot market exchange rates ruling at the year-end. All foreign currency transactions including income are translated into sterling at spot market exchange rates ruling at the transaction date. All realised currency exchange gains or losses are included in change in market value of assets.

k) Cash and cash equivalents

Cash comprises cash at bank and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and that are subject to minimal risk of changes in value. Cash and cash equivalents managed by fund managers and cash equivalents managed by KCC are included in investments. All other cash is included in current assets.

Notes to the Pension Fund Accounts continued

l) Financial liabilities
The Fund recognises financial liabilities relating to investments at fair value as at the reporting date. A financial liability is recognised in the Net Assets Statement on the date the fund becomes party to the liability. From this date any gains or losses arising from changes in the fair value of the liability are recognised by the Fund. Other financial liabilities classed as amortised cost are carried at amortised cost i.e. the amount carried in the net asset statement is the outstanding principal repayable plus accrued interest. Any interest charged is accounted for on an accruals basis and included in administration costs.

m) Actuarial present value of promised retirement benefits
The actuarial present value of promised retirement benefits is assessed on a triennial basis by the scheme actuary and the methodology used is in line with accepted guidelines and in accordance with IAS 19. As permitted under IAS 26, the Fund has opted to disclose the actuarial present value of promised retirement benefits by way of a note to the Net Assets Statement (Note 20).

n) Contingent assets and liabilities
A contingent asset/liability arises where an event has taken place that gives the Fund a possible right/obligation whose existence will only be confirmed by the occurrence or otherwise of uncertain future events not wholly within the control of the Fund. Contingent assets/ liabilities also arise in circumstances where a provision would otherwise be made but either it is not probable that an inflow/outflow of resources will be required or the amount of the right/obligation cannot be measured reliably. Contingent assets/liabilities are not recognised in the balance sheet but disclosed in a note to the accounts.

o) Pooling expenses

For the financial year 2025/26, the Fund was member of the ACCESS pool, a group of 11 LGPS Administering Authorities who, as part of a Government initiative, have agreed to pool their investments to achieve cost and scale benefits . Pooling costs included in the Fund's accounts reflect the Fund's proportion of the cost of the governance arrangements of the pool.

p) Additional Voluntary Contributions
The Fund provides an additional voluntary contribution (AVC) scheme for its members, assets of which are invested separately from those of the Fund. AVCs are not included in the accounts in accordance with Section 4(1)(b) of the Local Government Pension Scheme (Management and Investment of funds) Regulations 2016 but are disclosed for information in note 23.

q) Prior period adjustments, changes in accounting policies and errors
Prior period adjustments may arise as a result of a change in accounting policy or to correct a material error. Changes in accounting estimates do not give rise to a prior period adjustment.

Changes in accounting policies are only made when required by accounting practice or the change provides more reliable or relevant information about the effect of transactions, other events and conditions on the Fund's financial position or performance. Where a change is made, it is applied retrospectively (unless stated otherwise) by adjusting opening balances and comparative amounts for the prior period as if the new policy had always been applied.

Material errors discovered in prior period figures are corrected retrospectively by amending opening balances and comparative amounts for the prior period.

During the reporting period, there were no prior-period adjustments.

4. Critical judgements in applying accounting policy

The Fund's investment portfolio includes a number of directly owned properties which are leased commercially to various tenants with rental periods. The Fund has determined that these contracts all constitute operating lease arrangements rather than financed leased assets under the requirements set by IFRS 16. The Fund has assessed that the properties remain under the Fund's control and do not convey a right to ownership and that the Fund retains the significant risks and rewards associated with ownership of the properties. As a result, the properties are retained on the net asset statement at fair value.

5. Assumptions made about future and other major sources of estimation uncertainty

Item	Uncertainties	Effect if actual results differ from assumption
Actuarial present value of promised retirement benefits (Note 20)	Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the rate at which salaries are projected to increase, changes in retirement ages, mortality rates and expected returns on Pension Fund assets. A firm of consulting actuaries is engaged to provide the Fund with expert advice about assumptions to be applied.	The effects on the net pension liability of changes in individual assumptions can be measured. For instance, a 0.1% increase in the discount rate assumption would result in a decrease in the pension liability of £105m. A 0.1% increase in assumed earnings inflation would increase the value of liabilities by approx. £5m, and a one year increase to the life expectancy assumptions would increase the value of the liabilities by approx. £240m.
Private Equity and Infrastructure investments (Note 17)	Valuation of unquoted private equity and infrastructure investments is highly subjective and inherently based on forward looking estimates and judgements involving many factors. They are valued by the investment managers using guidelines set out in the British Venture Capital Association.	The total private equity and infrastructure, which are level 3 investments on the financial statements, are £856m. Potential change in valuation due to changes in these factors is estimated in Note 17.
Freehold and Leasehold Property and Pooled Property Funds (Note 17)	Valuation techniques are used to determine the fair values of directly held property and pooled property funds. Where possible these valuation techniques are based on observable data, but where this is not possible management uses the best available data. Changes in the valuation assumptions used, together with significant changes in rental growth, vacancy levels or the discount rate could affect the fair value of property.	The effect of 10% variations in the factors supporting the valuation would be an increase or decrease in the value of directly held property and property pooled funds of £92m on a fair value of £917m. Details of potential factors affecting the valuation are in Note 17.

6. Events after the reporting date

There have been no events since 31 March 2026, up to the date when these accounts were authorised, that require or do not require any adjustment to these accounts.

On 1 April 2026, the Kent Pension Fund became a shareholder in the Border to Coast Pensions Partnership to commence the new pooling arrangements. This follows on from the Fund's earlier decision to transition from ACCESS to Border to Coast, as a result of the Government's Fit for the Future reforms, with the necessary governance and shareholder arrangements completed for membership from 2026/27. Given this event occurred after the reporting date, this has had no impact on the financial statements of 2025/26. Any related shareholding and associated transactions will be reflected in future financial statements, starting at 2026/27.

Following the Government's Access and Protections consultation, which included proposals to reinstate access to the Scheme for elected members, eligibility for councillors to join the LGPS was reintroduced with effect from 11 May 2026. This change has been implemented through amendments to the Local Government Pension Scheme Regulations 2013 (as amended) and reinstates councillors as eligible members, aligning the position in England with other UK jurisdictions.

As this change became effective after the reporting date of 31 March 2026, it has no impact on the measurement of membership, contributions or pension liabilities at that date. This is being treated as a non-adjusting post balance sheet event, and no adjustments have been made to the financial statements as at 31 March 2026.

Finally, on the 7th September 2026, the Government announced a pause to the Local Government Reorganisation (LGR) programme affecting Kent and Medway while it undertakes a full review of the process. The review follows updated legal advice and is intended to ensure that any future changes are lawful, robust and aligned with the Government's wider plans for public sector reform.

Before the pause, the Government had decided that the current two-tier system of local government in Kent would be replaced by four new unitary authorities. This would have involved the abolition of Kent County Council, Medway Council and the county's district and borough councils, with new councils due to assume responsibilities from 2028.

As a result of the review, no immediate changes will be made to local government structures in Kent and Medway. Existing councils will continue to operate as normal, and local elections scheduled for May 2027 will now take place using current council boundaries. The Government has stated that it remains committed to effective and sustainable local government but wants to ensure that future arrangements deliver the best outcomes for communities.

For members of the Kent Pension Fund, the pause does not affect the administration or payment of pension benefits. The Fund will continue to be administered as usual, and members do not need to take any action. Pension services and governance arrangements remain unchanged while the Government's review is carried out.

The Government has not yet confirmed a timetable for completing the review or whether the previously proposed reorganisation model will proceed. The Kent Pension Fund will continue to monitor developments and any changes will be reflected in future financial statements. However, at this time, there is no impact upon the Fund or these financial statements as at 31 March 2026.

Notes to the Pension Fund Accounts continued

7. Contributions receivable

	2025–26 £'000	2024–25 £'000
By Category		
Employees' contributions	**81,920**	**76,820**
Employers' contributions		
– normal contributions	**265,038**	**250,048**
– deficit recovery contributions	**19,017**	**20,138**
– augmentation contributions	**5,907**	**5,485**
Total Employers' contributions	**289,962**	**275,670**
Total contributions receivable	**371,882**	**352,490**
By type of employer		
Kent County Council	**130,382**	**123,564**
Scheduled bodies	**221,058**	**205,491**
Admitted bodies	**20,441**	**23,436**
Total	**371,882**	**352,490**

8. Transfers in from other pension funds

	2025–26 £'000	2024–25 £'000
Individual	**21,162**	**24,781**
Group	**0**	0
Total	**21,162**	**24,781**

9. Benefits payable

	2025–26 £'000	2024–25 £'000
By category		
Pensions	**289,203**	**276,634**
Retirement commutation and lump sum benefits	**55,350**	**47,587**
Death benefits	**8,913**	**8,330**
Total	**353,466**	**332,551**
By type of employer		
Kent County Council	**150,169**	**146,244**
Scheduled bodies	**180,713**	**165,802**
Admitted bodies	**22,584**	**20,505**
Total	**353,466**	**332,551**

10. Payments to and on account of leavers

	2025–26 £'000	2024–25 £'000
Individual transfers	**13,453**	**14,536**
Payments/refunds for members joining state scheme	**2**	**3**
Refunds of contributions	**1,814**	**1,591**
Total	**15,269**	**16,129**

Notes to the Pension Fund Accounts continued

11. Management expenses

	Notes	2025–26 £'000	2024–25 £'000
Administration costs		**6,744**	**5,841**
Governance and oversight costs		**1,921**	**1,297**
Investment management expenses	12	**46,876**	**32,615**
Audit fees		**148**	**149**
Pooling expenses		**179**	**229**
Total		**55,868**	**40,132**

The audit fees disclosed above excludes VAT. The amount includes fees of £136,773 relating to the 2025/26 external audit with the balance being related to 2023/24 and 2024/25 audits.

The amount above also includes non-audit fees of £3,500 in respect of an IAS 19 assurance letter issued to the National Audit Office (NAO) for the prior year and a proposed fee of £3,500 for the current year. The total amount also includes a fee of £7,530 in relation to ISA 315.

These amounts are outside the PSAA scale and have been separately agreed.

12. Investment management expenses

	Notes	2025–26 £'000	2024–25 £'000
Investment managers fees	12a	**33,520**	**29,817**
Transaction costs		**13,301**	**2,751**
Custody fees		**55**	**57**
Total		**46,876**	**32,615**

The management fees disclosed above include all investment management fees directly incurred by the Fund including those charged on pooled fund investments.

In addition to the transaction costs disclosed above, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles. These indirect costs are not separately provided to the Fund.

12a. Investment management fees

	2025–26 £'000	2024–25 £'000
Bonds	**4,730**	**4,433**
Equities	**17,015**	**14,411**
Private equity/infrastructure	**8,511**	**7,855**
Property	**3,265**	**3,118**
Total	**33,520**	**29,817**

13. Summary of income from investments

	Notes	2025–26 £'000	2025–26 %	2024–2025 Restated* £'000	2024–2025 Restated* %
Bonds		**17,573**	**9.3**	**16,798**	**9.9**
Equities		**0**	**0**	**5,059***	3.0*
Pooled investments		**111,604**	**59.1**	**100,522**	**59.2**
Private equity/infrastructure		**16,247**	**8.6**	**9,423**	**5.6**
Property	14	**20,599**	**10.9**	**13,045**	**7.7**
Pooled property investments		**10,739**	**5.7**	**11,257**	**6.6**
Cash and cash equivalents		**12,075**	**6.4**	13,535*	8.0*
Stock lending and miscellaneous		**47**	**0.0**	**115**	0.1
Total before taxes		**188,885**	**100.0**	**169,754**	100.0

Comparative information for the year ended 31 March 2025 has been restated to correct a misclassification where cash and cash equivalents income had previously been classified as equities income. This adjustment has been made to ensure the correct presentation and classification of investment income. The net impact on this note and on the overall financial position of the Fund was nil.

Notes to the Pension Fund Accounts continued

14. Property income and expenditure

	2025–26 £'000	2024–25 £'000
Rental Income from investment properties	**32,708**	**24,503**
Provision for doubtful debts	**(3,347)**	**(4,282)**
Direct operating expenses	**(8,762)**	**(7,176)**
Net operating income from property	**20,599**	**13,045**

15. Investments

Investment Assets	**Market Value as at 31 March 2026 £'000**	Market Value as at 31 March 2025 £'000
Bonds	**436,820**	**415,195**
Equities	**0**	**0**
Pooled investments		
– Fixed income	**901,560**	**856,819**
– Equities	**5,601,975**	**4,892,344**
– Absolute return	**470,115**	**430,001**
Private equity/infrastructure funds	**856,395**	**833,484**
Property	**714,804**	**473,188**
Pooled property investments	**202,540**	**231,081**
Derivatives – forward currency contracts	**236**	**369**
Investment cash and cash equivalents	**229,414**	**306,353**
Investment income due	**11,324**	**10,314**
Amounts receivable for sales	**0**	**0**
Margin cash	**3,942**	**0**
Total investment assets	**9,429,125**	**8,449,146**
Investment liabilities		
Amounts payable for purchases	**(0)**	**(0)**
Margin cash liability	**(0)**	**(688)**
Derivatives – forward currency contracts	**(4,638)**	**(94)**
Total investment liabilities	**(4,638)**	**(781)**
Net investment assets	**9,424,486**	**8,448,364**

Investment income due (debtors) includes a sum of £5.8m (2024-25 £6.0m) for rents and service charges payable by tenants of properties owned by the Pension Fund of which there is a high likelihood that a significant portion will not be fully recovered. A provision of £3.3m (2024-25 £4.3m) has therefore been made for doubtful rent debts.

Notes to the Pension Fund Accounts continued

15a. Reconciliation of movements in investments and derivatives

	Market Value as at 31 March 2025 £'000	Purchases at Cost £'000	Sales Proceeds £'000	Change in Market Value £'000	**Market Value as at 31 March 2026 £'000**
Bonds	415,195	60,583	-42,033	3,075	436,820
Equities	0	0	0	0	**0**
Pooled investments	6,179,163	145,009	-90,122	739,600	6,973,650
Private equity/infrastructure	833,484	66,630	-106,214	58,102	856,395
Property	473,188	233,525	0	8,091	714,804
Pooled property investments	231,081	16,907	-40,724	-4,724	202,540
Derivative contracts	8,132,110	522,654	(279,093)	804,144	9,184,209
– Forward currency contracts	275	1,820,533	(1,826,091)	881	(4,402)
Other investment balances	**8,132,385**	**2,343,187**	**(2,105,184)**	**809,419**	**9,175,413**
– Investment cash and cash equivalents	306,353	4,188	(160,421)	(15)	229,414
– Amounts receivable for sales	0				**0**
– Amounts payable for purchases	0				**0**
– Margin cash liability	(688)				3,942
– Investment Income due	10,314				11,324
Net investment assets	**8,448,364**	**2,347,376**	**(2,265,605)**	**809,404**	**9,424,486**

	Market Value as at 31 March 24 £'000	Purchases at Cost £'000	Sales Proceeds £'000	Change in Market Value £'000	**Market Value as at 31 March 2025 £'000**
Bonds	400,903	137,994	(122,757)	(946)	**415,195**
Equities	406,065	490,063	(944,550)	48,422	**0**
Pooled investments	5,594,441	1,193,488	(630,510)	21,745	**6,179,163**
Private equity/infrastructure	763,399	69,795	(60,633)	60,923	**833,484**
Property	461,774	4,000	(1,359)	8,773	**473,188**
Pooled property investments	265,421	67,221	108,848	7,287	**231,081**
Derivative contracts	7,892,002	1,962,562	(1,868,656)	146,202	**8,132,110**
– Forward currency contracts	(981)	2,528,269	(2,530,269)	3,836	**275**
Other investment balances	**7,891,022**	**4,490,830**	**(4,399,505)**	**150,038**	**8,132,385**
– Investment cash and cash equivalents	240,140	8,405	(20,080)	1,037	**306,353**
– Amounts receivable for sales	1,247				**0**
– Amounts payable for purchases	(2,444)				**0**
– Margin cash asset	1,307				**(688)**
– Investment income due	9,585				**10,314**
Net investment assets	**8,140,856**	**3,451,127**	**(3,266,937)**	**157,715**	**8,448,364**

Notes to the Pension Fund Accounts continued

15b. Analysis of Derivative Contracts

Objectives and policy for holding derivatives
Most of the holding in derivatives is to hedge liabilities or hedge exposures to reduce risk in the Fund. Derivatives may be used to gain exposure to an asset more efficiently than holding the underlying asset. The use of derivatives is managed in line with the investment management agreement agreed between the Fund and the investment manager.

Open forward currency contracts
In order to maintain appropriate diversification and to take advantage of overseas investment returns, a significant portion of the Fund's fixed income portfolio managed by Goldman Sachs Asset Management is invested in overseas securities. To reduce the volatility associated with fluctuating currency rates, the investment manager hedges the overseas exposure of the portfolio.

Settlement	Currency bought	Local value 000's	Currency sold	Local value 000's	Asset value £'000	Liability value £'000
Up to one month	GBP	59	USD	(78)	0	0
Up to one month	GBP	50	USD	(66)	0	0
Up to one month	USD	608	GBP	(444)	17	0
Up to one month	GBP	441	USD	(608)	0	(20)
Up to one month	USD	2,844	GBP	(2,066)	90	0
Up to one month	GBP	130,404	USD	(178,008)	0	(4,588)
Up to one month	GBP	623	USD	(847)	0	(20)
Up to one month	USD	476	GBP	(348)	13	0
Up to one month	USD	1,283	GBP	(957)	15	0
Up to one month	USD	811	GBP	(607)	8	0
Up to one month	USD	1,020	GBP	(763)	11	0
Up to one month	USD	704	GBP	(531)	3	0
Up to one month	USD	1,329	GBP	(1,001)	6	0
Up to one month	USD	578	GBP	(437)	2	0
Up to two months	EUR	1,027	GBP	(901)	0	(2)
Up to two months	GBP	1,087	EUR	(1,241)	0	0
Up to two months	GBP	63,982	EUR	(72,987)	54	0
Up to two months	EUR	438	GBP	(383)	0	0
Up to two months	EUR	448	GBP	(391)	1	0
Up to two months	EUR	394	GBP	(342)	3	0
Up to two months	EUR	413	GBP	(359)	4	0
Up to two months	GBP	476	EUR	(548)	0	(4)
Up to two months	GBP	460	EUR	(530)	0	(5)
Up to two months	EUR	1,274	GBP	(1,105)	10	0
					236	(4,638)
Net forward currency contracts at 31 March 2026						**(4,402)**
Prior year comparative						
Open forward currency contracts at 31 March 2025					369	(94)
Net forward currency contracts at 31 March 2025						**275**

15c. Property Holdings

	Year ending 31 March 2026 £'000	Year ending 31 March 2025 £'000
Opening balance	**473,188**	**461,774**
Additions	**233,525**	**4,000**
Disposals	**0**	**(1,359)**
Net increase in market value	**8,091**	**8,773**
Closing balance	**714,804**	**473,188**

There are no restrictions on the realisability of the property or the remittance of income or proceeds on disposal and the Fund is not under any contractual obligation to purchase, construct or develop these properties, other than to the extent reported in note 26.

The future minimum lease payments receivable by the Fund are as follows:

	Year ending 31 March 2026 £'000	Year ending 31 March 2025 £'000
Within one year	**27,000**	**17,023**
Between one and five years	**65,158**	**47,626**
Later than five years	**52,909**	**32,131**
Total	**145,067**	**96,779**

The above disclosures have been reduced by a credit loss allowance of 0.35% per annum reflecting the Fund's expected loss from late or non-recovery of rents from tenants. This has been based on the Fund's own historic experience but also information on similar properties received from the Fund's property letting agents. The income has also been reduced to take into account the possibility of tenants taking advantage of break clauses in their non-cancellable operating lease contracts to terminate tenancies.

Notes to the Pension Fund Accounts continued

15d. Investments analysed by fund manager

	Market Value as at 31 March 2026		Market Value as at 31 March 2025	
	£'000	%	£'000	%
Investments managed in the ACCESS Pool	961,953	10.2		
Baillie Gifford			985,230	11.7
M&G	784,733	8.3	669,267	7.9
Ruffer	205,229	2.2	186,826	2.2
Schroders	1,744,662	18.5	1,426,143	16.9
Colombia Threadneedle	275,461	2.9	207,610	2.5
Robeco	992,254	10.5	840,382	9.9
	4,964,291	52.7	4,315,457	51.1
Investments managed outside the ACCESS Pool		3.1		
CQS	295,942		280,612	3.3
DTZ	824,930	8.8	603,240	7.1
Fidelity	43,730	0.5	45,819	0.5
Goldman Sachs	460,554	4.9	438,513	5.2
HarbourVest	354,533	3.8	326,547	3.9
Impax	73,647	0.8	65,479	0.8
Insight	767,310	8.1	853,325	10.1
Kames	27,225	0.3	26,755	0.3
Kent County Council investment team	204,923	2.2	129,368	1.5
M&G	343,749	3.6	332,277	3.9
Partners Group	420,883	4.5	431,872	5.1
Pyrford	264,885	2.8	243,174	2.9
Sarasin	0	0	920	0.0
Schroders	294,717	3.1	277,915	3.3
YFM	80,979	0.9	75,065	0.9
Link Fund Solutions	2,190	0.0	2,025	0.0
	4,460,195	47.3	4,132,907	48.9
Total	9,424,486	100	8,448,364	100

15e. Single investments exceeding 5% of net assets available for benefits

	31 March 2026	
Investments	£'000	% of net assets
WS ACCESS Global Equity Core Fund	961,953	10.2
WS ACCESS UK Equity Fund	1,106,905	11.7
LDI Solutions Plus ICAV Active (Insight)	767,310	8.1
WS ACCESS Global Dividend Fund	784,733	8.3
WS ACCESS Global Stars Fund	703,662	7.5
WS ACCESS Global Active Value Fund	637,757	6.8

	31 March 2025	
Investments	£'000	% of net assets
WS ACCESS Global Equity Core Fund	985,230	11.7
WS ACCESS UK Equity Fund	932,397	11.0
LDI Solutions Plus ICAV Active (Insight)	696,433	8.2
WS ACCESS Global Dividend Fund	669,267	7.9
WS ACCESS Global Stars Fund	639,354	7.6
WS ACCESS Global Active Value Fund	493,746	5.8

Notes to the Pension Fund Accounts continued

15f. Stock lending

The Custodians undertake a programme of stock lending to approved UK counterparties against non-cash collateral mainly comprising of Sovereigns and Treasury Bonds. The programme lends directly held global equities and bonds to approved borrowers against a collateral of Government and Supranational fixed interest securities of developed countries, which is marked to market on a daily basis. Securities on loan are included at market value in net assets on the basis that they will be returned to the Fund at the end of the loan term. Net income from securities lending received from the custodian is shown as income from investments in the Fund Account.

The amount of securities on loan at year end, analysed by asset class and a description of the collateral is set out in the table below.

	31 March 2026		31 March 2025		
Loan Type	**Market Value £'000**	**Collateral Value £'000**	Market Value £'000	Collateral Value £'000	**Collateral Type**
Equities	**0**	**0**	**0**	**0**	Treasury Notes and other Government debt
Bonds	**25,712**	**26,571**	**30,538**	**32,836**	Treasury Notes and other Government debt
Total	**25,712**	**26,571**	**30,538**	**32,836**	

16. Financial instruments

16a. Classification of financial instruments

The following table analyses the carrying amounts of financial assets and liabilities by category and Net Assets Statement heading.

	31 March 2026			31 March 2025		
	Fair value through profit and loss £'000	**Assets at amortised cost £'000**	**Financial liabilities at amortised cost £'000**	**Fair value through profit and loss £'000**	**Assets at amortised cost £'000**	**Financial liabilities at amortised cost £'000**
Financial Assets						
Bonds	**436,820**			**415,195**		
Equities	**0**			**0**		
Pooled investments	**6,973,650**			**6,179,163**		
Property pooled investments	**202,540**			**231,081**		
Private equity/infrastructure	**856,395**			**833,484**		
Derivative contracts	**236**			**369**		
Cash & cash equivalents	**215,696**	**18,592**		**299,099**	**20,480**	
Other investment balances		**12,267**			**10,314**	
Debtors/receivables		**8,268**			**4,472**	
	8,685,337	**42,126**	**0**	**7,958,391**	**35,267**	**0**
Financial Liabilities						
Derivative contracts	**(4,638)**			**(94)**		
Other investment balances			**(0)**			**688)**
Creditors			**(19,199)**			**(13,524)**
	(4,638)	**0**	**(19,199)**	**(94)**	**0**	**(14,211)**
Total	**8,680,699**	**42,126**	**(19,199)**	**7,958,297**	**35,267**	**(14,211)**

16b. Net gains and losses on financial instruments

	31 March 2026 £'000	**31 March 2025 £'000**
Fair value through profit and loss	**800,667**	**141,139**
Assets at amortised cost	**645**	**1,163**
Total	**801,313**	**142,302**

Notes to the Pension Fund Accounts continued

17. Valuation of assets and liabilities carried at Fair Value

The basis of the valuation of each class of investment asset is set out below. There has been no change in the valuation techniques used during the year. All assets are carried at and have been valued using fair value techniques.

Description of asset	Valuation hierarchy	Basis of valuation	Observable and unobservable inputs	Key sensitivities affecting the valuation provided
Quoted equities	1	Bid Market price on last day of accounting period	Not required	Not required
Quoted bonds	1	Market value on last day of accounting period	Not required	Not required
Quoted pooled investments	1	Net asset value/bid prices on last day of accounting period	Net asset values	Not required
Cash and cash equivalents	1	Carrying value is deemed to be fair value due to short term nature of these instruments	Not required	Not required
Unquoted pooled investments	2	Net asset value/bid prices on last day of accounting period	Net asset values	Not required
Pooled property	3	Net asset value/bid prices on last day of accounting period	Net asset values	Asset values can vary based on two key sensitivities: significant changes in yield movement and estimated rental value movement
Private equity and infrastructure funds	3	Fair values as per international private equity and venture capital guidelines (2022)	Valuation of underlying investment/assets/ companies/EBITDA multiples	Estimation techniques used in valuations, changes in market conditions, industry specific conditions
Direct Property	3	Independent valuation by Colliers using RICS valuation standards	Market values of similar properties, existing lease terms estimated rental growth, estimated vacancies	Asset values can vary based on two key sensitivities: significant changes in yield movement and estimated rental value movement
Quoted funds in administration	3	Net asset value/bid prices on last day of accounting period	Net asset values/or if the fund holds illiquid asets, valuation of underlying investment/assets/ companies/EBITDA multiples	If the fund holds illiquid assets, estimation techniques used in valuations, changes in market conditions, industry specific conditions
Forward exchange contracts	2	Market forward exchange rates on the last day of accounting period	Wide range of deals executed in the currency markets, exchange rate risk	Not required
Bespoke fund for equity protection programme assets	2	Net asset value of Fund based on valuation of underlying assets with quoted prices for bond holdings and market prices for derivatives	Wide range of deals executed in the bond holdings but limited comparable transactions for specialist equity derivatives	Valuation of derivatives is affected by the equity and foreign exchange market conditions

Note: Quoted fund in administration refers to the UK equities Fund managed by Link Fund Solutions Bespoke fund for equity protection programme assets is managed by Insight.

Notes to the Pension Fund Accounts continued

Sensitivity of assets valued at level 3

Having analysed historical data and current market trends, and consulted with independent investment advisors, the Fund has determined that the valuation methods described above, are likely to be accurate to within the following ranges, and has set out below the consequent potential impact on the closing value of investments held at 31 March 2026.

	Assessed valuation range (+/-)	Value as at 31 March 2026 £'000	Value on increase £'000	Value on decrease £'000
Private equity	11.5%	435,512	485,596	385,429
Infrastructure	9.3%	420,883	460,025	381,741
Direct and pooled property	10.4%	917,344	1,012,748	821,940
Other level 3 investments	11.5%	2,190	2,442	1,938
Total		1,775,930	1,960,811	1,591,048

	Assessed valuation range (+/-)	Value as at 31 March 2025 £'000	Value on increase £'000	Value on decrease £'000
Private equity	23.4%	401,612	496,589	307,635
Infrastructure	12.6%	431,872	486,288	377,456
Direct and pooled property	8.9%	681,342	741,981	620,703
Other level 3 investments	23.4%	2,025	2,499	1,551
Total		1,516,851	1,726,358	1,307,345

17a. Fair Value Hierarchy

Level 1

Assets and liabilities at Level 1 are those where the fair values are derived from unadjusted quoted prices in active markets for identical assets or liabilities. Investments include quoted equities, quoted fixed interest securities, quoted index linked securities and quoted unit trusts.

Level 2

Assets and liabilities at Level 2 are those where quoted market prices are not available or where valuation techniques are used to determine fair value. These techniques use inputs that are based significantly on observable market data. Investments include derivatives and investments in Link pooled funds for ACCESS.

Level 3

Assets and liabilities at level 3 are those where at least one input that could have a significant effect on the instrument's valuation is not based on observable market data and are valued using various valuation techniques that require significant judgement in determining appropriate assumptions. They include private equity, infrastructure and both direct and pooled property investments, the values of which are based on valuations provided by the general partners to the funds in which the Fund has invested. Assurances over the valuation are gained from the independent audit of the accounts. These assets also include investments in quoted funds that were in administration as at 31 March 2026 and are invested in illiquid underlying assets.

These valuations are prepared by the fund managers in accordance with generally accepted accounting principles and the requirements of the law where these companies are incorporated. Valuations are usually undertaken periodically by the fund managers, who provide a detailed breakdown of the valuations of underlying assets as well as a reconciliation of movements in fair values. Cash flow adjustments are used to roll forward the valuations where the latest valuation information is not available at the time of reporting.

Notes to the Pension Fund Accounts continued

17a. Fair Value Hierarchy continued

The following table provides an analysis of the assets and liabilities of the Pension Fund grouped into levels 1 to 3, based on the level at which the fair value is observable.

Values at 31 March 2026	Quoted market price Level 1 £'000	Using observable inputs Level 2 £'000	With significant unobservable inputs Level 3 £'000	Total £'000
Financial assets at fair value through profit and loss				
Bonds	**436,820**			**436,820**
Equities	**0**			**0**
Pooled investments	**633,247**	**6,338,212**	**2,190**	**6,973,650**
Pooled property investments			**202,540**	**202,540**
Private equity and infrastructure			**856,395**	**856,395**
Derivatives		**236**		**236**
Cash deposits	**229,414**			**229,414**
Other Investment balances	**15,267**			**15,267**
Non-Financial assets at fair value through profit and loss				
Property			**714,804**	**714,804**
Financial liabilities at fair value through profit and loss				
Derivatives		**(4,638)**		**(4,638)**
Other investment liabilities	**0**			**0**
Net Investment assets	**1,314,748**	**6,333,809**	**1,775,929**	**9,424,486**

Values at 31 March 2025	Quoted market price Level 1 £'000	Using observable inputs Level 2 £'000	With significant unobservable inputs Level 3 £'000	Total £'000
Financial assets at fair value through profit and loss				
Bonds	415,195			415,195
Equities	0			0
Pooled investments	586,567	5,590,571	2,025	6,179,163
Pooled property investments			231,081	231,081
Private equity and infrastructure			833,484	833,484
Derivatives		369		369
Cash deposits	306,353			306,353
Other investment balances	10,314			10,314
Non-Financial assets at fair value through profit and loss				
Property			473,188	473,188
Financial liabilities at fair value through profit and loss				
Derivatives		(94)		(94)
Other investment liabilities	(688)			(688)
Net investment assets	1,317,741	5,590,846	1,539,778	8,448,364

Notes to the Pension Fund Accounts continued

17b. Reconciliation of fair value measurements within level 3

	Private Equity	Infrastructure	Direct and pooled property Restated	Other	Total Restated £'000
Market value 1 April 2025	401,612	431,872	704,268	2,025	1,539,778
Transfers into level 3					0
Transfers out of level 3					0
Purchases during the year	56,198	10,431	250,432	0	317,062
Sales during the year	(43,566)	(62,648)	(40,724)	0	(146,938)
Unrealised gains/losses	(2,461)	14,368	(15,781)	165	(3,708)
Realised gains/losses	23,729	26,860	19,148	0	69,736
Market value 31 March 2026	**435,512**	**420,883**	**917,344**	**2,190**	**1,771,536**
Market value 1 April 2024	387,333	376,066	727,195	2,308	1,492,901
Transfers into level 3					0
Transfers out of level 3					0
Purchases during the year	50,941	18,854	71,221	0	141,017
Sales during the year	(49,683)	(10,950)	(110,207)	0	(170,840)
Unrealised gains/losses	(19,735)	47,316	483	(283)	27,781
Realised gains/losses	32,756	586	15,577	0	48,919
Market value 31 March 2025	**401,612**	**431,872**	**704,268**	**2,025**	**1,539,778**

18. Nature and extent of risks arising from financial instruments

Risk and risk management

The Fund's primary long-term risk is that the value of its assets will fall short that of its liabilities (i.e. promised benefits payable to members). Therefore the aim of investment risk management is to minimise the risk of an overall reduction in the value and to maximise the opportunity for gains across the whole Fund portfolio. The Fund achieves this through asset diversification to reduce exposure to market risk (price risk, currency risk and interest rate risk) and credit risk to an acceptable level. In addition, the Fund manages its liquidity risk to ensure there is sufficient liquidity to meet the Fund's forecast cash flows. The Council manages these investment risks as part of its overall pension fund risk management programme.

Responsibility for the Fund's risk management strategy rests with the Kent Pension Fund Committee. Risk management policies are established to identify and analyse the risks faced by the Council's pensions operations. Policies are reviewed regularly to reflect changes in activity and in market conditions.

18a. Market risk

Market risk is the risk of loss from fluctuations in equity and commodity prices, interest and foreign exchange rates and credit spreads. The Fund is exposed to market risk from its investment activities, particularly through its equity holdings. The level of risk exposure depends on market conditions, expectations of future price and yield movements and the asset mix. The objective of the Fund's risk management strategy is to identify, manage and control market risk exposure within acceptable parameters, whilst optimising the return on risk. In general, excessive volatility in market risk is managed through diversification of the portfolio in terms of geographical and industry sectors and individual securities. To mitigate market risks, the Council and its investment advisors undertake appropriate monitoring of market conditions and benchmark analysis.

Other price risk

Other price risk represents the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all such instruments in the market. The Fund is exposed to security and derivative price risks. This arises from investments held by the Fund for which the future price is uncertain. All security investments present a risk of loss of capital. Except for shares sold short, the maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The possible loss from shares sold short is unlimited. The Fund's investment managers mitigate this price risk through diversification and the selection of securities and other financial instruments and their activity is monitored by the Council to ensure it is within limits specified in the Fund's investment strategy.

Notes to the Pension Fund Accounts continued

Other price risk – sensitivity analysis

Following analysis of historical data and expected investment return movement during the financial year, in consultation with the Fund's investment advisors, the Council has determined that the following movements in market price risk are reasonably possible for the 2025-26 reporting period.

Asset type	Potential market movements (+/-)
UK equities	7.7
Overseas equities	7.7
Emerging market equities	9.8
Global pooled equities incl UK	7.7
Bonds	7.1
Property	10.4
Infrastructure	9.3
Private equity	11.5

The potential price changes disclosed above are based on predicted volatilities calculated by our fund managers. The analysis assumes that all other variables, in particular foreign currency exchange rates and interest rates, remain the same. Had the market price of the Fund investments increased/decreased in line with the above, the change in the net assets available to pay benefits would have been as follows (the prior year comparator is shown below):

Asset type	Value as at 31 March 2026 £'000	Percentage change %	Value on increase £'000	Value on decrease £'000
Cash and cash equivalents	229,414	**0.0**	**229,414**	**229,414**
Investment portfolio assets:				
UK equities	**0**	**7.7**	**0**	**0**
Overseas equities	**0**	**7.7**	**0**	**0**
Pooled emerging market equities	**564,053**	**9.8**	**619,330**	**508,776**
Global pooled equities inc UK	**5,508,036**	**7.7**	**5,932,155**	**5,083,918**
Bonds inc. bond funds	**1,338,380**	**10.4**	**1,433,405**	**1,243,355**
Property pooled funds	**202,540**	**811.5**	**223,604**	**181,476**
Private equity	**435,512**	**9.3**	**485,596**	**385,429**
Infrastructure funds	**420,883**	**9.3**	**460,025**	**381,741**
Derivative assets	**236**	**0.0**	**236**	**236**
Total	**8,699,055**		**9,383,766**	**8,014,344**

The Fund has an equities downside protection programme to protect the Fund from falls and cap the returns within a given range and is designed to manage the risks associated with global equity investments and help achieve the Fund's required rate of return.

Asset type	Value as at 31 March 2025 £'000	Percentage change %	Value on increase £'000	Value on decrease £'000
Cash and cash equivalents	**306,353**	**0.0**	**306,353**	**306,353**
Investment portfolio assets:				
UK equities	**0**	**15.5**	**0**	**0**
Overseas equities	**0**	**15.9**	**0**	**0**
Pooled emerging market equities	**408,638**	**18.0**	**482,192**	**335,083**
Global pooled equities incl UK	**4,913,707**	**15.9**	**5,694,986**	**4,132,427**
Bonds inc. bond funds	**1,272,014**	**8.0**	**1,373,775**	**1,170,253**
Property pooled funds	**231,081**	**8.9**	**251,647**	**210,515**
Private equity	**401,612**	**23.4**	**495,589**	**307,635**
Infrastructure funds	**431,872**	**12.6**	**486,288**	**377,456**
Derivative assets	**369**	**0.0**	**369**	**369**
Total	**7,965,644**		**9,091,199**	**6,840,090**

Notes to the Pension Fund Accounts continued

18a. Market risk continued

Interest rate risk

The Fund invests in financial assets for the primary purpose of obtaining a return on investments. These investments are subject to interest rate risks, which represent the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Fund's interest rate risk is routinely monitored by the Council and its investment advisors in accordance with the Fund's risk management strategy, including monitoring the exposure to interest rates and assessment of actual interest rates against the relevant benchmarks. The Fund's direct exposures to interest rate movements as at 31 March 2026 and 31 March 2025 are set out below. These disclosures present interest rate risk based on the underlying financial assets at fair value.

Asset type	31 March 2026 £'000	31 March 2025 £'000
Cash and cash equivalents	229,414	306,353
Cash balances	4,874	13,227
Bonds		
– Directly held securities	436,820	415,195
– Pooled funds	901,560	856,819
Total	1,572,668	1,591,593

Interest rate risk – sensitivity analysis

The Fund recognises that interest rates can vary and can affect both income to the Fund and the value of the net assets available to pay benefits. A one percent movement in interest rates is consistent with the level of sensitivity applied as part of the Fund's risk management strategy. The Fund's investment advisor has advised that long-term average rates are expected to move less than one percent from one year to the next and experience suggests that such movements are likely. The analysis that follows assumes that all other variables, in particular exchange rates, remain constant, and shows the effect in the year on the net assets available to pay benefits of a +/- one percent change in interest rates:

	Carrying amount as at 31 March 2026	Change in year in the net assets available to pay benefits	
Asset type	£'000	+1% £'000	(1%) £'000
Cash and cash equivalents	229,414	0	0
Cash balances	4,874	0	0
Bonds			
– Directly held securities	436,820	(17,691)	17,691
– Pooled funds	901,560	(16,960)	16,960
Total change in assets available	1,572,668	(34,651)	34,651

	Carrying amount as at 31 March 2025	Change in year in the net assets available to pay benefits	
Asset type	£'000	+1% £'000	(1%) £'000
Cash and cash equivalents	306,353	0	0
Cash balances	13,227	0	0
Bonds			
– Directly held securities	415,195	(17,231)	17,231
– Pooled funds	856,819	(15,018)	15,018
Total change in assets available	1,591,593	(32,249)	32,249

Changes to both the fair value of assets and the income received from investments impact on the net assets available to pay benefits. The analysis demonstrates that a 100 bps increase in interest rates will not affect the interest received on fixed interest assets but will reduce their fair value and vice versa. Changes in interest rates do not impact on the value of cash/cash equivalent balances but they will affect interest income received on those balances.

Notes to the Pension Fund Accounts continued

Currency risk

Currency risk represents the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Through their investment managers, the Fund holds both monetary and non-monetary assets denominated in currencies other than GBP, the functional currency of the Fund. Most of these assets are not hedged for currency risk and the Fund is exposed to currency risk on these financial instruments. However, a significant proportion of the investments managed by Goldman Sachs Asset Management and all investments in the CQS Fund are hedged for currency risk through forward currency contracts. The Fund's currency rate risk is routinely monitored by the Council and its investment advisors in accordance with the Fund's risk management strategy, including monitoring the range of exposure to current fluctuations. The following table summarises the Fund's currency exposure excluding the hedged investments as at 31 March 2026 and 2025:

Currency exposure – asset type	Asset value 31 March 2026 £'000	Asset value 31 March 2025 £'000
Overseas equities	**0**	**0**
Overseas pooled funds	**5,273,897**	**4,686,215**
Overseas bonds	**0**	**0**
Overseas private equity, infrastructure and property funds	**775,416**	**758,419**
Non GBP cash	**11,585**	**13,435**
Total overseas assets	**6,060,898**	**5,458,069**

Currency risk – sensitivity analysis

Following analysis of historical data and expected currency movement during the financial year, in consultation with the fund's investment advisors, the Fund has determined that the following movements in the values of financial assets denominated in foreign currency are reasonably possible for the 2025-26 reporting period. This analysis assumes that all other variables, in particular interest rates, remain constant. A relevant strengthening/weakening of the pound against various currencies in which the Fund holds investments would increase/decrease the net assets available to pay benefits as follows:

Currency exposure – asset type	Asset value as at 31 March 2026 £'000	Change to net assets available to pay benefits +5.6% £'000	Change to net assets available to pay benefits (5.6%) £'000
Overseas equities	**0**	**0**	**0**
Overseas pooled funds	**5,273,897**	**5,569,236**	**4,978,559**
Overseas bonds	**0**	**0**	**0**
Overseas private equity, infrastructure and property funds	**775,416**	**818,839**	**731,992**
Non GBP cash	**11,585**	**12,234**	**10,936**
Total change in assets available	**6,060,898**	**6,400,308**	**5,721,488**

Currency exposure – asset type	Asset value as at 31 March 2025 £'000	Change to net assets available to pay benefits +5.5% £'000	Change to net assets available to pay benefits (5.5%) £'000
Overseas equities	**0**	**0**	**0**
Overseas pooled funds	**4,686,215**	**4,943,957**	**4,428,473**
Overseas bonds	0	0	0
Overseas private equity, infrastructure and property funds	**758,419**	**800,132**	**716,706**
Non GBP Cash	**13,435**	**14,174**	**12,696**
Total change in assets available	**5,458,069**	**5,758,263**	**5,157,875**

Notes to the Pension Fund Accounts continued

18b. Credit risk

Credit risk represents the risk that the counterparty to a transaction or a financial instrument will fail to discharge an obligation and cause the Fund to incur a financial loss. The market values of investments generally reflect an assessment of credit in their pricing and consequently the risk of loss is implicitly provided for in the carrying value of the Fund's financial assets and liabilities.

In essence the Fund's entire investment portfolio is exposed to some form of credit risk, with the exception of the derivatives positions, where the risk equates to the net market value of a positive derivative position. However, the selection of high quality counterparties, brokers and financial institutions minimises credit risk that may occur through the failure to settle a transaction in a timely manner.

Contractual credit risk is represented by the net payment of a receipt that remains outstanding, and the cost of replacing the derivative position in the event of a counterparty default. The residual risk is minimal due to the various insurance policies held by the exchanges to cover defaulting counterparties. Derivative contracts are also covered by margins which provide collateral against risk of default by the counterparties.

Deposits are not made with banks and financial institutions unless they are rated independently and meet the Fund's credit criteria. The Fund has also set limits as to the maximum amount that may be placed with any one financial institution. The Fund's cash was held with the following institutions:

	Rating	Balance as at 31 March 2026 £'000	Balance as at 31 March 2025 £'000
Money market funds			
Northern Trust Sterling Fund	AAAm	38	187
SSGA Liquidity Fund	AAAm	0	0
Blackrock ICS	AAAm	56,214	11,361
Blackrock USD Government Liquidity Fund	AAAm	6,020	64
Aberdeen Sterling Liquidity Fund	AAAm	17,529	10,766
Goldman Sachs Liquid Reserve Government Fund	AAAm	10,723	11,425
Aviva Investors Sterling Liquidity Fund	AAAm	52,828	49,777
Federated (PR) Short-term GBP Prime Fund	AAAm	0	0
Deutsche Managed Sterling Fund	AAAm	4,894	2,311
HSBC Global Liquidity Fund	AAAm	0	0
LGIM Liquidity Fund	AAAm	65,827	53,457
Insight Sterling Liquidity Fund	AAAm	0	156,893
		214,073	296,241
Bank deposit accounts			
NatWest SIBA	A+	1,572	1,631
		1,572	1,631
Bank current accounts			
NatWest current account	A+	50	50
NatWest current account – Euro	A+	279	11,922
NatWest current account – USD	A+	4,544	28
Northern Trust – current accounts	AA-	6,943	7,470
Barclays – DTZ client monies account	A+	6,826	2,237
		18,643	21,707
Total cash and cash equivalents		234,288	319,579

Notes to the Pension Fund Accounts continued

18c. Liquidity risk

Liquidity risk represents the risk that the Fund will not be able to meet its financial obligations as they fall due. The Council therefore takes steps to ensure that the Fund has adequate cash resources to meet its commitments. The Council has immediate access to the Fund's money market fund and current account holdings.

Management prepares periodic cash flow forecasts to understand and manage the timing of the Fund's cash flows. The appropriate strategic level of cash balances to be held forms part of the Fund investment strategy. All financial liabilities at 31 March 2026 are due within one year.

Refinancing risk
The key risk is that the Fund will be bound to replenish a significant proportion of its Pension Fund financial instruments at a time of unfavourable interest rates. The Fund does not have any financial instruments that have a refinancing risk as part of its treasury management and investment strategies.

19. Funding Arrangements

In line with Local Government Pension Scheme (Administration) Regulations 2013 (as amended), the Fund is required to obtain an actuary's funding valuation every three years for the purpose of setting employer contribution rates for the forthcoming triennial period. The last such valuation took place as at 31 March 2025.

The key elements of the funding policy are:
– To ensure the long-term solvency of the Fund and ensure that sufficient funds are available to meet all the benefits as they fall due for payment.
– To ensure employer contribution rates are as stable as possible.
– To minimise the long term cost of the scheme by recognising the link between assets and liabilities and adopting an investment strategy that balances risk and return.
– To reflect the different characteristics of employing bodies in determining contribution rates where the administering authority considers it reasonable to do so.

At the 2025 valuation a maximum deficit recovery period of 8 years (2022 - 11 years) is used for all employers. Shorter recovery periods have been used where affordable. This will provide a buffer for future adverse experience and reduce the interest cost paid by employers. For Transferee Admission Bodies the deficit recovery period is set equal to the future working life of current employees or the remaining contract period, whichever is the shorter.

In the 2025 triennial valuation, the smoothed value of the Fund's assets at the valuation date was £8,595m and the liabilities were £8,259m. The assets therefore, represented 104% (2022 - 102%) of the Fund's accrued liabilities, allowing for future pay increases.

The primary contribution rate for the average employer, including payments to target full funding has decreased from 20.5% to 16.7% of pensionable salaries after the latest valuation. Secondary rates however differ from employer to employer depending upon their funding position and agreed deficit recovery period. The funding level for the Fund as a percentage has increased (due to good investment returns and employer contributions) although this has been partly offset by the changes in the financial assumptions used to calculate the liabilities.

The actuarial valuation has been undertaken on the projected unit method. At individual employer level the projected unit funding method has been used where there is an expectation that new employees will be admitted to the Fund. The attained age method has been used for employers who do not allow new entrants. These methods assess the costs of benefits accruing to existing members during the remaining working lifetime, allowing for future salary increases. The resulting contribution rate is adjusted to allow for any differences in the value of accrued liabilities and the market value of assets.

The 2025 actuarial assumptions were as follows:		
Valuation of assets:		Assets have been valued at a 6 month smoothed market rate
Rate of return on investments (discount rate)		4.9% p.a.
Rate of general pay increases:	Long term	3.7% p.a.
	Short term	N/A
Assumed pension increases		2.7% p.a.

Notes to the Pension Fund Accounts continued

20. Actuarial present value of promised retirement benefits

In addition to the triennial funding valuation, every year the Fund's actuary undertakes a valuation of the Fund's liabilities on an IAS 19 basis, using the same base data as the funding valuation rolled forward to the current financial year, taking account of changes in membership numbers and updating assumptions to the current year.

Actuarial present value of promised retirement benefits	31 March 2026 £m	31 March 2025 £m
Present value of promised retirement benefits	(7,430.1)	(7,057.8)
Fair value of scheme assets at bid value	9,418.2	8,424.9
Net asset	1,998.1	1,367.1

The Fund accounts do not take account of liabilities to pay pensions and other benefits in the future. Based on the latest valuation, the fair value of net assets of the Fund represents 127% of the actuarial valuation of the promised retirement benefits. Future liabilities will be funded from future contributions from employers.

The liability above being calculated on an IAS 19 basis and differs from the results of the 2025 triennial funding valuation because IAS 19 stipulates a discount rate rather than a rate which reflects a market rate.

Assumptions used:	% p.a.
Salary increase rate	3.90%
Inflation/Pensions increase rate	3.30%/2.90%
Discount rate	6.15%

In December 2018 the Court of Appeal passed the McCloud judgement, which relates to age discrimination in relation to judges and firefighters pensions. On 16 July 2020, the Government subsequently published a consultation on the proposed remedy to be applied to LGPS benefits in response to the McCloud and Sargeant cases. The remedy has now been impemented for the LGPS through the Local Government Pension Scheme (Amendment) (No. 3) Regulations 2023, which came into force on 1 October 2023 and applied retrospectively to 1 April 2014. The Government has confirmed that there will be changes to all main public sector schemes, including the LGPS, to remove this age discrimination. The remedy provides eligible members with protection for service during the remedy period by comparing their benefits under the CARE scheme to those they would have received if they had remained in the final-salary scheme. Eligible members will receive the more favourable benefits. For the 2022 valuation, as instructed by the Department of Levelling Up, Housing and Communities (DLUHC), our actuaries had assumed that the legislation will bring forward the changes as currently proposed, and had valued the benefits in line with this. A similar approach has been taken as part of the 2025 triennial valuation with estimates made for active members based on historic data. The liabilities calculated as part of the 2025 valuation reflects the fact that eligible members may receive a pension uplift at retirement if their benefits would have been higher had they continued to accrue service in the discontinued final salary scheme until 31 March 2022.

21. Current Assets	31 March 2026 £'000	31 March 2025 £'000
Debtors		
– Contributions due – employees	5,833	5,118
– Contributions due – employers	19,371	16,785
	25,204	21,903
Sundry debtors	8,268	4,472
Total debtors	**33,472**	**26,375**
Cash	**4,874**	**13,227**
Total Current Assets	**38,346**	**39,602**

Notes to the Pension Fund Accounts continued

22. Current Liabilities

	31 March 2026 £'000	31 March 2025 £'000
Creditors		
– Benefits payable	25,291	22,832
– Sundry creditors	19,199	13,524
Total current liabilities	**44,490**	**36,356**

23. Additional voluntary contributions

Scheme members have the option to make additional voluntary contributions to enhance their pension benefits. In accordance with regulation 4(1)(b) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, these AVC contributions are not included within the Pension Fund Accounts. These contributions are paid to the AVC provider directly by the employer and are invested separately from the Pension Fund, with either Utmost Life, Prudential Assurance Company or Standard Life Assurance Company. These amounts are included within the disclosure note figures below.

	Prudential	Prudential	Standard Life	Standard Life	Utmost Life	Utmost Life
	2025 – 2026 £'000	2024 – 2025 £'000	2025 – 2026 £'000	2024 – 2025 £'000	2025 – 2026 £'000	2024 – 2025 £'000
Value at 1 April	14,958	**12,895**	2,422	**1,918**	245	**282**
Value at 31 March	18,826	**14,958**	2,832	**2,422**	233	**245**
Contributions paid	5,010	**4,047**	808	**595**	0	**0**

24. Related Party Transactions

The Fund is required to disclose material transactions with related parties, not disclosed elsewhere, in a note to the financial statements. During the year each member of the Kent Pension Fund Committee is required to declare their interests at each meeting. None of the members of the Committee or senior officers undertook any transactions with the Fund.

As such, there are no related party transactions, other than those set out in key management personnel below, with related individuals or any entities where a related individual has control/influence or is a member of key management.

The Kent Pension Fund is administered by Kent County Council and consequently there is a strong relationship between the Council and the Pension Fund.

	2025 – 2026 £'000	2024 – 2025 £'000
KCC is the largest single employer of members of the Fund and during the year contributed:	**98,513**	**93,395**

A list of all contributing employers and amount of contributions received is included in the Fund's annual report available on the pension fund website.

Charges from KCC to the Fund in respect of pension administration, governance arrangements, investment monitoring, legal and other services.	**8,764**	**7,082**
Year end balance due to KCC arising out of transactions between Kent County Council and the Fund	**(6,077)**	(**7,445**)

The year end credit balance due to KCC mainly comprises of recharges and of VAT payable to KCC.

The key management personnel of the Fund are the Interim Corporate Director Finance as well as the Head of Pensions and Treasury. The Interim Corporate Director Finance charges a proportion of their time to the Kent Pension Fund as part of the County Council's charge for the administration of the Fund. Full details of the salary of the Interim Corporate Director Finance can be found in the main accounts of Kent County Council.

Notes to the Pension Fund Accounts continued

24. Related Party Transactions continued

Total costs charged to the Fund, including amounts recharged for the Corporate Director Finance, in respect of key management are shown below.

	31 March 2026 £'000	31 March 2025 £'000
Salary	**123**	**125**
Allowances	**12**	**12**
Other	**19**	**27**
Employer's pension contributions	**28**	**17**
Total	**182**	**181**

25. Contingent liabilities

The Fund is aware of the 'Virgin Media Ltd v NTL Pension Trustees II Ltd (and others)' case and considers that there is potential for the outcome of this case to have an impact on the Kent Pension Fund. The case affects defined benefit schemes that provided contracted-out benefits before 6 April 2016 based on meeting the reference scheme test. Where scheme rules were amended, potentially impacting benefits accrued from 6 April 1997 to 5 April 2016, schemes needed the actuary to confirm that the reference scheme test was still being met by providing written confirmation under Section 37 of the Pension Schemes Act 1993. In the Virgin Media case the judge ruled that alterations to the scheme rules were void and ineffective because of the absence of written actuarial confirmation required under Section 37 of the Pension Schemes Act 1993. The case was taken to The Court of Appeal in June 2024 and the original ruling was upheld.

The Government has since legislated to address this issue. The Pension Schemes Bill received Royal Assent on 29 April 2026 and became the Pension Schemes Act 2026. The Act includes provisions intended to allow certain historic benefit amendments to be retrospectively validated through written actuarial confirmation, subject to the conditions set out in the legislation.

The Kent Pension Fund is continuing to monitor developments and is awaiting further advice on whether the issue is relevant to the LGPS and the Fund itself. However, at this time, the Fund is hopeful that there is no impact on the scheme.

26. Contractual commitments

Outstanding capital commitments (investments) as at 31 March 2065 totalled £289m (31 March 2025: £375m).

These commitments relate to outstanding call payments due on unquoted limited partnership funds held in private equity and infrastructure parts of the portfolio. The amounts 'called' by these funds are irregular in both size and timing over the life of each fund.

27. Contingent Assets

31 admitted body employers in the Fund hold insurance bonds and 12 hold guarantees with their Employing Authority to guard against the possibility of being unable to meet their pension obligations. These bonds and guarantees are drawn in favour of the Fund and payment will only be triggered in the event of employer default.

Post Pool Reporting

The Fund's assets pooled and non-pooled are as follows:

Pooled (ACCESS)		
Fund Manager	**Asset Class**	**£'000**
Baillie Gifford	Global Equities	961,953
Schroders	UK Equities	1,106,905
Schroders	Global Equity	637,757
M&G	Global Equities	784,733
Ruffer	Absolute return	205,229
Columbia Threadneedle	Emerging Market Equities	275,461
Robeco	Emerging Market Equities	288,592
Robeco	Global Equities	703,662
Total Pooled		**4,964,291**

Non-Pooled		
Fund Manager	**Asset Class**	**£'000**
Schroders	Fixed Income	294,717
DTZ	Property	824,930
Goldman Sachs	Fixed Interest	460,554
Woodford	UK Equities	2,190
BMO (Pyrford)	Absolute Return	264,885
CQS	Fixed Income	295,942
Fidelity	Pooled Property	43,730
DTZ (formerly Kames)	Pooled Property	27,225
Impax	Global Equities	73,647
Insight	Equity Protection	767,310
Partners Group	Infrastructure	420,883
Harbourvest	Private Equity	354,533
M&G	Pooled Property	32,845
M&G AO	Fixed Income	310,903
YFM	Private Equity	80,979
Kent County Council Investment Team	Cash	204,923
Total Non-Pooled		**4,460,196**
Grand Total		**9,424,486**

For 2025-26 the ongoing costs of the investments broken down between pooled and non-pooled assets are detailed below:

Pool Set up Costs	**2025–2026 £'000**	Cumulative £'000	ACCESS
Strategic & Technical Advice	**0**	56	614
Legal	**0**	37	409
Project Management	**0**	53	588
ACCESS Support Unit	**0**	0	3
Other	**0**	19	210
Total	**0**	**166**	**1,824**
Transition costs		**608**	

The Pooled ACS was operational in 2017-18 and all set up costs were incurred prior to that, so no costs attributable to set up for 2025-26.

*1/11th of total ACCESS costs

The fund's costs and net of fee savings since inception of the pooling project are as follows:

	2015–16 £'000	2016–17 £'000	2017–18 £'000	2018–19 £'000	2019–20 £'000	2020–21 £'000	2021–22 £'000	2022–23 £'000	2023–24 £'000	**2024–25 £'000**	2025-26 £'000	**Cumulative £'000**
Set up costs	6	80	80	–	–	–	–	–	–	**–**	-	166
Pooling ongoing costs				137	87	82	91	115	133	**229**	179	1,053
Transition costs		–		363	–	245	–	–	–	**2,268**	0	2,876
Fee savings	(26)	242	776	1,436	1,596	3,968	4,774	4,872	5,372	**5,720**	5,911	34,642
Net savings	(32)	162	696	936	1,509	3,641	4,683	4,757	5,239	**3,223**	5,732	30,547

*Of the above total cumulative savings of £30.5m, £9.9m relates to investments awaiting pooling.

The investment managers are paid ad valorem fees on the assets under their management. As a result, the fees in absolute terms goes up as the investments appreciate in value.

For 2025-26, the ongoing costs of the investments broken down between pooled and non-pooled assets are detailed below. These costs have been compiled from information provided by the fund managers who have signed up to the LGA cost transparency code.

	Asset Pool Direct £'000	**Asset Pool** Indirect £'000	**Asset Pool** Total £'000	**Non Asset Pool** Direct £'000	**Non Asset Pool** Indirect £'000	**Non Asset Pool** Total £'000	Total £'000
FM Fees	–	14,779.03	14,779.03	4,207.33	15,595.55	19,802.88	34,581.90
Pool shared (ASU)	179.19	–	179.19	–	–	–	179.19
Transaction costs	–	4,069.81	4,069.81	13,300.93	1,249.57	14,550.50	18,620.31
Custody	–	–	–	54.89	–	54.89	54.89
Other – pooled fund costs	–	570.74	570.74	–	3,086.23	3,086.23	3,656.97
Total	**179.19**	**14,419.57**	**19,598.76**	**17,563.15**	**19,931.35**	**37,494.50**	**57,038.37**

Asset Allocation and UK Investment Exposure:

£m Asset values as at 31 March 2026	Pooled	Under Pool Management	Not Pooled	Total
UK Listed Equities	1,392.33	–	16.39	1,408.72
UK Government Bonds	-	–	0.53	0.53
UK Infrastructure	–	–	47.90	47.90
UK Private Equity	–	–	91.70	91.70
UK Property	–	–	917.34	917.34

£m Asset values as at 31 March 2026	Pooled	Under Pool Management	Not Pooled	Total
Equities	4,759.06	–	75.84	4,834.90
Bonds	-	–	1,362.12	1,362.12
Diversified Growth Funds	205.23	–	264.89	470.11
Equity Protection	–	–	767.31	767.31
Property	–	–	928.73	28.73
Private Equity	–	–	435.51	435.51
Infrastructure	–	–	420.88	420.88
Cash	–	–	204.92	204.92
Grand Total	**4,964.29**	**–**	**4,460.20**	**9,424.49**

Independent Auditor's report

Independent auditor's statement to the members of Kent County Council on the pension fund financial statements of Kent Pension Fund included within the pension fund annual report.

Opinion

We have examined the pension fund financial statements of Kent Pension Fund (the 'pension fund') for the year ended 31 March 2025 included within the pension fund annual report, which comprise the Fund Account, the Net Assets Statement, and the notes to the financial statements, including the summary of significant accounting policies.

In our opinion, the Kent Pension Fund financial statements included within the pension fund annual report are consistent, in all material respects, with the audited pension fund financial statements of Kent County Council for the year ended 31 March 2025 and comply with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

We have not considered the effects of any events between 6 November 2025, being the date we signed our auditor's report on the audited financial statements of Kent County Council, and the date of this statement.

Respective responsibilities of the Acting Corporate Director of Finance and the auditor

As explained more fully in the interim Corporate Director Finance's Responsibilities, the interim Corporate Director Finance is responsible for the preparation of the pension fund's financial statements in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25.

Our responsibility is to state to the members of Kent County Council our opinion on the consistency of the pension fund financial statements within the pension fund annual report with the financial statements of Kent County Council.

We also read the other information contained in the pension fund annual report and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the pension fund financial statements. The other information comprises the information included in the pension fund annual report, other than the pension fund financial statements and our auditor's statement thereon.

We conducted our work in accordance with Auditor Guidance Note 07 – Auditor Reporting, issued by the National Audit Office. Our report on the financial statements of Kent County Council describes the basis of our opinion on those financial statements.

Use of this auditor's statement

This statement is made solely to the members of Kent County Council as a body, in accordance with Part 5 of the Local Audit and Accountability Act 2014. Our work has been undertaken so that we might state to the members of Kent County Council those matters we are required to state to them and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Kent County Council and the members of Kent County Council. as a body, for our work, for this statement, or for the opinions we have formed.

Parris Williams,
Key Audit Partner for and on behalf of
Grant Thornton UK LLP, Local Auditor

10 November 2025

ACCESS

Effective • Collective • Investment

Annual Report 2025/26



Foreword

As will be widely known, in April 2025, Government Ministers took decisions which set in train processes ultimately leading to the reduction in the number of Local Government Pension Scheme (LGPS) investment pools from eight to six.

In practice this meant that each of the eleven ACCESS Authorities were invited to select a new pool in which to participate from April 2026. Consequently, 2025/26 in many ways marked the last full year of ACCESS activities under our original business model prior to the commencement of the new arrangements.

Whilst there is an inevitable sense of disappointment that our proposals did not find Ministerial support, this is coupled with a sense of real pride in what ACCESS did manage to achieve during the last 10 years. Our successes included:

- the establishment of an Authorised Contractual Scheme (ACS) operated by Waystone, totalling £32bn of actively listed assets across 31 sub funds as at 31 March 2026;
- active listed asset performance since inception to 31 March 2026 of 9.3% compared to a benchmark of 8.7%;
- a groundbreaking passive listed assets mandate with UBS managing £14bn;
- listed asset investment management fee savings assessed by ClearGlass as £49m (18bps; 7th percentile) based on 2024 CTi data;
- a range of non-listed asset offerings in real estate, infrastructure, timber and private debt totalling £7bn; and
- signatory status to the UK Stewardship code achieved in 2025

Of course, the above also helps to explain the status ACCESS has held as the largest LGPS pool.

Working towards the new arrangements has dominated much of the last year and placed additional specific demands on LGPS officers at all Authorities which will continue for the foreseeable future. Underpinning this has been the ACCESS Support Unit (ASU), whose work formally ends in September 2026 following a six-month overlap with the new pools to facilitate the initial months of the new business models.

On behalf of the ACCESS Joint Committee, I would therefore like to place on record my thanks and appreciation for the unique contribution of the ASU since its commencement in 2018 at the very heart of our pool. In doing so I also want to recognise the hard work and dedication of the partner-funds' LGPS officers, not only throughout the challenging last 12 months, but since ACCESS's inception in early 2016.

ACCESS has collaboration in its DNA and we have been fortunate to have had the support and contribution of our legal advisers Squire Patton Boggs and investment consultants Hymans Robertson, who have been with us throughout our journey, along with insurance advisers Price Forbes and web designers Creative Sponge. We have also benefitted from our partnerships with Apex on non-listed assets, Tavistock & MHP on communications and PIRC & Minerva on Responsible Investment. Central to our offer has been Waystone, our ACS operator and the active investment managers it has appointed on our behalf, along with UBS's passive mandates.

In closing I must pay tribute to the all Councillors who have served so diligently on the ACCESS Joint Committee it has been my privilege to Chair following in the footsteps of Hampshire's Cllr Mark Kemp-Gee whom we sadly lost in August 2026. Cllr Kemp-Gee had been part of ACCESS since its 2016 formation, and as our longest serving Chairman will be greatly missed.

The dialogue and engagement at the Joint Committee, initially chaired by Suffolk's Cllr Andrew Reid, has consistently embodied the collective principles that shaped our pool. It has been the combined efforts of the Joint Committee, as well as the eleven s101 Committees and Local Pension Boards, whose Members observed our meetings, that have enshrined fiduciary duty and democratic accountability in the oversight of our partner-funds' LGPS assets. I am confident that our legacy of collaboration will form the basis of the success for the next chapter of LGPS asset pooling.

Cllr Susan Barker
Chairman of the ACCESS Joint Committee
Chairman of the Essex Pension Fund Strategy Board



At a glance

£14.2bn
passively managed with UBS

£3.3bn
infrastructure, timber & private debt

£3.8bn
in real estate

£32.1bn
actively managed in ACS sub-funds

£53.4 bn
74% of assets within pooled arrangement

Assets

Performance

+9.3%
investment return
on active listed assets since inception

+8.7%
benchmark
on active listed assets since inception

+0.6%
outperformance
on active listed assets since inception

Costs & savings since inception

£202.0m
gross savings

£53.3m
costs

£148.7m
net savings

People & employers

3,400
employers

1.3
million people

Cost and savings

The table below summarises the financial position for 2025/26 along with the cumulative position since the commencement of ACCESS activity in early 2016.

A budget for ongoing operational costs is set by the Joint Committee and is financed equally by each of the eleven Authorities. 2025/26 saw an underspend.

£	2025/26		2016 - 2026	
	Actual in year £m	Budget in year £m	Actual cumulative £m	Budget cumulative £m
Set up costs	-	-	1.824	1.400
Transition costs	-	-	3.338	6.907
Ongoing operational costs	1.971	3.327	10.434	13.895
Operator & Depositary Costs	9.572	6.427	37.755	39.263
Total costs	11.543	9.754	53.351	61.465
Pool fee savings	36.910	22.500	202.043	129.350
Net savings realised	25.367	12.746	148.692	67.885

Operator and depositary fees are payable by each Authority in relation to assets invested within the ACS established by Waystone as pool operator.

The 2025/26 fee savings have been calculated using the CIPFA price variance methodology and based upon the asset average asset values over the year. This approach highlights the combined level of investment fee savings, across all ACCESS Authorities stemming from reduced charges.

In summary, throughout its lifetime ACCESS demonstrated excellent value for money whilst delivering a level savings in excess of those envisaged at the Pool's formation.

Environment, Social and Governance (ESG) and Responsible Investment (RI)

The ACCESS Authorities believe in making long term sustainable investments whilst integrating environmental and social risk considerations. Promoting good governance and stewardship.

Whilst the participating authorities have an overriding fiduciary and public law duty to act in the best interest long term interests of their LGPS stakeholders to achieve the best financial returns with an appropriate level of risk, they also recognise the importance of committing to responsible investment alongside financial factors in the investment decision making process.

The ACCESS voting guidelines set out the principles of good corporate governance. During the year votes took place at a total of 12,568 meetings on 148,773 resolutions.

Closing statement

The developments within the LGPS pooling landscape arising out of the *Fit for the Future* Review have been fundamental and it is a matter of public record that ACCESS was extremely disappointed that Government did not support our February 2025 proposal to build an investment management company regulated by the Financial Conduct Authority (FCA). Almost all 2025/26 activity was a consequence of that Ministerial decision on 9 April 2025.

The early months of the year saw both dialogue with Government on their decision in addition to initial exploration with other pools around the potential for collective merger. Ultimately, dialogue throughout the LGPS has led to an outcome that sees 11 ACCESS Authorities, along with 10 from Brunel join four other pools. This prompted our launch of "*Project Connect"* to facilitate and support the ACCESS Authorities transition to their chosen target pools of Border to Coast and LGPS Central.

Working with stakeholders including the two target pools and ACS operator Waystone with depositary Northern Trust, an approach to a measured transition of active listed assets has been identified that will both appropriately mitigate risk and enable compliance with 2026 LGPS Investment Pooling Regulations. Arrangements for target pool oversight of passive and non-listed assets have also been facilitated.

Although the outcome of *Fit for the Future* may not have been our preference, that does not diminish contribution ACCESS has made to the sector. The eleven like-minded Authorities that came together in early 2016 already had a number of established commonalties which formed the foundations upon which ACCESS was built. For a community that was already well connected, LGPS investment pooling magnetised dialogue which enabled Authorities to share best practice, test boundaries and develop far reaching solutions. In her foreword Cllr Barker rightly lists ACCESS achievements.

All of this work has drawn on the strong ethos of collaboration throughout the LGPS and investment management industry. In turn this also now provides the basis for the next chapter of LGPS investment pooling which I am confident will be as groundbreaking and successful as the first ten years.

Throughout that time, I have been very fortunate to work alongside fantastic people. Across the ACCESS Authorities officers who work day-to-day on the LGPS have continually demonstrated a collaborative mindset and a willingness to share expertise and promote learning.

The Officer Working Group (supplemented by a number of sub-groups to work through detail and complete particular projects) brought together specialists to act as the engine room of our pool. It has been in this area that LGPS experts from each of the eleven Authorities came together to provide insight, constructive challenge and thought leadership necessary to develop and finalise the key ingredients for a successful pool.

Individual officers Samantha Andrews (Essex), Russell Wood (East Sussex), Andrew Boutflower (Hampshire), Sharon Tan (Suffolk) & Rachel Wood (West Sussex) have played key roles as Technical Leads.

Kent's Democratic Services team, led by Joel Cook have supported our Joint Committee since its formation in 2017. At different times, Authorities have stepped forward to undertaken specific roles, including Kent, Hertfordshire, Suffolk, Essex and Hampshire to spearhead procurements.

Section 151 officers, currently chaired by Ian Gutsell (East Sussex) have been vital in creating and shaping the strategic space for what has been an incredible journey. Elected Members have represented their respective Funds with passion and embraced open engagement in pursuit of common objectives.

As a pool, we have been benefitted from a strategic partnership with Waystone, under the leadership of CEO Karl Midl. As our ACS Operator Waystone appointed Northern Trust as Depositary and investment managers for active listed mandates. UBS were jointly procured by the Authorities for passive listed assets. In addition to the organisations highlighted by the Chairman, I must single out John Wright and the team at Hymans Robertson along with Kirsty McClean, Clifford Sims and colleagues at Squire Patton Boggs have provided us with investment and legal advice at each stage of our development – both were essential.

Ultimately, I must pay a particular tribute to my colleagues who have been part of the ACCESS Support Unit with whom it has been my privilege to work: Mark Paget, Dawn Butler, Paul Tysoe, Sallie Wilson, Alistair Coyle, Richard Smith, Rawda Ali & Isaac McHugh. It has been their insight, hard work and endless dedication that made everything possible and to whom I remain indebted.

Thank you.

Kevin McDonald
Director – ACCESS Support Unit



Kent Pension Fund
Report and Accounts

For the year ended 31 March 2025

Kent Pension Fund

Delivering an outstanding service to our customers