

KENT COUNTY COUNCIL

SUPERANNUATION FUND COMMITTEE

MINUTES of a meeting of the Superannuation Fund Committee held in the Medway Room - Sessions House on Friday, 21 June 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 D S Daley, Cllr N Eden-Green, Mr P J Homewood, Mr P W A Lake (Substitute for Mr J P McInroy), Mr J Parsons, Mrs S Prendergast (Substitute for Mr P C Cooper), Cllr H Tejan (Substitute for Cllr Mrs J Iles), Mrs M Wiggins and Mr J Wright.

ALSO PRESENT: Mr P J Oakford, Mrs M E Crabtree, Mr R H Bird, Mr D L Brazier and Mr P B Carter, CBE

IN ATTENDANCE: Mrs B Cheatle (Pensions Manager), Mrs A Mings (Treasury and Investments Manager), Mr D Shipton (Head of Finance - Planning, Policy & Strategy - and Acting Section 151 Officer), Mr N Vickers (Business Partner (Pension Fund)) and Miss T A Grayell (Democratic Services Officer).

UNRESTRICTED ITEMS

133. Substitutes

(Item 1)

Apologies for absence had been received from Mr P C Cooper, Cllr Mrs Josie Iles and Mr J McInroy.

Mrs S Prendergast was present as a substitute for Mr Cooper, Cllr H Tejan for Cllr Mrs Iles and Mr P W A Lake for Mr McInroy.

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

(Item 2)

There were no declarations of interest.

135. Minutes of the meeting held on 31 May 2019

(Item 3)

It was RESOLVED that the minutes of the meeting held on 31 May 2019 are correctly recorded and they be signed by the Chairman. There were no matters arising.

136. 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)

137. DTZ

(Item 5)

Jennifer Linacre, Director, and Peter O’Gorman, Fund Director, from DTZ were present for this item at the request of the committee.

1. The Chairman welcomed Ms Linacre and Mr O’Gorman to the meeting and invited them to report on the performance of the Kent pension fund’s investments managed by DTZ.
2. Ms Linacre and Mr O’Gorman presented the company’s fund property portfolio, which included the range of their property investments, examples of the types of property and the forecast returns for each, how they managed their investment strategy and how the Kent fund portfolio had performed in comparison to other portfolios. They then answered questions of detail from the committee, including the spread of investment through the property sector, fee arrangements and gearing and the due diligence which related to these, the likely effect of Britain leaving the EU upon the domestic property market and how this was being researched, and future plans to review and refresh the portfolio.
3. It was RESOLVED that the information set out in the portfolio document, and given in response to comments and questions, be noted, with thanks.

138. Woodford

(Item 6)

Neil Woodford and Ross Lamacraft, Client Relationship Manager, from Woodford Investment Management Ltd, were present for this item at the request of the committee.

1. The Chairman welcomed Mr Woodford and Mr Lamacraft to the meeting and thanked them for attending.
2. Mr Woodford updated the committee on the performance of the equity income fund in the weeks since trading in the fund had been suspended on 3 June and his strategy to address the recent underperformance of the fund. He responded to comments and questions of detail from the committee, including how the committee would be kept up to date prior to trading recommencing after the suspension.
3. It was RESOLVED that the information given in response to comments and questions be noted, with thanks.

SUMMARY OF EXEMPT MINUTE 139

(where access to that minute remains restricted)

139. Investment Strategy

(Item 7)

1. Having heard presentations from fund managers and asked questions of detail, the committee discussed what it had been told and how it should proceed, including how to manage information to the media.

2. The committee then RESOLVED a series of decisions relating to the Fund's investment strategy.

140. ACCESS Pooling Update

(Item 8)

1. Mrs Mings (Treasury and Investments Manager) introduced the update report and it was noted that Mr Bartlett had attended the 11 June ACCESS joint committee meeting in place of the Chairman. In response to a question, Mrs Mings advised that the Minister for Housing, Communities and Local Government was planning to run a formal consultation on the Local Government Pension Scheme Statutory Guidance on Asset Pooling, though the timescale had yet to be published.

2. It was RESOLVED that the information set out in the report be noted, with thanks.

UNRESTRICTED ITEMS *(meeting open to the public)*

141. Fund Position Statement

(Item 9)

It was RESOLVED that the information set out in the report be noted, with thanks.

142. Pensions Administration

(Item 10)

1. Mrs Cheatle (Pensions Manager) introduced the six-monthly report and highlighted key areas of activity and challenges in the current workload.

2. Mrs Cheatle received the Board's thanks and congratulations for her team for dealing with an increase in workload and for work undertaken to bring data records up to date in time for the valuation of the fund by Barnet Waddingham.

3. It was RESOLVED that the information set out in the report be noted, and Mrs Cheatle and the pensions team be thanked and congratulated for the work they continued to undertake.

143. Fund Employer Matters

(Item 11)

1. Mrs Mings introduced the report, which set out information on employer-related matters and an application from an organisation to become an admitted body within the Superannuation Fund. It also advised on officer delegations, consultations and actuary issues.

2. The Hadlow College Education Administration Order was considered and it was noted that officers would monitor the progress of the administration and report to the committee on any further developments.

3. It was RESOLVED that the Superannuation Fund Committee agree:

- a) to the admission to the Kent County Council Superannuation Fund of Alliance in Partnership Ltd;
- b) an updated agreement can be entered with YBC Cleaning Services Ltd;
- c) the proposed officer delegations;
- 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 the admission matters the Kent County Council seal can be affixed to the legal documents.

and note the update on Consultations and Actuary Issues.

144. Date of next meeting

(Item 12)

It was noted that the next meeting of the committee would be held on Friday 6 September 2019, commencing at 10.00 am.