

KENT COUNTY COUNCIL

SUPERANNUATION FUND COMMITTEE

MINUTES of a meeting of the Superannuation Fund Committee held in the Medway Room - Sessions House on Friday, 8 February 2019.

PRESENT: Mr C Simkins (Chairman), Mr N J D Chard (Vice-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 J P McInroy, Mr J Parsons and Mr J Wright.

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

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

103. Substitutes

(Item 1)

Apologies for absence had been received from Mr P Homewood, Cllr L Wicks and Mrs M Wiggins. The Corporate Director of Finance, Ms Z Cooke, was also unable to attend.

There were no substitutes.

104. Declarations of interest by Members in items on the agenda for this meeting.

(Item 2)

There were no declarations of interest.

105. Minutes of the meeting held on 16 November 2018

(Item 3)

RESOLVED that the minutes of the meeting held on 16 November 2018 are correctly recorded and they be signed by the Chairman. There were no matters arising.

106. Motion to exclude the press and public

(Item 4)

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)

107. Goldman Sachs Asset Management

(Item 5)

Jeremy Cave and Jason Freeman from Goldman Sachs Asset Management were present for this item at the invitation of the committee.

1. The Chairman welcomed Mr Cave and Mr Freeman to the meeting and invited them to report on the performance of the Kent pension fund's investments managed by Goldman Sachs Asset Management.
2. Mr Cave and Mr Freeman presented the company's portfolio review book, which set out target yield approach, an executive summary of the portfolio, a market review, performance and attribution, portfolio positioning and market outlook. They then answered questions of detail from the committee, including achievable yield rates and risk management.
3. It was RESOLVED that the information set out in the review document, and given in response to comments and questions, be noted, with thanks.

108. Investment Strategy

(Item 6)

1. Mr Vickers introduced the report and responded to comments and questions of detail from the committee, including a comparison of the companies and products in the portfolio and their relative performance. The committee agreed where further advice and information was needed, debated the recommendations set out in the report and reached a consensus.
2. It was RESOLVED that:-
 - a) the retention of the mandate named in recommendation (1) of the report, on its existing basis, be endorsed;
 - b) the committee review its potential investment in the fund listed in recommendation (2) of the report and seek a recommendation from Mercers of an alternative multi-asset credit manager for comparison with the company listed; and
 - c) the third company with which the pension fund has investments be invited to update the committee on performance to allow a decision to be made about the future of its mandate.

109. Property Investment Strategy

(Item 7)

1. Mr Vickers introduced the report and responded to comments and questions of detail from the committee. The committee debated the issue of direct property investment, including governance and regulatory aspects, and agreed on the need to seek legal advice before committing to any investment.
2. It was RESOLVED that:-
 - a) the position on the fund's current property investments be noted; and

- b) direct property investments be considered, with the emphasis on this consideration being on an asset-by-asset basis and subject to legal advice being sought.

UNRESTRICTED ITEMS (meeting open to the public)

110. Local Government Pension Scheme Statutory Guidance on Asset Pooling *(Item 8)*

1. Mr Vickers introduced the report and explained that formal responses to the consultation document would be sent by the ACCESS Pool as well as by County Council officers on behalf of the Superannuation Fund Committee. The County Council's proposed response would be reported to the Committee at its 15 March 2019 meeting.
2. It was acknowledged that the consultation document was unlikely to be welcomed by local authorities. Concern was expressed that the new guidance would alter existing guidance and that governance arrangements needed to be very clear. It was important, therefore, that such concerns were expressed clearly when responding to the Government.
3. Mrs Mings asked that Members of the committee send to her and Mr Vickers any comments they wished to be included in the County Council's formal response.
4. It was RESOLVED that the information set out in the report, and given in response to comments and questions, be noted, with thanks.

111. Fund Employer Matters *(Item 9)*

It was RESOLVED that the Superannuation Fund Committee agree:

- (a) the admission to the Kent County Council Superannuation Fund of PT Commercial Ltd t/a Ecocleen;
- (b) that an amended admission agreement be entered into with Southern and South East England Tourist Board t/a Tourism South East;
- (c) that an amended admission agreement be entered into with Birkin Cleaning Services Limited;
- (d) that an amended admission agreement be entered into with CAPITA IT Managed Solutions;
- (e) that the Chairman may sign the minutes relating to recommendations (a) to (d) at the end of today's meeting; and
- (f) that, once legal agreements have been prepared for these matters, the Kent County Council seal can be affixed to the legal documents.

112. Date of next meeting
(Item 10)

It was noted that the next meeting of the Committee would be held on Friday 15 March at 10.00 am at Sessions House, County Hall.