

**SUPERANNUATION FUND COMMITTEE**

**Friday, 9th February, 2018**

**10.00 am**

**Medway Room, Sessions House, County Hall,  
Maidstone**







## AGENDA

### SUPERANNUATION FUND COMMITTEE

**Friday, 9th February, 2018 at 10.00 am**  
**Medway Room, Sessions House, County Hall, Maidstone**

Ask for: **Denise Fitch**  
Telephone: **03000 416090**

#### Membership

Conservative (8):	Mr C Simkins (Chairman), Mr P V Barrington-King, Mr P J Homewood, Mr J P McInroy and Mr J Wright	Mr N J D Chard (Vice-Chairman), Mr P Bartlett, Mr P C Cooper,
Liberal Democrat (1)	Mr D S Daley	
District Council (3)	Cllr J Burden, Cllr P Clokie and Cllr N Eden-Green	
Medway Council (1)	Cllr L Wicks	
Kent Active Retired Fellowship (2)	Mrs M Wiggins and Mr D Coupland	
UNISON (1)	Mrs S Lysaght	
Staff Representative (1)	Vacancy	

Please note: that the unrestricted part of this meeting may be filmed by any member of the public or press present.

By entering this room, you are consenting to being filmed. If you do not wish to have your image captured, please let the Clerk know immediately.

#### **UNRESTRICTED ITEMS**

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

#### **A. COMMITTEE BUSINESS**

- A1 Substitutes
- A2 Declarations of Interests by Members in items on the Agenda for this meeting.
- A3 Minutes of the meeting held on 17 November 2017 (Pages 5 - 10)

A4 Motion to exclude the Press and Public

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)*

**B. MATTERS FOR REPORT/DECISION BY THE COMMITTEE**

B1 Investment Strategy (Pages 11 - 12)

B2 ACCESS Pooling (Pages 13 - 30)

**UNRESTRICTED ITEMS**

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

**C. MATTERS FOR REPORT/DECISION BY THE COMMITTEE**

C1 Fund Employer Matters (Pages 31 - 34)

C2 Date of next meeting

The next meeting of the Committee will be held on 23 March 2018 at 10.00am

Benjamin Watts  
General Counsel  
03000 416814

**Thursday, 1 February 2018**

**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, 17 November 2017.

PRESENT: Mr C Simkins (Chairman), Mr P V Barrington-King, Mr P Bartlett, Cllr J Burden, Cllr P Clokie, OBE, Mr P C Cooper, Mr D Coupland, Mr D S Daley, Cllr N Eden-Green, Mr P J Homewood, Mrs S Lysaght, Mr J P McInroy, Cllr L Wicks, Mrs M Wiggins and Mr J Wright.

ALSO PRESENT: Mr J D Simmonds, MBE

IN ATTENDANCE: Mr N Vickers (Head of Financial Services), Mr A Wood (Corporate Director of Finance), Ms B Cheatle (Pensions Manager) and Miss T A Grayell (Democratic Services Officer).

**UNRESTRICTED ITEMS**

**29. Membership**  
*(Item A2)*

It was noted that:

- a) Mr P J Homewood had joined the Committee in place of Mr R A Marsh. Mr Homewood was welcomed to the Committee by the Chairman.
- b) The Selection and Member Services Committee had agreed at its meeting on 10 October 2017 that the co-opted representative of Medway Council, Cllr L Wicks, be given voting rights on the Committee. This change was also welcomed.

**30. Apologies and Substitutes**  
*(Item A1)*

Apologies for absence had been received from Mr N J D Chard.

There were no substitutes.

**31. Declarations of Interest by Members in items on the Agenda for this meeting.**  
*(Item A3)*

There were no declarations of interest.

**32. Minutes - 8 September 2017**  
*(Item A4)*

1. Cllr P Clokie requested that, as apologies and substitutes were reported at the start of each meeting, they be recorded in the minutes of the meeting. It was agreed that these would be added to the 8 September minutes and included as a regular item in future minutes.

2. Mr P Bartlett requested that his departure from the 8 September meeting after item B2 also be recorded in the minutes.
3. RESOLVED that, subject to the above amendments being made, the minutes of the meeting held on 8 September 2017 are correctly recorded and that they be signed by the Chairman after the meeting.
4. Under Minute 25, the Chairman thanked the Committee for providing the required details of their relevant skills, experience and expertise and emphasised the importance under the MIFID Regulations of training being kept up to date. He asked that all Committee Members advise Katherine Grey when they had completed any training. Committee Members asked that they be advised of training available which had been approved as suitable for them, so they could be sure of receiving a balanced range of training, and it was agreed that any Member being invited to attend training should check with Mr Vickers before accepting.

### **33. Motion to exclude the Press and Public for Exempt Business** *(Item A5)*

The Committee agreed 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** *(open access to minutes)*

### **34. M&G Questions** *(Item B1)*

*Ms O Haughey, Client Director, and Mr S Rhodes, Fund Manager, from M&G Investments were present for this item at the invitation of the Committee.*

1. Ms Haughey and Mr Rhodes introduced themselves and their respective responsibilities, presented a series of slides (tabled) which set out the content and performance of the M&G Global Dividend fund, and responded to questions of detail from Members.
2. RESOLVED that the information set out in the presentation and given in response to comments and questions be noted, with thanks.

*(Ms Haughey and Mr Rhodes then left the meeting)*

### **35. Sarasin Questions** *(Item B2)*

*Mr H Boucher, Partner and Deputy Chief Investment Officer, and Mr J Thomas, Head of Global Equities, from Sarasin and Partners LLP were present for this item at the invitation of the Committee.*

1. Mr Boucher and Mr Thomas introduced themselves and their respective responsibilities, presented a series of slides (tabled) which set out the content and

performance of the County Council's Superannuation Fund portfolio, and responded to questions of detail from Members.

2. RESOLVED that the information set out in the presentation and given in response to comments and questions be noted, with thanks.

*(Mr Boucher and Mr Thomas then left the meeting)*

### **36. Access Pooling Update**

*(Item B3)*

1. Mr Vickers introduced the report and responded to questions of detail from Members.
2. RESOLVED that the information set out in the report and given in response to comments and questions be noted, with thanks, and a more extensive discussion on pooling take place at the Committee's next meeting on 9 February 2018.

### **37. Fund Structure**

*(Item B4)*

1. Mr Vickers introduced the report and responded to questions of detail from Members.
2. RESOLVED that the information set out in the report and given in response to comments and questions be noted, with thanks, and further discussion of fund structure take place at the Committee's next meeting on 9 February 2018.

## **UNRESTRICTED ITEMS**

*(meeting open to the public)*

### **38. Fund Position Statement**

*(Item C1)*

1. Mr Vickers introduced the report and reminded the Committee of the need to consider formally its asset allocation at each of its meetings. In response to a request that future reports include more information about the performance of fund managers in the top few and bottom few of the market value summary chart, Mr Vickers undertook to provide this information in future reports.
2. RESOLVED that no change be made to the asset allocation.

### **39. Pensions Administration**

*(Item C2)*

1. Ms B Cheadle introduced the report and set out key challenges in the current workload, as follows:-
  - a) pensions staff were dealing with a large volume of correspondence as pensions issues currently had a high profile and scheme members would email in concerns and questions and expect a quick response;

- b) the statutory deadline of the end of August for issuing annual benefit illustrations meant that the work undertaken to produce these had to be undertaken during the months April to July, with 50% of the staff being taken from normal pensions work to deal with this, which in turn had an impact on that work. New technology i-Connect would mean that data would be received on a monthly rather than annual basis and hence would spread the preparation work over the year. It would also support the introduction of the scheme members' self-service pension enquiries facility which was planned during 2018; and
- c) the appointment of four new KR4 pensions support officers would help to clear the current backlog of work. Mr Wood added that the performance figures presented in Appendix 2 to the report were lower than desired but reflected the true picture of the backlog of work.

2. Ms Cheatle responded to comments and questions from Members, including the following;

- a) asked if the workload could be eased by inviting back experienced, retired pensions staff, temporarily, Ms Cheatle explained that most people who had left the service had not retired but had chosen to leave due to the complexity of the pensions scheme and the heavy workload. Mr Wood added that the four additional staff were in addition to the eight vacancies that the section currently had;
- b) asked if the present computer system could generate benefits illustrations automatically, Ms Cheatle explained that a programme for this was currently available but using it to calculate and prepare illustrations took much time and data input;
- c) the importance of being able to achieve a good quality of outcome for scheme members was emphasised and plans to build resilience into the pensions team by increasing the staff and introducing the new computer system were welcomed. Ms Cheatle explained that pensions staff had recently visited another local authority which had used i.Connect for a while and had found it very efficient. Kent employers had supported its introduction as it spread the workload and increased efficiency. If its acquisition were agreed by the Committee, the new i.Connect system could start to be introduced early in 2018, while the staff issues would take a little longer to resolve; and
- d) asked if there were any opportunities for apprenticeships among the planned staff appointments, Ms Cheatle undertook to look into this.

3. The Chairman thanked Ms Cheatle for making the Committee aware of the challenges currently faced by the pensions team.

4. RESOLVED that:-

- a) the information set out in the report and given in response to comments and questions from Members be noted; and
- b) the additional funding for the purchase of i.Connect and the extra staff resource of four pensions support officers be agreed.



#### **40. Fund Employer Matters**

*(Item C3)*

1. Mr Vickers introduced the report and undertook to look into and respond outside the meeting to questions about which local authority had paid its contribution late in July 2017, what scope the County Council had to address the issue of contributions being late, and a clarification of the total number of employers involved in the pension fund.

2. RESOLVED that the report be noted and that:-

- a) EDSECo Ltd, trading as The Education People, has resolved to join the Fund, be noted;
- b) Nourish Contract Catering Ltd be admitted to the Kent County Council Superannuation Fund;
- c) Compass Care Homes Wayfarers Ltd be admitted to the Kent County Council Superannuation Fund;
- d) Civica UK Ltd be admitted to the Kent County Council Superannuation Fund;
- e) the Kent County Council Superannuation Fund may enter into a Deed of Modification with Circle 33;
- 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 can be affixed to the legal documents.

#### **41. Date of next meeting**

*(Item C4)*

It was noted that the next meeting of the Committee would be held on **Friday 9 February 2018** and that the venue for this meeting may be Oakwood House.

This page is intentionally left blank

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

Agenda Item B1

Document is Restricted

This page is intentionally left blank

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

Agenda Item B2

Document is Restricted

This page is intentionally left blank

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

Document is Restricted

This page is intentionally left blank



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

Document is Restricted

This page is intentionally left blank

By: Chairman Superannuation Fund Committee  
Corporate Director of Finance

To: Superannuation Fund Committee – 9 February 2018

Subject: **Fund Employer Matters**

Classification: Unrestricted

---

Summary: To report on applications to join the Superannuation Fund and a number of admission matters.

**FOR DECISION**

---

**INTRODUCTION**

1. This report sets out information on applications from organisations to become admitted bodies within the Superannuation Fund. It also advises of a Deed of Modification and termination agreements. The Committee's approval is sought to enter into these agreements.
2. The Committee is advised that the minutes relating to this matter are to be signed at the end of today's meeting to facilitate completion on the desired dates.

**NOURISH CONTRACT CATERING LTD**

3. The Stour Academies Trust is awarding a 2-year contract, with a possible 2-year extension, to Nourish Contract Catering Ltd for catering services from 1 September 2018. This involves the transfer of a number of employees from the Trust to Nourish Contract Catering Ltd.
4. To ensure the continuity of pension arrangements for these employees Nourish Contract Catering Ltd has made an application for admission to the Superannuation Fund.
5. The admission application has been made under Schedule 2 Part 3 1(d) (i) of the LGPS Regulations 2013, as amended, and under this regulation the admitted body is required to provide a form of bond or indemnity.
6. The Fund Actuary will assess the level of bond and the employer contribution rate.
7. The completed questionnaire and supporting documents provided by Nourish Contract Catering Ltd have been examined by Officers to

ensure compliance with the LGPS Regulations, and Invicta Law has given a favourable opinion.

#### **KINGDOM SERVICES GROUP LTD**

8. North Kent College is awarding a 3-year contract with a possible 2-year extension for Security Services from 1 August 2018. This involves the transfer of a number of employees from the current incumbent Mitie Security Ltd and from the College to Kingdom Services Group Ltd.
9. To ensure the continuity of pension arrangements for these employees, Kingdom Services Group Ltd has made an application for admission to the Superannuation Fund.
10. The admission application has been made under Schedule 2 Part 3 1(d) (i) of the LGPS Regulations 2013, as amended, and under this regulation the admitted body is required to provide a form of bond or indemnity.
11. The Fund Actuary will assess the level of bond and the employer contribution rate.
12. The completed questionnaire and supporting documents provided by Kingdom Services Group Ltd have been examined by Officers to ensure compliance with the LGPS Regulations, and Invicta Law has given a favourable opinion.

#### **APCOA UK PARKING LTD**

13. APCOA UK Parking Ltd is a transferee admission body which joined the Kent Superannuation Fund on 1 July 2011 following a transfer of staff from Maidstone Borough Council and Swale Borough Council.
14. The Councils' existing joint contract with APCOA is coming to an end on 31 May 2018 and they are awarding a new 7-year contract to the company with a possible 3-year extension, for Parking Enforcement from 1 June 2018. This involves the transfer of some 2 employees from the current contract to the new contract.
15. It is proposed that the Fund enters into a Deed of Modification to the existing admission agreement subject to the receipt of legal advice from Invicta Law as to the form of Deed. The Fund actuary will assess the level of bond and the employer contribution rate in relation to the new contract.

### **PRINCIPAL CATERING CONSULTANTS LTD (our Lady of Hartley)**

16. Principal Catering Consultants Ltd is a transferee admission body which joined the Kent Superannuation Fund on 1 August 2012 following a transfer of staff from KCC.
17. As their contract ended on 31 December 2017 they are an exiting employer and we will obtain an actuarial valuation of any payment due to the Superannuation Fund.
18. It is proposed that we enter into a termination agreement with Principal Catering Consultants Ltd.

### **MITIE SECURITY LTD**

19. Mitie Security Ltd is a transferee admission body which joined the Kent Superannuation Fund on 1 April 2015 following a transfer of staff from North Kent College.
20. As their contract will end on 31 July 2018 they will become an exiting employer and we will obtain an actuarial valuation of any payment due to the Superannuation Fund.
21. It is proposed that we enter into a termination agreement with Mitie Security Ltd.

### **RECOMMENDATION**

22. Members are asked to agree:
  - (a) to the admission to the Kent County Council Superannuation Fund of Nourish Contract Catering Ltd;
  - (b) to the admission to the Kent County Council Superannuation Fund of Kingdom Services Group Ltd;
  - (c) to the Fund entering into a Deed of Modification with APCOA Parking UK Ltd;
  - (d) that the Fund may enter into a termination agreement with Principal Catering Consultants Ltd; and
  - (e) that the Fund may enter into a termination agreement with Mitie Security Ltd and;
  - (f) that the Chairman may sign the minutes relating to recommendations (a) to (e) at the end of today's meeting; and

(g) that once legal agreements have been prepared for these matters the Kent County Council seal can be affixed to the legal documents.

**Steven Tagg**  
**Treasury and Investments**  
**03000 416747**