

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, 18 March 2016.

PRESENT: Mr J E Scholes (Chairman), Mr D S Daley (Vice-Chairman), Cllr J Burden, Mr D Coupland, 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: Miss S J Carey and Mr J D Simmonds, MBE

IN ATTENDANCE: Ms B Cheatle (Pensions Manager), 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

158. Minutes - 5 February 2016

(Item A3)

RESOLVED that the minutes of the meeting held on 5 February 2016 are correctly recorded and that they be signed by the Chairman.

159. Mr Steven Richards

The Chairman drew the Committee's attention to the retirement of Mr Richards who had been a member of this Committee since 2002. The Chairman thanked Mr Richards for the contribution that he had made to the work of the Committee and expressed the Committee's best wishes to him for the future.

160. 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 of part 1 of Schedule 12A of the Act.

EXEMPT ITEMS

161. Woodford Investment

(Item 1)

(1) The Chairman welcomed Mr Deer and Mr Lamacraft to the meeting. He invited them to present their report on the performance of the Kent Pension Fund's investment in the Woodford Fund. They answered questions from Committee members on the performance of the Woodford Fund.

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

(Mr Deer and Mr Lamacraft left the meeting after this item.)

162. Fund Structure

(Item 2)

(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 comments made on the market conditions be noted; and
- (b) an additional £60m be invested in the Woodford Fund to be funded from the withdrawal of funds from the State Street Global Advisors (SsgA) UK equity fund; and
- (c) the M & G fee reduction be noted; and
- (d) the changes to the Fidelity Secondary Property Fund be noted; and
- (e) the outcome of the fee negotiation with YFM be noted; and
- (f) authority be delegated to the Corporate Director of Finance and Procurement, in consultation with members of the Committee, to bring forward the £20m commitment to the M&G Residential Fund, with this investment being funded from the Schroders Fixed Interest fund; and
- (g) the position of the Kent Pension Fund's investment in property be noted; and
- (h) the update regarding the property owned by the Fund and managed on its behalf by DTZ be noted and the Committee be kept informed of progress with this matter.

UNRESTRICTED ITEMS

(Meeting open to the press and public)

163. Fund Position Statement

(Item C1)

(1) Mr Vickers introduced a report which provided a summary of the Fund asset allocation and performance. The Fund Position statement as at 31 December 2015 and the January 2016 investment performance were circulated as appendices to the report.

(2) RESOLVED that the report and appendices be noted.

164. Local Government Pension Scheme (LGPS) Pooling Proposals

(Item C2)

(1) Mr Vickers reminded the Committee of its agreement at the last meeting to join the ACCESS Group and presented a report on progress since the last meeting. The report included the DCLG criteria for pooling, the proposed project costs and set out the approach proposed to get the ACCESS Group to the initial July submission.

(2) The Committee discussed the timetable for the initial submission and the decision making necessary by the Committee. It was suggested that a workshop should be held for members of the Committee prior to the consideration of the submission to the DCLG at the June meeting.

(3) RESOLVED that:

- (a) the progress made on the ACCESS pool and proposed next steps be noted
- (b) a budget of up to £50,000 for the work for the project management and technical support be approved.
- (c) a workshop for members of the Committee on the LGPS Pooling proposal, facilitated by Hymans Robertson, be organised in May 2016 and that if necessary the meeting of the Committee on 24 June be extended into the afternoon to allow the Committee adequate time to consider the submission to the DCLG.

(Mr Eden-Green asked for it to be recorded that he had abstained from voting on resolution (b)).

165. Pensions Administration

(Item C3)

(1) Ms Cheatle introduced a report which provided an update on pension administration issues including workload position, achievements against Key Performance Indicators, CIPFA benchmark survey results 2015, annual benefit illustrations 2014/15 and staffing.

(2) Ms Cheatle explained the background to the scheme sanction charge that had been incurred and answered questions from Members.

(3) Members expressed their gratitude to the staff in Ms Cheatle's team for their work on behalf of the Committee.

(4) RESOLVED that the report be noted.

166. Fund Employers Matters

(Item C4)

(1) Ms Mings and Mr Tagg introduced a report which included the quarterly update on Fund employers, new resolution bodies joining the Superannuation Fund and a number of admission matters.

(2) RESOLVED that:

- (a) the update on employers and the two new resolution bodies joining the Superannuation Fund be noted;
- (b) the admission to the Kent County Council Superannuation Fund of Churchill Contract Services Ltd be approved; and
- (c) that a deed of modification be entered into with APCOA Parking (UK) Ltd; and
- (d) a termination agreement be entered into with Mears Ltd; and
- (e) the making of deeds of modification to the admission agreements with the Community Admission Bodies as listed in the report, be approved; and

- (f) the Chairman sign the minutes relating to recommendation (b) at the end of today's meeting; and
- (g) once legal agreements have been prepared for (b) to (e) above the Kent County Council seal be affixed to the legal documents.

167. Risk Register

(Item C5)

(1) Mr Vickers introduced an updated version of the Pension Fund Risk Register which had last been presented to the Committee in March 2014.

(2) RESOLVED that the Pension Fund Risk Register be approved.

168. Date of next meeting

(Item C6)

The next meeting of the Committee will be held on Friday 24 June 2016