

KENT COUNTY COUNCIL

SUPERANNUATION FUND COMMITTEE

MINUTES of a meeting of the Superannuation Fund Committee held in the Medway Room - Sessions House on Friday, 7 September 2018.

PRESENT: Mr C Simkins (Chairman), Mr N J D Chard (Vice-Chairman), Mr D L Brazier (Substitute for Mr P V Barrington-King), Cllr J Burden, Cllr P Clokie, OBE, Mr P C Cooper, Mr D S Daley, Cllr N Eden-Green, Mr P J Homewood, Mr J P McInroy, Mr J Parsons, Cllr L Wicks and Mr J Wright.

ALSO PRESENT: Mrs M E Crabtree and Mr P J Oakford

IN ATTENDANCE: Mr N Vickers (Business Partner (Pension Fund)), Mrs A Mings (Treasury and Investments Manager) and Miss T A Grayell (Democratic Services Officer).

UNRESTRICTED ITEMS

76. Apologies and Substitutes

(Item 1)

1. Apologies for absence had been received from Mr P Barrington-King, Mr P Bartlett, Mr D Coupland, Mr D Shipton and Mrs M Wiggins.
2. Mr D Brazier was present as a substitute for Mr Barrington-King.

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

(Item 2)

There were no declarations of interest.

78. Minutes of the meeting held on 22 June 2018

(Item 3)

1. It was RESOLVED that the minutes of the meeting held on 22 June 2018 are correctly recorded and that they be signed by the Chairman.

2. The following matters arising were addressed by the Chairman:

Minute 68, para (2) (a) – this additional allocation was covered in more detail in an item on the agenda for 7 September.

Minute 70, para (2) - this was covered in an item on the agenda for 7 September.

Minute 71, para (1) – the conversion of €29m had been made on 11 July.

79. Barnett Waddingham
(Item 4)

Graeme Muir and Roisin McGuire from Barnett Waddingham were present for this item.

1. The Chairman welcomed Mr Muir and Ms McGuire to the meeting and invited them to provide an actuarial update for the Kent Pension Fund.
2. Mr Muir and Ms McGuire presented a series of graphics covering the role of the actuary, the outlook for the 2019 valuation and current issues.
3. It was RESOLVED that the information set out in the presentation and given in response to comments and questions be noted, with thanks.

80. Motion to Exclude the Press and Public
(Item 5)

It was 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
(Open access to minutes)

81. Schroders
(Item 6)

Geoff Day and Sue Noffke from Schroders were present for this item.

1. The Chairman welcomed Mr Day and Ms Noffke to the meeting and invited them to report on the performance of the Kent Pensions Fund's investments managed by Schroders.
2. Mr Day and Ms Noffke presented a series of graphics to illustrate performance and responded to comments and questions of details from the committee.
3. It was RESOLVED that the information set out in the presentation and given in response to comments and questions be noted, with thanks.

82. Fund Structure
(Item 7)

1. Mr Vickers introduced the report and responded to comments and questions of detail from the committee. The committee debated the options available and reached consensus on the recommendations set out in the report.
2. It was RESOLVED that:-
 - a) the progress made on implementing the Investment Strategy be noted;
 - b) the position on the indirect property fund investments be noted;

- c) officers be directed to investigate options for extending the Kames fund, taking account of the reservations expressed by the committee during debate;
- d) the option to consider direct UK property investment be noted;
- e) the investment manager fee position be noted; and
- f) the Transparency Code position be noted.

83. ACCESS Pooling Update

(Item 8)

- 1. Mrs Mings introduced the report and received the committee's thanks on behalf of her team for the vast amount of work done on ACCESS.
- 2. Mrs Mings and Mr Vickers responded to comments and questions of detail from the committee.
- 3. It was RESOLVED that the information set out in the report and given in response to comments and questions be noted, with thanks.

UNRESTRICTED ITEMS *(meeting open to the public)*

84. Superannuation Fund Report and Accounts and External Audit

(Item 9)

- 1. Mrs Mings introduced the report and advised the committee that the accounts had been approved by the Governance and Audit Committee on 25 July and published on the County Council website. Mrs Mings and her team were thanked for the huge amount of work they had put into preparing the accounts.
- 2. Mrs Mings then responded to comments and questions of detail from the committee.
- 3. It was RESOLVED that:-
 - a) the Superannuation Fund Annual Report be approved;
 - b) the content of the Accounts for 2017/18 be noted;
 - c) it be confirmed that the Report and Accounts can be published to the Kent Pension Fund website;
 - d) the external auditor's Audit Findings Report be noted; and
 - e) the position with regard to Governance and Audit Committee be noted.

85. Fund Position Statement

(Item 10)

1. Mr Vickers introduced the report and advised that Neil Woodford would be attending the 16 November 2018 meeting to update the committee on the performance of the funds he manages.
2. He highlighted the changes to the asset allocation agreed by the committee at its 22 June 2018 meeting and advised that the change to the private equity and infrastructure allocations would take a long time to realise and would be carefully monitored. The committee would have the opportunity to comment at each of its meetings on the changes being made and would have the final say about the moving of funds. He reassured Members that they could revisit the decision taken in June at any time.
3. It was RESOLVED that the Fund performance be noted and the new asset allocation, reflecting decisions already taken by the committee, be agreed.

86. Fund Employer Matters

(Item 11)

1. Mrs Mings introduced the report and, in response to a question, advised that employees' pension rights were protected under Transfer Undertakings and Protection of Employment (TUPE) arrangements when they moved to a new employer.
2. It was RESOLVED that the Superannuation Fund Committee agree:
 - a) to the admission to the Kent County Council Superannuation Fund of Monitor Services Ltd;
 - b) to the admission to the Kent County Council Superannuation Fund of Sodexo Ltd;
 - c) to a termination agreement being entered into with ABM Catering Ltd;
 - d) that the Chairman may sign the minutes relating to recommendations (a) to (c) at the end of today's meeting; and
 - e) that once legal agreements have been prepared for these matters the Kent County Council seal can be affixed to the legal documents.

87. Date of next meeting

(Item 12)

It was noted that the next meeting of the Committee would be held on Friday 16 November 2018, commencing at 10.00 am. This would be an extended meeting.