

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, 23 June 2017.

PRESENT: Mr C Simkins (Chairman), Mr P V Barrington-King, Mr P Bartlett, Cllr P Clokie, OBE, Mr P C Cooper, Mr D Coupland, Mr D S Daley, Mr T Dhesi, Cllr N Eden-Green, Mrs S Lysaght, Mr R A Marsh, Mr J P McInroy, Cllr L Wicks and Mr J Wright.

ALSO PRESENT: Mrs M E Crabtree and Mr J D Simmonds, MBE

IN ATTENDANCE: Ms B Cheatle (Pensions Manager), Mrs A Mings (Treasury and Investments Manager), Ms D Fitch (Democratic Services Manager (Council)), Mr S Tagg (Senior Accountant - Pension Fund), Mr N Vickers (Business Partner (Pension Fund)) and Mr A Wood (Corporate Director of Finance).

UNRESTRICTED ITEMS

2. Election of Vice-Chairman

(Item A2)

(1) Mr Simkins proposed and Mr Marsh seconded that Mr Chard be elected Vice-Chairman of the Committee.

Agreed without a formal vote

(2) RESOLVED that Mr Chard be elected Vice-Chairman of the Committee.

3. Declarations of Interests by Members in items on the Agenda for this meeting.

(Item A3)

Councillor Eden-Green reminded the Committee of his other significant interest in State Street as his daughter in law was managing director of finance at State Street. He would therefore not take part in any discussion or decision relating to State Street at this or future meetings

4. Minutes - 17 March and 25 May 2017

(Item A4)

RESOLVED that the minutes of the meetings held on 17 March and 25 May 2017 are correctly recorded and that they be signed by the Chairman.

5. Motion to exclude the Press and Public

(Item A5)

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.

6. Baillie Gifford

(Item B1)

(Mrs L Dewar and Mr G Roberts from Baillie Gifford were present for this item)

(1) The Chairman welcomed Mrs Dewar and Mr Roberts from Baillie Gifford to the meeting and invited them to present their report on the Global Equities portfolio which they managed on behalf of the Kent Fund. They gave an overview of their investment activities, including details of market response to global factors.

(2) The Chairman thanked Mrs Dewar and Mr Roberts for the continued portfolio performance.

(3) RESOLVED that the presentation and the responses to the questions from the Committee be noted.

(Mrs Dewar and Mr Roberts left the meeting)

7. DTZ

(Item B2)

(Mr P O'Gorman and Ms J Linacre from DTZ were present for this item)

(1) The Chairman welcomed Mr O'Gorman and Ms Linacre from DTZ to the meeting and invited them to present their 2016 annual report on the UK property portfolio which they managed on behalf the Kent Fund and answer questions from Committee members.

(2) RESOLVED that the presentation and the response to the questions from the Committee be noted.

(Mr P O'Gorman and Ms J Linacre left the meeting.)

8. Fund Structure

(Item B3)

(1) Mr Vickers introduced a report on a number of commercially sensitive matters related to the management of the Fund including the DTZ Direct UK Property Portfolio and passive equity manager procurement.

(2) RESOLVED that the report be noted

UNRESTRICTED ITEMS

(meeting open to the public)

9. Access Local Government Pension Scheme Pooling

(Item C1)

(1) Mr Vickers introduced a report which updated the Committee on the progress made on pooling including discussions with the Local Government Minister, the establishment

of the ACCESS Joint Committee, investment manager rationalisation and operator procurement.

(2) Mr Vickers confirmed that the cost of establishing ACCESS and the support arrangements would be split equally between the 11 constituent local authorities.

(3) Mrs Mings updated the Committee on the revised timetable for operator procurement, it was likely that this would commence in September 2017 with the operator being in place by April 2018.

(4) RESOLVED that the report be noted.

10. Fund Position Statement

(Item C2)

(1) Mr Vickers introduced a report which provided a summary of the Fund's asset allocation and performance, including the fund position statement for the quarter to 31 March 2017 and the performance of the Fund in the 12 months to 31 March 2017.

(2) In response to a suggestion from a Member, Mr Vickers undertook to ensure that future fund position statements included the asset investment class as well as the details of the investment manager.

(3) RESOLVED that the report be noted and a report be submitted to the September meeting on the options for reducing the allocation to global equities.

11. Pensions Administration

(Item C3)

(1) Ms Cheadle introduced a report which provided the Committee with a comprehensive update of administration issues including:- workload position, achievements against Key Performance Indicators, Guaranteed Minimum Pension Reconciliation and pension administration software.

(2) Ms Cheadle answered questions from the Committee in relation to workload and staffing resources.

(3) RESOLVED that the report be noted.

12. Fund Employer Matters

(Item C4)

(1) Officers introduced a report on employer related matters, applications to join the Superannuation Fund and a number of admission matters.

(2) RESOLVED that the employers report be noted and:

(a) Principal Catering Consultants Ltd (re the Williamson Trust) be admitted to the Kent County Council Superannuation Fund; and

(b) Superclean Services Worthorpe be admitted to the Kent County Council Superannuation Fund; and

- (c) a Deed of Modification be entered into with Birkin Cleaning Services Ltd; and
- (d) a Deed of Modification be entered into with Principal Catering Consultants Ltd; and
- (e) a termination agreement be entered into with CXK Ltd; and
- (f) the Chairman sign the minutes relating to recommendations (a) to (e) at the end of today's meeting; and
- (g) once legal agreements have been prepared for these matters the Kent County Council seal be affixed to the legal documents.

13. Meeting dates 2017/18
(Item C5)

The following meeting dates for 2017/18 were noted:

Friday 8 September 2017
Friday 17 November 2017
Friday 9 February 2018
Friday 23 March 2018