

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, 5 February 2016.

PRESENT: Mr J E Scholes (Chairman), Mr D S Daley (Vice-Chairman), Cllr J Burden, Cllr P Clokie, Mr J A Davies, Cllr N Eden-Green, Mr T A Maddison, Mr R A Marsh, Mr R J Parry, Mr S Richards, Mr C Simkins, Mrs Z Wiltshire, Mrs M Wiggins and Cllr L Wicks.

ALSO PRESENT: Mr J D Simmonds, MBE

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

UNRESTRICTED ITEMS

149. Minutes - 6 November 2015
(Item A3)

RESOLVED that the minutes of the meeting held on 6 November 2015 are correctly recorded and that they be signed by the Chairman.

150. Motion to exclude the Press and Public
(Item A4)

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 and 5 of part 1 of Schedule 12A of the Act.

B. MATTERS FOR REPORT/DECISION BY THE COMMITTEE

151. YFM Equity Partners
(Item B1)

(1) The Chairman welcomed Mr Canning and Mr White to the meeting. He invited them to present their report on the current investments in their Funds by the Kent Pension Fund and also on a proposal for further investment in a new Fund. They answered questions from Committee members on the current Pension Fund investment and the proposed investment.

(2) RESOLVED that the presentation and the responses to the Committee's questions be noted.

(Mr Canning and Mr White left the meeting after this item.)

152. Fund Structure
(Item B2)

- (1) Mr Vickers introduced a report which covered a number of commercially sensitive issues relating to the management of the Fund.
- (2) RESOLVED that:
 - (a) the current market conditions be noted; and
 - (b) the Committee agree to invest a further £20m with YFM subject to the terms set out in the report for the set-up fee and that the Head of Financial Services use his best endeavours to agree a further reduction in the proposed management fee.

153. Urgent business - property issue

- (1) The Chairman agreed to take as an item of urgent business a matter relating to a property owned by the Fund and managed on its behalf by DTZ, due to the need to make the Committee aware of this matter at the earliest opportunity.
- (2) Mr Vickers referred to the letter which had been sent by the tenant directly to members of the Committee and explained the background and current situation.
- (3) RESOLVED that an acknowledgement be sent to the tenant by the Chairman on behalf of the Committee and the current action being taken being taken be noted.

UNRESTRICTED ITEMS
(Meeting open to the press and public)

154. Local Government Pension Scheme Pooling Proposals
(Item C1)

- (1) Mr Vickers introduced a report which updated the Committee on Local Government Pension Scheme (LGPS) pooling developments since their last meeting. He stated that the proposals published by the Government in November 2015 presented the most radical changes to the management of the LGPS since it was first established. It was clear that the Government was absolutely committed to the pooling proposals. Therefore the Committee's task was to influence them as far as possible in order to ensure that they were sensible and protected the interests of the Kent Fund. The DCLG paper had been circulated along with a draft response to the consultation which was due to close on 19 February 2016.
- (2) The Committee discussed the pooling proposals and officers answered questions on these arrangements.
- (3) RESOLVED that
 - (a) the Committee's preferred option for a pooling arrangement is the ACCESS group; and
 - (b) delegated authority be given to the Corporate Director of Finance and Procurement to incur expenditure on professional advisors in consultation with

- the Chairman of the Committee, with a report on this expenditure being submitted to each meeting of this Committee; and
- (c) the response to the DCLG consultation, as set out in Appendix 2, with the paragraph order amended, be approved.

155. Pension Fund Custody Services Review
(Item C2)

(1) Mrs Mings introduced a report which sought the Committee's approval to expand the Fund's Securities Lending Programme. The report set out details of the current programme parameters, a proposal to expand the current lending programme, benefits and risk.

(2) RESOLVED that an expansion of the Fund's securities lending programme to include lending US stocks be approved.

156. Admissions to the Fund
(Item C3)

(1) Mr Tagg introduced a report which set out information on applications from organisations to become admitted bodies within the Superannuation Fund and advised of a termination and a contract extension.

(2) RESOLVED that:

- (a) the admission to the Kent County Council Superannuation Fund of Churchill Contract Services Ltd be approved; and
- (b) the admission to the Kent County Council Superannuation Fund of Serco Environmental Services Ltd (re Canterbury City Council Grounds Maintenance and Associated Works) be approved; and
- (c) the admission to the Kent County Council Superannuation Fund of Serco Environmental Services Ltd (re Canterbury City Council Waste and Street Cleansing) be approved; and
- (d) an amended agreement be entered into with Project Salus re Youth Services; and
- (e) an amended termination agreement be entered into with Rochester Care Home Ltd (re Robert Bean Lodge); and
- (f) once legal agreements have been prepared for (a) to (e) above the Kent County Council seal be affixed to the legal documents.

157. Date of next meeting
(Item C4)

The next meeting of the Committee will be held on Friday 18 March 2016 at 10.00am.