

KENT COUNTY COUNCIL

SUPERANNUATION FUND COMMITTEE

MINUTES of a meeting of the Superannuation Fund Committee held in the Pendragon, Invicta House, County Hall, Maidstone on Friday, 28 June 2013.

PRESENT: Mr J E Scholes (Chairman), Cllr P Clokie, Mr A D Crowther, Mr D S Daley, Cllr N Eden Green, Mr B E MacDowall, Mr T A Maddison, Mr R A Marsh, Mr R J Parry, Mr S Richards, Mrs M Wiggins and Cllr L Wicks.

ALSO PRESENT: Miss S J Carey and Mr J D Simmonds

IN ATTENDANCE: Mr A Wood (Corporate Director of Finance and Procurement), Ms A Mings (Treasury & Investments Manager), Ms S Surana (Senior Accountant - Investments), Mr N Vickers (Head of Financial Services) and Ms D Fitch (Democratic Services Manager (Council)).

UNRESTRICTED ITEMS

3. Minutes of the meetings held on 22 March 2013 and 23 May 2013 *(Item A3)*

RESOLVED that the minutes of the meetings held on 22 March and 23 May 2013 relating to the unrestricted items on the agenda are correctly recorded and that they be signed as a correct record by the Chairman.

4. EXEMPT ITEMS

RESOLVED 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.

5. Exempt Minute - 22 March 2013 *(Item C1)*

RESOLVED that the minute relating to the restricted item - Fund Structure- from the meeting held on 22 March 2013 is correctly recorded and that it be signed as a correct record by the Chairman.

6. GMO *(Item C2)*

(1) The Chairman welcomed Mr Hene and Mr Garvey from GMO to the meeting and invited them to give a presentation to the Committee on the value-oriented global equity portfolio which they have managed on behalf of the Kent County Council Superannuation Fund since 2006.

- (2) Mr Hene and Mr Garvey answered questions from Members of the Committee.
- (3) RESOLVED that the presentation, papers circulated and the response to questions asked by the Committee be noted.

7. DTZ Investment management *(Item C3)*

- (1) The Chairman welcomed Mr O’Gorman and Ms Linacre from DTZ to the meeting and invited them to present their quarterly portfolio report for quarter 1 2013. Mr O’Gorman and Ms Linacre answered questions from Committee members.
- (2) Mr Vickers undertook to email to the members of the Committee the original book value of the assets that DTZ managed on behalf of the Kent County Council Superannuation Fund.
- (3) RESOLVED that the presentation and the response to the questions from the Committee be noted.

8. Fund Asset Allocation *(Item C4)*

- (1) Mr Vickers introduced a report which set out options for managing Cash if the funds held in equities were reduced.
- (2) The Committee discussed the overweight position in equities as at 31 March 2013 which had arisen as the result of the strong returns from equity markets.
- (3) RESOLVED that:
 - (a) a £50m deposit limit with HSBC be agreed
 - (b) the use of Treasury Bills be agreed
 - (c) the Head of Financial Services arrange for the Absolute Return Manager referred to in the report to meet with as many Members of the Committee as possible and;
 - (d) authority be delegated to the Corporate Director of Finance & Procurement in consultation with Members of the Committee to implement changes

9. Property Update *(Item C5)*

- (1) Mr Vickers introduced a report which followed on from DTZ’s investment strategy report to the Committee earlier in the meeting and set out a range of options

for the Committee's consideration. Advice was given to the Committee by Mr Elliott from Hymans Robertson.

(2) RESOLVED that the position on DTZ be noted and arrangements be made for the Committee to meet with two property managers recommended by Hymans Robertson.

10. Global Equity Tender

(Item C6)

(1) Mr Vickers presented a report which updated the Committee on the tender process being managed by Hymans Robertson for a Global Equality Manager as agreed at 16 November 2012 meeting of the Committee.

(2) RESOLVED that the tender process be noted and responsibility be delegated to the Corporate Director of Finance & Procurement to appoint the Global Equity Manager following interviews by Members.

UNRESTRICTED ITEMS (COMMITTEE IN OPEN SESSION)

The Committee considered the following items in open session.

11. Fund Position Statement

(Item D1)

(1) Mr Vickers introduced a report which provided a summary of the Fund's asset allocation and investment performance to 31 March 2013 and answered questions from Members of the Committee.

(2) RESOLVED that the Fund Position Statement be noted.

12. Admissions to the Fund

(Item D2)

(1) Mr Vickers introduced a report which set out information on a number of admission matters and the recovery of actuary fees from academies.

(2) A Member suggested that consideration should be given as to whether it was possible to charge a fee for the administrative costs to process admissions to the Fund.

RESOLVED that the Committee:

- (1) Agree to the admission to the Kent County Council Pension Fund of Tonbridge and Malling Leisure Trust, and

- (2) Agree that the admission agreements made by Agincare relating to Robert Bean Lodge and Nelson Court, provide for guarantees from Medway Council, and
- (3) Agree to the admission to the Kent County Council Pension Fund of Pie Factory Music Group, and
- (4) Agree to the admission to the Kent County Council Pension Fund of the successful bidder for the Shepway District Council grounds maintenance contract, and
- (5) Agree to the admission to the Kent County Council Pension Fund of Amey OW Ltd, and
- (6) Agree that pending receipt of the actuary's confirmation of the level of the bond and employer's contribution rate, agreement to the admission to the Kent County Council Pension Fund of Westgate Community Trust (Canterbury) Limited is delegated Director of Finance and Procurement in consultation with the Chairman of the Committee, and
- (7) Note the withdrawal of MCCH Ltd as a participating employer in the Pension Fund, and
- (8) Note the withdrawal of Roffa Limited as a participating employer in the Pension Fund, and
- (9) Agree that an admission agreement can be entered into with Capita Managed IT Solutions Ltd Limited, and
- (10) Agree to recover the August 2013 FRS17 charges from academies, and
- (11) Agree that once legal agreements have been prepared for the matters (1) to (5) and (7) to (9) above, the Kent County Council seal can be affixed to the legal documents.
- (12) Agree that a report be submitted to a future meeting of the Committee on arrangements for charging for the administration of admissions to the Fund.

(Councillor Eden-Green declared an interest as a member of the Westgate Community Trust and took no part in the discussion or voting on this decision)