



AGENDA

SUPERANNUATION FUND COMMITTEE

Friday, 11 February 2011 at 10.00 am
Medway Room, Sessions House, County
Hall, Maidstone

Ask for: **Geoff Rudd**
Telephone: **01622 694358**

**Item
No**

A. COMMITTEE BUSINESS

- A1 Substitutes
- A2 Declarations of Interests by Members in items on the Agenda for this meeting.
- A3 Minutes (Pages 1 - 4)

B. MOTION TO EXCLUDE THE PRESS AND PUBLIC FOR EXEMPT ITEMS

That under Section 100A of the Local Government Act 1972 the press and public be excluded from the meeting for the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of part 1 of Schedule 12A of the Act.

EXEMPT ITEMS

(During these items the meeting is likely NOT to be open to the press and public)

C. MATTERS FOR REPORT/DECISION BY THE COMMITTEE

- C1 Minutes (Pages 5 - 6)
- C2 State Street- Passive Equity Investing
- C3 Baillie Gifford- Emerging markets
- C4 Active Currency Hedging (Pages 7 - 24)

UNRESTRICTED ITEMS

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

D. MATTERS FOR REPORT/DECISION BY THE COMMITTEE

- D1 Admissions to the Fund (Pages 25 - 26)

**All timings are approximate*

Peter Sass
Head of Democratic Services and Local Leadership
(01622) 694002

Thursday, 3 February 2011

Please note that any background documents referred to in the accompanying papers maybe inspected by arrangement with the officer responsible for preparing the relevant report.

KENT COUNTY COUNCIL

SUPERANNUATION FUND COMMITTEE

MINUTES of a meeting of the Superannuation Fund Committee held in the Medway Room, Sessions House, County Hall, Maidstone on Friday, 19 November 2010.

PRESENT: Mr J E Scholes (Chairman), Mr J Burden, Mr P Clokie, Mr D S Daley, Mrs J De Rochefort, Ms A Dickensen, Mr M J Jarvis, Mr J F London, Mr R A Marsh, Mr R J Parry, Mr S Richards and Mr R Tolputt (Substitute for Mr J A Davies).

IN ATTENDANCE: Mr N Vickers (Head of Financial Services), Ms K Gray (Senior Accountant Investments), Mr P R Luscombe (Pensions Manager), Ms A Mings (Treasury & Investments Manager) and Mr G Rudd (Assistant Democratic Services Manager).

UNRESTRICTED ITEMS

40. Declarations of Interest

(Item)

There were none.

41. Minutes

(Item 3)

RESOLVED that the Minutes of the meeting held on 20 August 2010 are correctly recorded and that they be signed by the Chairman.

42. Actuarial Valuation

(Item 1 - report by the Chairman of the Superannuation Fund Committee and the Head of Financial Services)

RESOLVED that the report be noted.

43. Fund Position Statement

(Item 2- report by the Chairman of the Superannuation Fund Committee and the Head of Financial Services)

RESOLVED that the report be noted.

44. Pensions Administration

(Item 3- report by the Chairman of the Superannuation Fund Committee and the Head of Financial Services)

RESOLVED that the report be noted.

45. Cash Management

(Item 4 - report by the Chairman of the Superannuation Fund Committee and the Head of Financial Services)

- (1) Members were recommended to confirm the transfer of £14m to fund managers and to agree the fund allocation.
- (2) Mr P N Clokie moved, Mr R J Parry seconded that the excess cash of £14m be split 50/50 and allocated to Goldman Sachs and Schroders Fixed Income mandates.
- (3) RESOLVED that the excess cash of £14m be split 50/50 and allocated to Goldman Sachs and Schroders.

46. Application for Admission to the Fund

(Item 5– report by the Chairman of the Superannuation Fund Committee and the Head of Financial Services)

- (1) Mr J E Scholes felt that the Committee needed to see the risk register of outside bodies in the scheme before agreeing to item (2) in the Recommendation. Mr N Vickers agreed to come back to the Committee in February 2011 regarding this before any legal agreement with Kent Music School be entered into.
- (2) Mr J E Scholes moved, Mr D S Daley seconded, as an amendment to item (2) of the Recommendation that the word “entered” should be replaced by the words “prepared but not entered into until after the Committee has considered the matter further at its February 2011 meeting.”
- (3) The Chairman put to the vote the motion set out in (2) above.

Carried

(4) RESOLVED that:

- (a) the admission to the Kent County Council Pension Fund of Superclean Services Wothorpe Limited be agreed; and that once the legal agreement has been prepared, the Kent County Council seal can be affixed to the legal document.
- (b) that a legal agreement be prepared in respect of Kent Music School but not entered into until after the Committee has considered the matter further at its February 2011 meeting;

47. Minutes

(Item 1)

RESOLVED that the exempt Minutes of the meeting held on 20 August 2010 are correctly recorded and that they be signed by the Chairman.

48. Baillie Gifford

(Item 2)

(1) Mr N Morecroft attended the meeting to give a presentation on Baillie Gifford's performance and to answer Members questions.

(2) RESOLVED that the report from Baillie Gifford be noted.

49. Fund Structure

(Item 3– report by the Chairman of the Superannuation Fund Committee and the Head of Financial Services)

The Committee agreed a number of issues relating to the structure and management of the Fund.

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Agenda Item C1

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Agenda Item C4

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By: Chairman Superannuation Fund Committee
Head of Financial Services

To: Superannuation Fund Committee – 11 February 2011

Subject: **APPLICATION FOR ADMISSION TO THE FUND**

Classification: Unrestricted

Summary: To report on an application to join the Pension Fund.

FOR DECISION

INTRODUCTION

1. This report sets out information on an application from an organisation to become an admitted body within the Pension Fund.

PROJECT SALUS

2. KCC has awarded a contract for delivering services for children and young people, largely in educational establishments, effective from 1 April 2011, to Project Salus Community Interest Company Ltd (Project Salus).
3. This involves the transfer of approximately 40 employees from KCC to Project Salus and to ensure the continuity of pension arrangements for these employees, Project Salus has made an application for admission to join the Pension Fund.
4. The application has been made under Regulation 6(2)(a)(i) of the Local Government Pension Scheme (Administration) Regulations 2008, as amended and under this regulation the admitted body is required to provide a form of bond or indemnity. The Fund Actuary has been asked to assess the level of bond and employer contribution rate.
5. The completed questionnaire and Memorandum and Articles of Association provided by Project Salus have been examined by Legal Services to ensure compliance with the Local Government Pension Scheme Regulations. Legal Services have given a favourable opinion.

6. Members are asked to agree:

- (1) to the admission to the Kent County Council Pension Fund of Project Salus Community Interest Company Ltd.
- (2) that once legal agreements have been prepared for the above matter, the Kent County Council seal can be affixed to the legal documents.

Steven Tagg
Deputy Pensions Manager
Ext. 4625