

SUPERANNUATION FUND COMMITTEE

Friday, 12th March, 2021

10.00 am

online





AGENDA

SUPERANNUATION FUND COMMITTEE

Friday, 12th March, 2021 at 10.00 am
online

Ask for: Theresa Grayell
Telephone: 03000 416172

Membership

Conservative (8):	Mr C Simkins (Chairman), Mr N J D Chard (Vice-Chairman), Mr P V Barrington-King, Mr P Bartlett, Mr P C Cooper, Mr P J Homewood, Mr J P McInroy and Mr J Wright
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 S Tranter
Kent Active Retirement Fellowship (2)	Mrs M Wiggins and Mr D Coupland
UNISON (1)	Mr J Parsons
Staff Representative (1)	Vacancy

UNRESTRICTED ITEMS

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

- 1 Apologies and Substitutes
- 2 Declarations of interest by Members in items on the agenda for this meeting.
- 3 Minutes of the meeting held on 5 February 2021 (Pages 1 - 6)
- 4 Internal Audit action plan - verbal
- 5 Future Committee work programme (Pages 7 - 10)
- 6 Pension Fund Business Plan (Pages 11 - 18)
- 7 Fund Employer and Governance Matters (Pages 19 - 26)
- 8 Pensions Administration (Pages 27 - 28)

- 9 ACCESS update (Pages 29 - 46)
- 10 Report on the Pension Board meeting on 12 February 2021 (Pages 47 - 50)
- 11 Fund Position (Pages 51 - 62)
- 12 Future meeting dates 2021/22

The next meeting of the committee will be held on Friday 18 June 2021, commencing at 10.00 am.

The committee is asked to note that the pattern of future meetings of the Superannuation Fund Committee and the Pension Board will be as follows:

**Superannuation Fund
Committee**

Friday 18 June 2021
Friday 3 September 2021
Friday 10 December 2021
Friday 4 February 2022
Friday 1 April 2022
Friday 17 June 2022

Pension Board

Friday 4 June 2021
Wednesday 21 July 2021, 2.00 pm
Thursday 18 November 2021, 2.00 pm
Friday 11 March 2022
Tuesday 24 May 2022

Motion to exclude the press and public for exempt business

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.

Paragraph 3 – Information relating to the financial or business affairs of any particular person (including the authority holding that information)

EXEMPT ITEMS

(During these items the meeting is likely NOT to be open to the press and public)

- 13 Fund Manager presentation - GSAM
- 14 Pension Fund Cash Flow (Pages 63 - 66)
- 15 Equity Downside Protection - restructuring prior to expiry (Pages 67 - 86)
- 16 Investment Strategy (Pages 87 - 150)
- 17 Responsible investment update (Pages 151 - 156)
- 18 Pension Fund Risk Register (Pages 157 - 164)
- 19 Governance review and training update - verbal

Benjamin Watts
General Counsel
03000 416814

Thursday, 4 March 2021

In accordance with the current arrangements for meetings, representatives of the Managers have been given notice of the meeting and will be in attendance for their items.

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KENT COUNTY COUNCIL**SUPERANNUATION FUND COMMITTEE**

MINUTES of a meeting of the Superannuation Fund Committee held online on Friday, 5 February 2021.

PRESENT: Mr C Simkins (Chairman), Mr N J D Chard (Vice-Chairman), Mr P V Barrington-King, Mr P Bartlett, Cllr J Burden, Mr P C Cooper, Mr D Coupland, Cllr N Eden-Green, Mr P J Homewood, Mr J P McInroy, Mr J Parsons and Mr J Wright.

ALSO PRESENT: Mr P J Oakford, Mr T English and Mr N Page

IN ATTENDANCE: Ms Z Cooke (Corporate Director of Finance), Mrs A Mings (Treasury and Investments Manager, and Acting Business Partner for the Kent Pension Fund), Ms S Surana (Principal Accountant - Investments), Ms K Gray (Senior Accountant - Investments), Miss T A Grayell (Democratic Services Officer) and Ms E Kennedy (Democratic Services Officer).

UNRESTRICTED ITEMS**7. Apologies and Substitutes**

(Item 1)

Apologies for absence had been received from Cllr P Clokie and Mrs M Wiggins.

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

(Item 2)

Mr P Bartlett declared an interest in agenda item 5 as he was employed by the Bank of New York Mellon, the parent company of Insight, which was managing the equity downside protection programme.

9. Minutes of the meetings held on 13 November 2020 and 12 January 2021

(Item 3)

1. It was RESOLVED that the minutes of the meetings held on 13 November 2020 and 12 January 2021 be approved as a correct record and that the Chairman sign a paper copy of each when this can be done safely.

2. Referring to minute 31 of the 13 November meeting, the Chairman advised the committee that the working group on responsible investment had now been established, had met twice and would report back to the committee at its March meeting. He thanked the participants of the working group for their contribution.

10. Date of next meeting

(Item 4)

The committee noted that its next meeting would take place on Friday 12 March 2021, commencing at 10.00 am.

11. Motion to exclude the Press and Public for Exempt Business

The committee 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.

SUMMARY OF EXEMPT BUSINESS

(where access to minutes remains restricted)

12. Equity Downside Protection (EDP) update

(Item 5)

Mr P Bartlett declared an interest in this item as he was employed by the Bank of New York Mellon, the parent company of Insight.

1. Mr Page set out progress of the EDP programme and advised that the working group had met twice to discuss how and when to apply protection, and to which areas of the market.
2. There were no questions and the update was NOTED, with thanks.

13. Ruffer Fund update - verbal item

(Item 6)

1. The Chairman set out activity since the committee's discussion of the Investment Strategy at its November meeting and outlined subsequent developments. He and Mr English responded to comments and questions of detail and the committee reached agreement on future actions.
2. It was RESOLVED that a detailed report be made to the committee's March meeting to cover the issues arising from the committee's questions and comments.

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

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From: Chairman Superannuation Fund Committee
Corporate Director of Finance

To: Superannuation Fund Committee – 12 March 2021

Subject: Future committee work programme

Classification: Unrestricted

Summary:

To report on the future committee work programme

Recommendation:

The Committee is recommended to agree the programme

FOR DECISION

Introduction

1. The Committee are asked to agree the work programme for 2021-22 as follows. It is proposed that the meeting pattern is the same as for 2020-21 and for the time being meetings will be held via Microsoft teams.
 - a) The committee meeting pattern to be 4 quarterly meetings plus 1 extra, and that one manager is invited to present to each meeting.
 - b) All committee members to be invited to attend periodic meetings with the Fund's investment managers and invited to attend ACCESS 6 monthly investor days.
 - c) The extra meeting in February to be used for member training.
 - d) Additional meetings be organised perhaps jointly with members of the Pensions Board to cover specific issues and to ensure members complete the training plan.
 - e) This programme will be regularly reviewed with the chairman and updated to include additional issues that may arise.
2. Details of the matters to be covered at future committee meetings are set out in appendix 1.

Alison Mings, Acting Business Partner – Kent Pension Fund

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March 2021

Proposed matters for consideration at future committee meetings

Committee meetings	12 Mar 2021	18 June 2021	03 Sept 2021	10 Dec 2021	4 Feb 2022	11 Mar 2022
Internal Audit action plan update - Officer updates & any relevant lessons learnt to note	Y	Y				
Annual report and accounts and draft policies			Y			
Committee work programme – for agreement	Y					Y
Report from the Pensions Board meeting	Y	Y	Y	Y		Y
Pension Fund Business plan and budget update	Y	Y	Y	Y		Y
ACCESS update	Y	Y	Y	Y		Y
Employer, actuarial and governance matters	Y	Y	Y ^(a)	Y		Y
Pensions administration update	Y	Y	Y	Y		Y
Training - per the training plan	Y	Y	Y	Y	Y ^(b)	
Fund Position statement	Y	Y	Y	Y		Y
cashflow update	Y	Y	Y	Y		Y
Risk register	Y	Y	Y	Y		Y
Manager presentation	Y	Y	Y	Y		Y
Equity protection review ^(d)	Y	Y	Y	Y		Y
Investment Strategy	Y	Y	Y	Y		Y
Responsible Investment update ^(c)	Y	Y	Y	Y		Y

Notes

- (a) Section 13 Report (2019 valuation - final report expected summer 2021)
- (b) training day provisionally planned for 4 Feb 2022 and additional training sessions TBC
- (c) RI working group to meet monthly
- (d) Equity protection working group next meeting 26 April and as required

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From: Chairman Superannuation Fund Committee
Corporate Director of Finance

To: Superannuation Fund Committee – 12 March 2021

Subject: Pension Fund Business Plan

Classification: Unrestricted

Summary:

To advise the Committee of the progress made to date on the business plan and related costs

Recommendation:

The Committee is recommended to agree the updated Business Plan and the budget required to deliver the plan in 2020-21 and 2021-22 in particular the increased funding to implement the recommendations of the finance function review.

FOR DECISION

1. Introduction

- 1.1 The Committee is asked to agree the updated business plan and forecast costs required to deliver the plan in 2020-21 and 2021-22.
- 1.2 At its meeting on 12 February the Pensions Board noted this report.
- 1.3 The report has been updated to take into account the withdrawal by HM Government of the exit cap legislation on 12 February.

2. Business plan

- 2.1 The Fund's business plan has been updated to reflect progress made to date and anticipated for 2021-22 and a copy is at appendix 1.
- 2.2 Members are asked to particularly note the following:
 - i) Work completed on the implementation of the investment strategy in particular in relation to an equity protection programme and the transition of a global equities fund to the ACCESS platform.
 - ii) Substantial progress has been made with implementing the ACCESS pooling plans. The Kent Fund is represented at all levels of the ACCESS pool and it is anticipated that going forward the amount of work involved will increase as plans are progressed to pool those investments still held outside the pool.

- iii) The Fund's 2019-20 annual report and accounts were signed off at the end of November 2020 and published to the website. The timetable for the preparation of the 2020-21 report and accounts is yet to be finalised.
- iv) We still await the outcomes of the consultations on the McCloud remedy.
- v) On 12 February 2021 the Government announced that they would disapply the £95k exit cap legislation with immediate effect. The Pensions admin team had done a considerable amount of work on the implementation and communication of the legislation and this has had to be unwound. The business plan seen by the Board and at appendix 1 still refers to the work in 2021-22 as the government has stated that it intends to introduce new legislation soon which is expected to add to the workload of the team.
- vi) Barnett Waddingham are making progress on the review of the governance of the Pension Fund including the KCC finance support for the Fund. They are expected to have made substantial progress by the end of March 2021 and during 2021-22 they will complete their review and work with officers on the implementation of the recommendations.
- vii) As agreed by the Committee the RI working group has commenced its review of the Fund's RI policy and consideration of the implementation of the policy. This work will be ongoing through the remainder of 2020-21 and into 2021-22.
- viii) A review of the Fund's strategic asset allocation taking into account the 2019 valuation results is planned for mid-year 2021 with any agreed changes to the Fund's investments then being made including possible further transitions to the ACCESS platform.

3. 2020-21 forecast

- 3.1 Total forecast costs to support the 2020-21 business plan are now £4.78m and details are included in the table below.
- 3.2 At the current time it is anticipated that additional costs will be incurred in relation to investment consultancy provided by Mercer in particular for the establishment of an equity protection programme. We are also forecasting higher audit costs due to the additional work requiring to be undertaken in relation to the annual audit of the Fund.

4. Draft 2021-22 budget

- 4.1 It is anticipated that the costs to support the 2021-22 business plan will amount to some £5.05m, an increase of £0.27m mainly due to forecast higher costs of the KCC finance support.
- 4.2 The budgets for pension administration, investment accounting and governance include increased funding to implement the recommendations of the finance function review. We will bring an update to the next committee reflecting further progress with the governance review and the implementation of the recommendations.

- 4.3 The resources required to support the Fund's RI programme have yet to be considered.
- 4.4 Higher investment and governance consultancy costs reflect the reviews planned. Costs for the equity protection consultancy are projected to be lower as the programme has been implemented and will only incur monitoring costs going forward.

5. Pension Fund Management Costs

	Agreed Budget 2020-21	Forecast costs 2020-21	(Overspend) / Underspend	Draft Budget 2021-22
	£	£	£	£
Pensions Administration	3,411,900	3,411,900		3,610,000
Pension Payroll Services	225,973	225,973	-	226,000
Payment services	17,340	17,340	-	17,400
Financial Services	68,340	68,340	-	69,000
Administration Expenses	3,723,553	3,723,553	-	3,922,400
Actuarial Fee including cost of valuation	260,000	260,000	-	250,000
Legal Fees	125,000	50,000	75,000	50,000
Direct recovery of actuary, legal fees and admin costs	(225,000)	(225,000)	-	(225,000)
Subscriptions	46,000	46,000	-	46,000
ACCESS pooling costs	100,000	90,000	10,000	115,000
Investment Accounting and Oversight costs	400,000	400,000	-	600,000
Performance Measurement Fees	10,000	10,000	-	12,000
Investment and governance consultancy	210,000	180,000	30,000	180,000
Equity Protection consultancy		180,000	(180,000)	30,000
Other professional advice	20,000	20,000	-	20,000
Governance and Oversight Expenses	946,000	1,011,000	(65,000)	1,078,000
Audit fee	24,000	50,000	(26,000)	50,000
Total	4,693,553	4,784,553	(91,000)	5,050,400

Alison Mings, Acting Business Partner – Kent Pension Fund

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March 2021

Kent Pension Fund Business Plan

Action No.	Description	Accountable Officer(s)	Actual 2020-21 activity at February 2021	Proposed 2021-22 activity
1. Investment Strategy				
1.1	Implement the revised asset allocation agreed by Superannuation Fund Committee on 9 February 2018.	Zena Cooke / Alison Mings	<p>Manager appointed to implement the equity downside protection programme.</p> <p>Passive equity fund holdings redeemed and replaced by synthetic equity exposure</p> <p>Protection implemented in December 2020 for global equities.</p> <p>Final arrangements for the protection of UK equities to be confirmed by March 2021</p> <p>Continued funding of private equity / infrastructure investments</p>	Finalise monitoring and reporting for equity protection programme
1.2.1	Strategic review of asset allocation taking account of results of the 2019 valuation	Zena Cooke / Alison Mings / Sangeeta Surana		Engage investment consultant to undertake review Q1, report outcome to June committee
1.2.2	Implement the agreed recommendations of the strategic asset allocation review	Zena Cooke / Alison Mings / Sangeeta Surana		Engage investment consultant to advise on new investment options including ACCESS funds, and selection of managers
1.3	Manage the transition of investments including to the ACCESS pooled funds	Alison Mings / Sangeeta Surana	Global equity investments transitioned to ACCESS platform at the end of November 2020.	<p>Transition fixed Income sub-fund investments as already agreed to the ACCESS platform</p> <p>Implement other transitions arising from recommendations of strategic asset allocation review</p>
1.4	Monitoring the performance of investment managers and funds.	Zena Cooke / Alison Mings / Sangeeta Surana	<p>Investment Managers attending quarterly committee meetings</p> <p>Monthly flash reports, quarterly fund performance reports</p> <p>Investment consultant attending every committee meeting.</p> <p>Quarterly manager reviews. From September 2020 covered all managers.</p> <p>Asset allocation Rebalancing Framework agreed September 2020</p>	<p>Investment Managers attending quarterly committee meetings</p> <p>Monthly flash reports, quarterly fund performance reports</p> <p>Investment consultant attending every committee meeting.</p> <p>Quarterly manager reviews.</p> <p>Asset allocation review at every meeting against Rebalancing Framework</p>
1.5	Develop enhanced Responsible Investment (RI) / Environmental Social and Governance (ESG) policy / reporting	Alison Mings Sangeeta Surana Katherine Gray	Policy reviewed at November committee meeting and RI working group established to consider further enhancement and implementation. Report to the March 2021 committee meeting	Ongoing - RI working group monthly meetings, recommendations to the committee, training for the committee on RI developments
1.6	Investment Consultant procurement	Sangeeta Surana Alison Mings	Procurement in hand for long term contract for investment advice to the committee	Ongoing management of Investment consultant contract
1.7	Update investment strategy statement (ISS) reflecting CIPFA guidance and best practice	Alison Mings Sangeeta Surana	ISS updated.	ISS to be updated with assistance from the investment consultant reflecting revised strategic asset allocation
1.8	Custody contract	Sangeeta Surana Katherine Gray	Current contract extended for 9 months with agreement from KCC procurement team	Complete procurement of a long-term custody contract Q2 and manage transition to new provider

Kent Pension Fund Business Plan

Action No.	Description	Accountable Officer(s)	Actual 2020-21 activity at February 2021	Proposed 2021-22 activity
			ACCESS collaborative procurement using LGPS Framework commenced	if required.

2. ACCESS Pool

2.1	Support the Chairman in his role on the Joint Committee (JC).	Alison Mings	Meeting 6 times a year, Next JC meeting 8 March 2021	Quarterly meetings
	Membership of the S151 group	Zena Cooke	Meetings before the JC meetings	Quarterly meetings before the Joint Committee meetings
2.2	Membership of the Officer working group (OWG) and other working groups to support the progress of the pooling agenda	Alison Mings Sangeeta Surana Katherine Gray	Membership of: Active listed assets sub-group, Reporting sub-group, Non-listed assets sub-group, RI task and finish group, Custody procurement task and finish group, Investor user group	Continue to support the progression of pooling in ACCESS through participation in working groups as required. Most of the current working groups are expected to continue in 2021-22
2.3	Support the role of host authority and Access Support Unit (ASU)	Alison Mings	Kent Democratic Services providing clerking support to the JC	Kent Democratic Services providing clerking support to the JC
2.4	Ensure the Superannuation Fund Committee and Board are kept fully informed on ACCESS issues.	Alison Mings	Quarterly updates for the board and committee Presentation by ACCESS Interim Director to members on 5 February	Quarterly updates for the board and committee

3. Governance and employer matters

3.1	Support the Superannuation Fund Committee and the Pension Board members to effectively undertake their roles and ensure that appropriate training is available.	Zena Cooke / Alison Mings	Role of Business Partner being covered by Alison Mings. Barnett Waddingham commenced review of governance, KCC finance as well as members' training needs. Training day 5 February 2021 Agree training plan aligned with the Fund's policy	Put in place permanent resources and agreed management structure within the KCC finance function Implement updated training plan See actions 3.7 and 3.8
3.2	Prepare the Fund's annual accounts and report including compliance with cost transparency requirements and with revised reporting guidelines	Sangeeta Surana / Katherine Gray	2020 Accounts signed off by Governance & Audit Committee at its October meeting. Committee approved the report November 2020. Final audit sign off end November. Report and Accounts published end November.	Complete accounts and report in line with timetable agreed with KCC Chief Accountant and external auditors. Q2 – Q3.
3.3	Response to consultations and regulation changes	Alison Mings / Barbara Cheatle		
3.3.1	Investment Guidance	Alison Mings	Update deferred on LGPS investment guidance following outcome of the Supreme Court judgement	
3.3.2	Employer flexibilities	Alison Mings	New regulations came into force in September 2020, awaiting guidance. Funding Strategy Statement to be updated on receipt of the MHCLG guidance.	Work with the Fund Actuary on implementing changes re exiting employers.
3.3.3	McCloud remedy	Barbara Cheatle	Consultation response submitted and awaiting guidance.	Implement changes required, see action 4.7

Kent Pension Fund Business Plan

Action No.	Description	Accountable Officer(s)	Actual 2020-21 activity at February 2021	Proposed 2021-22 activity
3.3.4	Public Sector Exit Payments	Barbara Cheatle	Restrictions on Public Sector payments legislation passed into law. Awaiting outcome of judicial reviews. Responded to consultation on changes to £95k exit payments cap and awaiting guidance re LGPS regulations.	Implement changes required, see action 4.8
3.4	Actuarial triennial valuation	Fund actuary / Alison Mings / Steve Tagg / Barbara Cheatle	Employers paying contributions from 1 April 2020 based on 2019 valuation	Planning for 31 March 2022 valuation
3.5	Update Funding strategy statement	Alison Mings / Steve Tagg	FSS updated taking account of the valuation results, awaiting advice re new employer flexibilities	FSS to be updated taking account of advice from Governance consultant
3.6	Fund actuary contract	Alison Mings / Steve Tagg		Ongoing management of actuary contract
3.7	Review governance arrangements considering internal audit recommendations.	Zena Cooke / Alison Mings	Barnett Waddingham engaged to undertake the review. Review commenced Q3, continuing Q4. Training day 5 Feb.	Complete review and implement recommendations
3.8	Undertake review of finance resources considering internal audit recommendations.	Zena Cooke / Alison Mings	Barnett Waddingham engaged to undertake the review. Review commenced Q3, report due Q4	Implement recommendations Q1
3.9	Review and update finance procedures and documentation considering internal audit recommendations	Treasury and Investments team	Completed review and update	

4. Administration

4.1	Roll out i-Connect employer self service	Barbara Cheatle	Progress on roll out impacted by Covid-19 Rollout to large payrolls, including KCC and Medway in hand. Introduced to other large employers, such as district councils, colleges etc via webinars in preparation for extension of roll out Progress made on the data cleansing part of project and possible use of dedicated resource	Further rollout planned
4.2	Preparation of annual benefit illustrations for despatch to members by the statutory deadline	Barbara Cheatle	Ongoing	Ongoing
4.3	Reduce the backlog of unprocessed leaver cases	Barbara Cheatle	External support engaged for to further reduce backlog cases.	
4.4	Follow up GMP reconciliation exercise	Barbara Cheatle	Stage 2 of reconciliation to be completed. Stage 3 of project will require Procurement of a company using the LGPS framework	HMRC have confirmed errors in previous information supplied for GMP reconciliation and so rework required by external company
4.5	Develop plan for introducing member Self Service (MSS)	Barbara Cheatle	MSS available and communicated to various categories of scheme members throughout the year. MSS in UAT environment	Planned roll out to members
4.6	Development of workflow system	Barbara Cheatle	Revision of workflow	.

Kent Pension Fund Business Plan

Action No.	Description	Accountable Officer(s)	Actual 2020-21 activity at February 2021	Proposed 2021-22 activity
			introduced to staff via webinars from Heywood and internal staff. Internal processes changed and auto allocation of tasks introduced at beginning of June	
4.7	McCloud remedy project - changes to LGPS following the McCloud judgement	Barbara Cheatle	see action 3.3.3 above Set up project for requesting data from employers and recalculation of benefits where necessary, changes to processes, communications etc	Project to commence once remedy agreed
4.8	Exit payments £95k cap	Barbara Cheatle	see action 3.3.4 above. Will require a significant communication exercise and changes to processes etc Effective date to be advised but we can expect an influx of retirements involving employer costs before this date	Implementation of changes per LGPS regulations and guidance

From:	Chairman Superannuation Fund Committee Corporate Director of Finance
To:	Superannuation Fund Committee – 12 March 2021
Subject:	Fund Employer and Governance Matters
Classification:	Unrestricted

Summary:

This report provides an update on Fund employers, changes to the regulations on employer flexibilities, the McCloud remedy, the exit cap and a new scheduled body. It also advises the Committee of four admission matters for decision.

Recommendations:

Members are asked to note the report and to resolve to agree:

- a) to the admission to the Kent County Council Superannuation Fund of Aspens Services Ltd;
- b) to the admission to the Kent County Council Superannuation Fund of Olive Dining Ltd;
- c) to the admission to the Kent County Council Superannuation Fund of Oliver Winter t/a Victory Cleaning;
- d) to the admission to the Kent County Council Superannuation Fund of Pabulum Ltd (re Tenterden Schools Trust);
- 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.

FOR DECISION

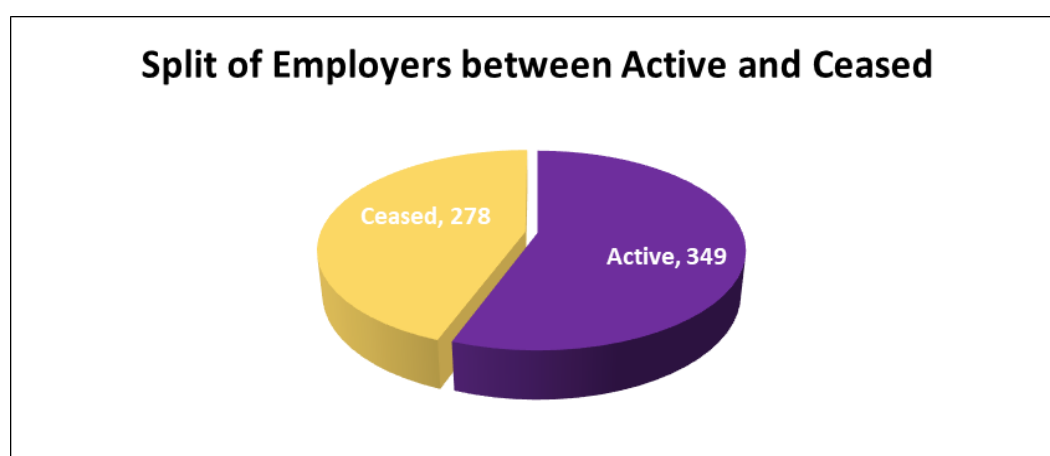
1. Introduction

- 1.1 This report sets out information on employer related matters, applications from organisations for admission to the Superannuation Fund and a new scheduled body. The Committee's approval is sought to enter into four admission agreements.

- 1.2 The Committee is advised that the admission minutes are to be signed at the end of today's meeting to facilitate completion on the desired dates.
- 1.3 At its meeting on 12 February the Board noted this report however the Government has since disapplied the £95k cap regulations and the report has been updated to reflect this change as well as other in respect of other regulatory changes.

2. Employer update

- 2.1 There was a total of 627 employers in the Kent Pension Fund on 31 December 2020, up 4 from 31 March 2020.

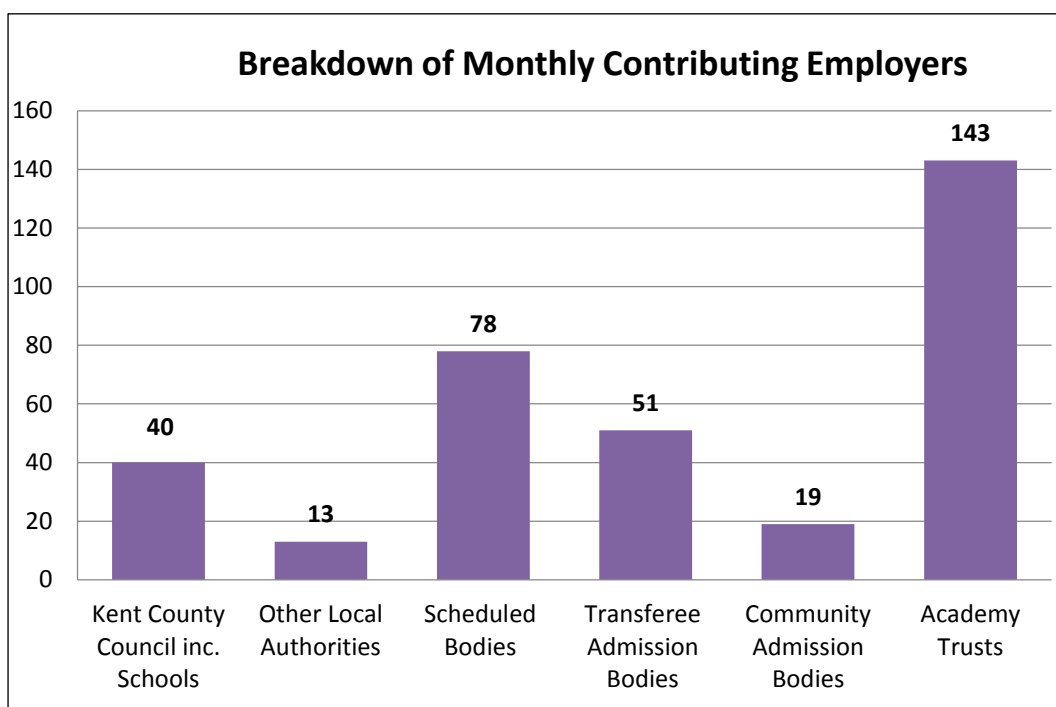


- 2.2 The number of active employers regularly paying contributions increased by 6 in the 9 months from the end of March and 10 employers ceased to have active members in the Local Government Pension Scheme (LGPS). The ceased employers no longer have active contributing members in the LGPS and the Fund has an existing or future liability to pay any pensions.
- 2.3 The following table lists employers who joined the Fund as well as those who ceased to have active members in the Fund during the 9 months from 1 April 2020 to 31 December 2020.

New Employers	Effective date
Admission Bodies	
Exclusive Contract Services Limited	1 April 2019 (backdated admission)
Busy Bee Cleaning Services Limited	1 April 2020 (backdated admission)
Wealden Leisure Limited T/A Freedom Leisure Limited	1 September 2020
Scheduled Bodies	
Capel Manor College	1 January 2020 (backdated Order)
Academy Trusts	
Alternative Learning Trust	1 September 2020
Ceased / Merged to Trust Employers	
Effective date	
Admission Bodies	
Sopra Steria Limited	31 March 2020
Cater Link (re KCC Schools)	30 April 2020
Ashford Leisure Trust	31 August 2020
Cater Link (re Rivermead Trust)	31 October 2020
Scheduled Bodies	
Gen2 Property Limited	02 April 2020
West Kent and Ashford College	31 August 2020
Hadlow College	30 September 2020
East Kent Housing	31 October 2020
Invicta telecare	31 December 2020
Academy Change of Trust	
Barnsole Primary Trust	31 August 2020

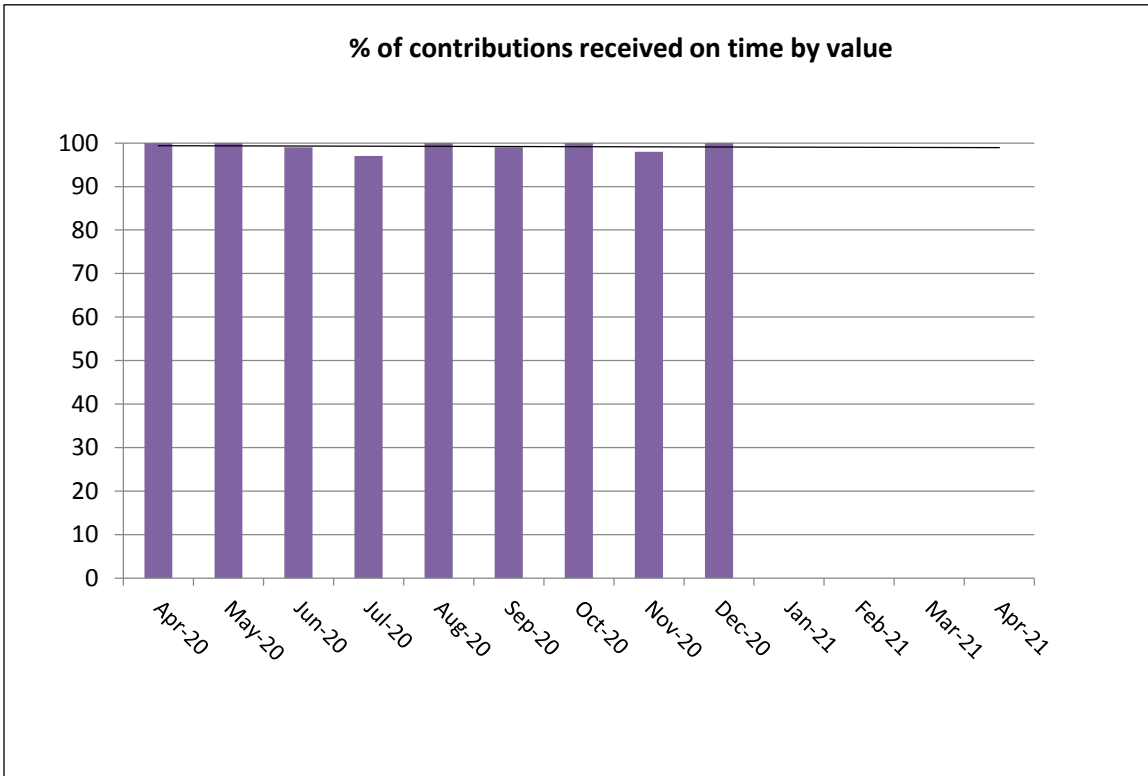
3. Contributions from employers

- 3.1 The following chart shows the Employers from whom the Fund receives monthly contributions by Employer Group. Note the KCC figures reflect the council's and schools' relationships with several payroll providers.

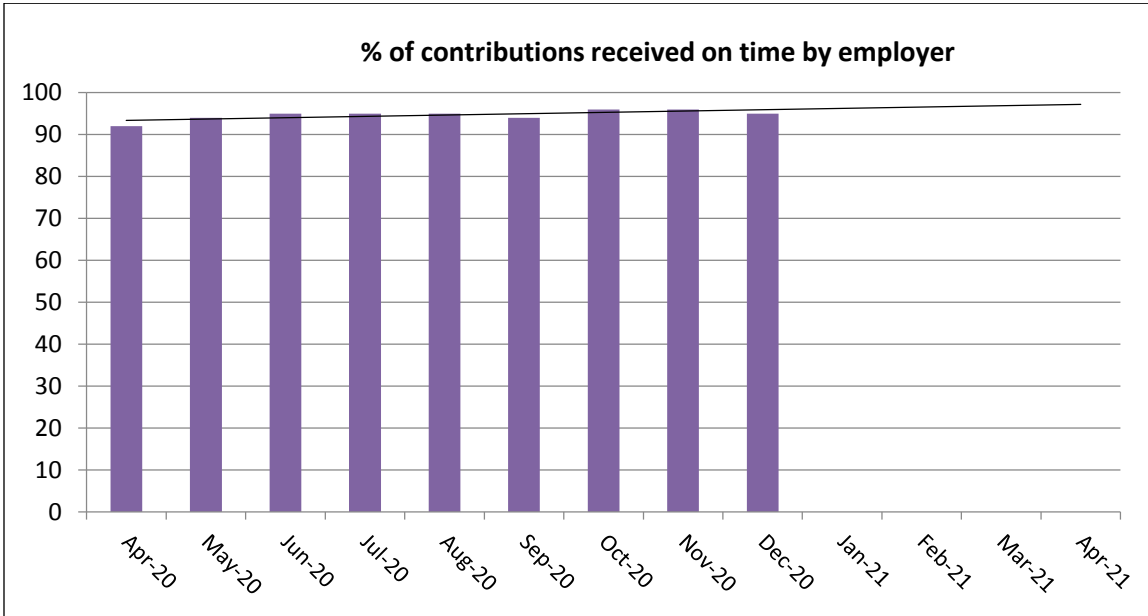


3.2 In the first 9 months from April to December 2020 the Fund received £188.6m from employers in respect of their monthly contributions (employer and employee) as follows:

	Received Early	Cash on 19th	Received Late	Total
	£	£	£	£
April	14,992,211	6,003,509	94,242	21,089,962
May	12,090,475	8,523,449	65,637	20,679,561
June	10,734,308	10,084,330	154,205	20,972,843
July	11,841,344	8,317,987	658,617	20,817,948
August	11,264,687	9,227,397	81,480	20,573,564
September	12,335,935	8,529,640	254,687	21,120,262
October	13,409,520	7,717,392	20,001	21,146,913
November	12,341,896	8,225,342	463,120	21,030,358
December	12,868,136	8,315,621	15,136	21,198,893
Total	91,178,512	74,944,667	1,807,125	188,630,304



3.3 KCC monitors the receipt of these contributions and the following two charts show the % of employer contributions received on time by two different measures; by value and by number.



3.4 We have a KPI of 95% for % of contributions received on time by value and this was achieved in all 9 months. We also have a new reportable KPI of 95% for % of contributions received on time by employer. This was achieved in most months except for April when there were 28 late employers many of whom had

still to adjust their processes to take account of the impact of the pandemic. By contrast in December there were 16 late or non-payers.

- 3.5 We are aware that some of our employers, for example leisure centres, have found the pandemic particularly difficult and this has resulted in 4 of our employers being late or non-payers. Officers are in touch with the employers as well as with the scheme employers and actuary concerning arrangements for payment of the contributions. These issues have also been followed up with the Pensions Regulator.

4. Employer Flexibilities - Deferred employers

- 4.1 As their meeting on 13 November 2020 the Committee was advised that the LGPS Regulations 2013 have been amended from 23 September 2020 to include reference to deferred employers.

- 4.2 The Scheme Advisory Board (SAB) has issued a draft Guide to Employer Flexibilities covering:

- guidance on preparing and maintaining policies on review of employer contributions;
- employer exit payments; and
- deferred debt agreements.

- 4.3 MHCLG issued statutory guidance on 2 March 2021 and the Fund's Funding Strategy Statement (FSS) will now be updated accordingly.

5. McCloud judgement and proposed remedy update

- 5.1 HM Treasury published their response to the consultation on changes to the unfunded public service pension schemes on 4 February.

- 5.2 Changes to the Local Government Pension Scheme (LGPS) were consulted on separately and we expect MHCLG to make a written statement in relation to the consultation on changes to the underpin in the LGPS in England and Wales shortly.

- 5.3 Our software provider has now provided reports in order that the current and previous scheme members impacted by the remedy can be identified and templates can be supplied to employers to provide missing data.

6. £95,000 cap on exit payments in the public sector including early retirement payments

- 6.1 Members have been advised at previous meetings of the legislation introduced in November 2020 to restrict exit payments for public sector employees and the problems faced by the pension administration team as the required changes to the scheme regulations had not been made to accommodate these restrictions.

- 6.2 On 12 February we received notice that the Government had decided to disapply parts of the exit cap legislation with immediate effect. This means that the cap would not apply from 12 February 2021 for any retirements with a leaving date from that date and that all retirement payments that had been restricted from November 2020 to February 2021 would need to be revisited and revised if necessary.
- 6.3 As the Committee will appreciate a considerable amount of work had been undertaken by the pension administration team to implement and communicate the exit cap legislation which has now been reversed. However, it is clear that the Government still intends to legislate to tackle unjustified exit payments at pace and details of any new legislation will be reported to future Committee meetings.

7. New admission bodies

- 7.1 The following organisations have applied for admission to the Superannuation Fund to ensure the continuity of pension arrangements for staff.
- 7.2 The admission applications have 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.
- 7.3 Two of the organisations, Aspens Services and Olive Dining, are applying for admission retrospectively in order to protect the LGPS membership of their employees for the periods of time covered by their commercial contracts despite these contracts having already ended.
- 7.4 The completed questionnaires and supporting documents provided by the applicants have been examined by Officers to ensure compliance with the LGPS Regulations, and Invicta Law have given favourable opinions.

8. Aspens Services Ltd

- 8.1 Robert Napier Fort Pitt Academy awarded a contract for catering services from 1 August 2019 involving the transfer of 3 employees to Aspens Services Ltd. This contract ended in August 2020 and the staff were transferred to a new contractor who will apply to join the Superannuation Fund.
- 8.2 A retrospective agreement covering the year that Aspen should have been in the Fund will need to be put in place. The Fund Actuary has assessed the employer contribution rate as 25.1% for a closed agreement and the bond for the year as £27,000.

9. Olive Dining Ltd

- 9.1 Sir Roger Manwood School Academy awarded a one and a half-year contract for catering services from 1 May 2019 and a retrospective agreement will be

put in place. This involved the transfer of 11 employees from Sir Roger Manwood School Academy to Olive Dining Ltd

9.2 The Fund Actuary has assessed the employer contribution rate as 20.8% for a closed agreement and the bond for the first year as £39,000.

9.3 The contract has now ended and the staff were transferred back to the academy on 31 October 2020.

10. Oliver Winter t/a Victory Cleaning

10.1 Joy Lane Primary School awarded a 12-month rolling contract for cleaning services from 1 February 2020. This involves the transfer of approximately 2 employees to Oliver Winter t/a Victory Cleaning.

10.2 The Fund Actuary has assessed the employer contribution rate as 25.8% for a closed agreement and the bond for the first year as £6,000.

11. Pabulum Ltd (re Tenterden Schools Trust)

11.1 Tenterden Schools Trust has awarded a 4-year 5-month contract with a possible extension for catering services from 1 December 2020. This involves the transfer of some 3 employees from Tenterden Schools Trust to Pabulum Ltd and a retrospective agreement will be put in place.

11.2 The Fund Actuary has assessed the employer contribution rate as 27.9% for a closed agreement and the bond for the first year as £7,000.

12. Canterbury Environment Company Limited (CECL)

12.1 CECL is a company wholly owned by Canterbury City Council and made a resolution to join the Superannuation Fund from 1 February 2021. The resolution is made under Schedule 2 Part 2 (5) of the LGPS 2013 Regulations, as amended, and entitles some of its employees to be eligible for membership of the LGPS under a closed agreement.

12.2 Barnett Waddingham has calculated the employer contribution rate to be 29.5% and a bond is not required.

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March 2021

From:	Chairman Superannuation Fund Committee Corporate Director of Finance
To:	Superannuation Fund Committee – 12 March 2021
Subject:	Pensions Administration
Classification:	Unrestricted

Summary:

This report provides members with an update of issues concerning the Pension Administration team.

Recommendations:

The Committee is recommended to note the report.

Pension Administration update

Staff in the pension administration section continue to work in the main from home with a small team accessing the office twice a week to deal with incoming post and the printing and sending of outgoing mail. For staff working at home, as with most people, there are issues with connectivity with systems, including our pensions administration database, which is hosted remotely, and the slowness of moving from one system to another. This coupled with some staff either having caring responsibilities or having to deal with home schooling has meant that productivity has lessened.

This issue is exacerbated by a considerable increase in the number of deaths in all categories of scheme members, current, deferred and pensioner. These cases obviously need to be dealt with in a sensitive manner with each involving layers of correspondence and the submission of documentation from the family. Each case is individual with regard to dependant's pensions and death grant payments, some of which are needed urgently to help with funeral costs.

The removal of the exit cap and the resultant unwinding of all the processes and communications set up to deal with it has increased workloads. The other addition has been the heightened threat of pension scams when scheme members are persuaded to transfer their pension rights out of the LGPS. The Pensions Regulator requires scheme administrators to take a more proactive role in preventing scams by extending their role in determining whether a scheme is legitimate, again something that adds to workloads.

The contract with ITM continues to progress with a steady completion of tasks and engagement with employers in the Fund regarding missing pension paperwork.

Communications to the section continue to be high via both telephone and email. The Pensions telephone helpline calls are answered by a small team of administrators as not all staff are able to work their normal work hours. This is becoming problematic and so we are looking to extend the answering of calls to other staff by introducing a new targeted telephony system which would help with this issue.

We recruited 6 Pension Assistants in Spring 2020 with their starting date being delayed due to the lockdown however they have subsequently joined the team and have received training and guidance remotely and are now an integral part of the team. Due to internal promotions we now have vacancies for 4 Pension Assistants and will be recruiting to these roles shortly.

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March 2021

From: Chairman Superannuation Fund Committee
Corporate Director of Finance

To: Superannuation Fund Committee – 12 March 2021

Subject: ACCESS update

Classification: Unrestricted

Summary:

This update provides a summary of the activities of the ACCESS pool.

Recommendation:

The Committee is recommended to note this report.

FOR INFORMATION

1. Introduction

- 1.1 Board and Committee members received a presentation from Kevin McDonald, Interim ACCESS Director, on 5 February, and a copy of the slides has been circulated.
- 1.2 This report is to update the Committee on the work being undertaken by the ACCESS pool.

2. Joint Committee

- 2.1 The Joint Committee (JC) last met on 13 January and a copy of the notes of the meeting are at appendix 1. Copies of the minutes of the meetings held on 7 September and 12 November are at appendices 2 and 3.
- 2.2 The next meeting of the JC is scheduled for Monday 8 March 2021.

3. Recent activity

- 3.1 As at 31 December 2020 the Kent Fund had invested in 5 sub-funds in the ACCESS authorised contractual scheme (ACS) operated by Link Financial Solutions, with a combined value of £3.7bn.
- 3.2 Details of the progress being made on the pooling of investments are included in the Investment Strategy report.

- 3.3 Since the last report to the Committee the Officer Working Group (OWG) as well as other working groups with Kent being represented on each group, have been meeting remotely on a periodic basis.
- 3.4 A communications company has been hired to support the ACCESS Support Unit (ASU) and JC and an advisor appointed to assist with the drafting of the ACCESS pool's ESG guidelines taking account of the individual ACCESS funds' policies.
- 3.5 A review of the resources of the ASU has been completed and at its meeting in January the JC agreed the recruitment of 2 additional staff.
- 3.6 The JC has also agreed the 2021-22 business plan which anticipates further progress on pooling listed assets and commencement of pooling of non-listed assets, and the budget to support this work taking into account the additional staff costs.

Alison Mings, Acting Business Partner – Kent Pension Fund

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February 2021

All eleven ACCESS Authorities were represented. The key matters considered are described below.

Part I Item	Details
Business plan & budget	<p>The Committee received an updated on the 2020/21 Business Plan.</p> <p>This included work undertaken to review the size and scope of the ASU, which commenced with an initial discussion paper which was the basis of individual discussions with officers at each Authority, followed by a second discussion paper and collective dialogue at OWG and finally by s151 Officers. The common themes of this dialogue were:</p> <ul style="list-style-type: none"> • recognition of the increased pressure on Authorities; • acceptance that the ability to increase Technical Lead capacity was unlikely; • recognition of the increased workload implication of the business plan to the ASU; and • support for an expanded ASU. <p>As a consequence, it was proposed that two new ASU posts be created: a Client Manager and an additional ACCESS Support Officer at an expected cost of £160k p.a. The proposal, supported by the s151 Officers, was incorporated within the proposed 2021/22 budget.</p> <p>A forecast 2020/21 spend of £0.969m against a budget of £1.078m was noted.</p> <p>The proposed 2021/22 Business Plan and budget was considered. The Business Plan continues many current themes including active asset migration from Authorities into the ACS, the commencement of pooling illiquid assets along with the developments in the areas of governance, communications and Responsible Investment. To support this, a budget of £1.247m (including the £160k in respect of additional ASU staff) was recommended by the s151 Officers.</p> <p>The individual contribution by each Authority in respect of the 2021/22 budget is £113k.</p> <p>The Committee :</p> <ul style="list-style-type: none"> • noted the updates in respect of 2020/21’s business plan and budget; • recommended the 2021/22 Business Plan to the ACCESS Authorities; • and • accepted the recommendation of the s151 Officers from ACCESS Authorities to determine the 2021/22 budget totalling £1.247m to support the proposed business plan.

Part II Item	Details
Illiquid assets	<p>The JC received a report updating on the development of pooled illiquid asset investment solutions.</p> <p>It was highlighted that the proposed solutions do not require existing illiquid assets to be either re-housed or sold with proceeds then re-invested. The solutions are primarily geared towards new strategic allocations that Authorities may wish to make, but will also enable new investments to maintain existing allocations where deemed appropriate in line with their own strategic asset allocation decisions and requirements.</p> <p>The background and process of engagement with ACCESS Authorities was highlighted, and Sam Gervaise-Jones from advisers bfinance outlined the potential solutions for private equity, private debt, infrastructure and real estate. It was appreciated that the process will commence with the procurement of an Implementation Adviser.</p> <p>The Committee agreed:</p> <ul style="list-style-type: none"> • the proposed pooling structures for real estate, private equity, private debt and infrastructure; and • the procurement, via the National LGPS frameworks, of a consultant to support the implementation of the proposed illiquid asset pooling structures and manager/fund/allocator procurements as required.
Environmental, Social & Governance / Responsible Investment	<p>The JC received a report on the procurement of an ESG / RI advisor. This highlighted that, following evaluation of the bids received and interviews held on 7 January, the firm with the highest score was Minerva.</p> <p>The proposal to appoint Minerva to undertake a review of the pool's ESG/RI guidelines and to recommend appropriate reporting arrangements, was agreed.</p>
Investment Performance report	<p>The Committee noted the Investment Performance report as at 30 September 2020. The total pooled assets of all ACCESS Authorities was £25.471bn, an increase of £0.482bn from the June 2020 quarter. Indicative numbers as 31 December were stated as £31.119m (reflecting recent sub-fund launches).</p> <p>Information on investment performance, stock-lending and voting was provided along with carbon measurement and benchmarking. Details of engagement on the LGF ACCESS Absolute Return sub-fund were also included.</p> <p>Report noted.</p>
Sub-fund implementation	<p>The JC received a report outlining progress on sub-fund implementation. It was highlighted that a total of seven sub-fund launches had taken place in November and December 2020, two of which were Global equities (Acadian) and UK equities (Majedie). This activity added over £5bn to assets within the ACS and represented a significant step forward.</p> <p>Report noted.</p>

Contract Management	<p>The JC received a report covering a number of aspects of Contract and Supplier Relationship management including:</p> <ul style="list-style-type: none"> • levels of insurance provision; • the Virtual Investor Day on 17 December 2020; • fee details; and • the “Temperature Check” undertaken in September 2020. <p>The Committee were also updated on the first Internal Audit report undertaken on the work of the ASU which had attained Good Assurance.</p> <p>Report noted.</p>
Risk Register	<p>The Committee received a report on the Pool’s Risk Register. Whilst current rating of the Risk 5 (Brexit) is Amber, it was noted that this had been rated Red during December when the likelihood of a “No Deal” outcome increased. The implications for financial markets of the United Kingdom’s withdrawal from the European Union continue to be monitored.</p> <p>Report noted.</p>
Link Presentation	<p>Karl Midl, Richard Thornton and James Zealander from Link Fund Solutions gave a presentation which included an overview of Operator Services provided along with an update on sub-funds, initiatives and risks. The recent Temperature Check and Virtual Investor Day were covered, and it was highlighted that dialogue on insurance will continue.</p> <p>Presentation noted.</p>
Scheduled Business as Usual (BAU) evaluation	<p>The Committee received an update on the Scheduled BAU evaluation following the workshop held on 12 November.</p> <p>Report noted, and next steps agreed.</p>
Next meeting date	<p>8 March 2021 – Virtual meeting</p>

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ACCESS JOINT COMMITTEE

MINUTES of a meeting of the ACCESS Joint Committee held at Virtual Meeting on Monday, 7th September, 2020.

PRESENT: Cllr Mark Kemp-Gee - Chair (Hampshire CC), Cllr Susan Barker - Vice-Chair (Essex CC), Cllr Gerrard Fox (East Sussex CC), Cllr Adrian Axford (Isle of Wight), Cllr Terry Rogers (Cambridgeshire CC), Cllr Judy Oliver (Norfolk CC), Cllr Bill Parker (Northamptonshire CC), Cllr Ralph Sangster (Hertfordshire CC), Cllr Charlie Simkins (Kent CC) and Cllr Karen Soons (Suffolk CC).

ALSO PRESENT: Kevin McDonald (ASU Director), Mark Paget (ASU Contract Manager) and Dawn Butler (ASU Support Officer), John Wright (Hymans Robertson) and Clifford Sims (Squire Patton Boggs, Solicitor).

OFFICERS: Andrew Boutflower (Hampshire), Glenn Cossey (Norfolk), Jody Evans (Essex), Paul Finbow (Suffolk), Michelle King (East Sussex), Alison Mings (Kent), Sharon Tan (Suffolk), Jo Thistlewood (Isle of Wight), Patrick Towey (Hertfordshire), Paul Tysoe (Cambridgeshire), Mark Whitby (Northamptonshire), Rachel Wood (West Sussex), Carolyn Williamson (Hampshire S151 Officer), and Joel Cook (Kent - Clerk).

UNRESTRICTED ITEMS

205. Apologies/Substitutes.

(Item. 1)

1. Apologies and substitutes were as follows:
Cllr Jonathan Ekins (Northamptonshire CC) – Cllr Bill Parker substitute (Northamptonshire CC).

RESOLVED that the apologies and substitutes be noted.

206. Declaration of interests in items on the agenda.

(Item. 2)

1. No declarations of interest were made.

207. Chair's introduction.

(Item. 3)

1. The Chair advised the Committee that the Chair's Introduction would be a standing item to serve as a conduit for the Chair and other Members to update the Joint Committee on matters related to pool developments and Member training between formal meetings.

RESOLVED the at the Chair's introduction be noted.

208. Minutes of the meeting held on 17 July 2020.

(Item. 4)

RESOLVED that the minutes of the meeting on 17 July 2020, subject to the correction of a minor error regarding the Annual Report being cited as the Annual Plan in paragraph 200, were a correct record and that they be signed by the Chairman.

209. Business Plan and Budget update.

(Item. 5)

1. Kevin McDonald (ASU Director) provided an update on the Business Plan, Budget and Risk Register. He recommended a restructure of the meeting schedule for the 2020/21 municipal year, with future meetings held in early November, January and March. Mr McDonald confirmed that Monitoring Officers from all ACCESS authorities had approved the Joint Committee's revised Inter Authority Agreement (IAA), which would now progress through formal governance at each authority prior to adoption.
2. Mr McDonald confirmed that due to several budgetary variances ACCESS's actual expenditure for 2020/21, including forecasts, stood at £1,011,258, a predicted underspend of £68,505 (£6,228 per authority). He added that a delay in the procurement of alternative assets had contributed significantly to the underspend. He explained that this meant that much of the planned expenditure would still be incurred but likely not within the 2020/21 financial year.

RESOLVED that the proposed amendment of the meeting schedule for 2020/21, the Business Plan update, the current forecast variances against the 2020/21 budget and summary Risk Register be noted.

210. Communications.

(Item. 6)

1. Mr Wright (Hymans Robertson) provided an update on the work undertaken at the Joint Committee's 17 July workshop on Communications, which focused on responsible investment, raising the profile of spokespeople and the benefits associated with pooling services. He recommended that the Joint Committee procure the services of a Public Relations specialist with expertise in public sector finance and government relations. Mr Wright suggested that the ASU Director act as spokesperson for ACCESS initially.
2. Mr McDonald clarified the proposal that Essex County Council be made the lead procurement authority in relation to the acquisition of Public Relations services for the Joint Committee, explaining that the intention was to work in partnership with procurement specialists Bloom. He explained the use of a Lead Procurement Authority was permitted under the existing Inter-authority Agreement (IAA). Mr McDonald confirmed that a draft of the Member

involvement arrangements in the PR provider selection process would be circulated to the members of the Joint Committee.

3. Members discussed the merits of individual Cllrs taking on lead roles on communications in areas in which they had expertise, with some potential areas such as ESG / RI and fiduciary duty / legal matters already identified. It was noted that this approach would be explored further with the Chair and Vice-Chair prior to updates at a future meeting.

RESOLVED that the report from Hymans Robertson and recommendations in the attached paper from Hymans Robertson be noted and that Essex County Council be permitted to act as the lead authority in the procurement of Public Relations professional advice.

211. ESG / RI Position Statement.
(Item. 7)

1. Mr McDonald provided an update related to ACCESS's development of updated Environment, Social & Governance (ESG) and Responsible Investment (RI) guidelines, and confirmed that:
 - All ACCESS authorities remained individually responsible for determining their own ESG/RI policy.
 - All ACCESS authorities endorsed the UK Financial Reporting Council's (FRC) Stewardship Code.
 - Five member authorities referenced the United Nations Principles on Responsible Investment (UNPRI) in their ESG/RI policy and all respective fund managers were signatories.
 - Requirements had been drafted for the provision of specialist ESG/RI guideline advice.
2. Mr McDonald outlined the proposal that the Joint Committee agree that Essex County Council act as the lead authority in the procurement of ESG and RI professional advice. He added that a detailed timeline and progress report on this procurement will be drawn up prior to the Joint Committee's November meeting.
3. Members commented that future communication strategies should promote ACCESS's positive stance on ESG but highlighted the need to focus on the key role played by the individual authorities which would inform any ACCESS activity.

RESOLVED that the content of the report be noted, and that Essex County Council be permitted to act as the lead authority in the procurement of Environment, Social & Governance and Responsible Investment professional advice.

212. Motion to Exclude the Press and Public.
(Item. 8)

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 paragraphs 3 & 5 of part 1 of Schedule 12A of the Act.

213. Investment Performance.

(Item. 9)

1. Mrs Tan (Suffolk) updated the Joint Committee on ACCESS's Quarter 1 Investment Performance and highlighted that figures corroborated the national trend.
2. Members discussed the disparity in Carbon Intensity (CI) between Sub-Funds and noted the difficulty of balancing Carbon Intensity and return, as well as the probability Carbon Intensive companies may reduce their CI.

RESOLVED that the report be noted.

214. MHCLG - Pooling Submission (to follow).

(Item. 10)

1. Mr McDonald provided an update and confirmed that advice had been sought from OWG prior to the drafting of the pooling submission and that an emphasis had been placed on highlighting assets under management, costs and key messages.
2. Members agreed that role of administering authorities should be highlighted by including the logos of all ACCESS member authorities in the MHCLG submission.
3. Mr McDonald reassured the committee that ACCESS's current progress performance compared favourably with that of other pools nationally.

RESOLVED that the content of the report be noted.

215. Contract Management - Insurance Review.

(Item. 11)

At the direction of the Chair, the Committee considered items 11 and 12 together in view of the related recommendations – resolutions for each item are still detailed separately.

1. Mr Paget (ASU) Provided a Contract Management update. He outlined the proposal to relax the Standard & Poor's credit rating requirement of the Operator's Professional Indemnity and Crime insurance cover and the linked intention to update the Operator Agreement to include additional KPIs which better reflected Business As Usual (BAU) operations. He confirmed that as ACCESS's Contracts Manager he would be responsible for negotiating the additional KPIs.
2. Mr Paget confirmed that the pool had AUM cover which totalled £20bn, as of August 2020 the pool's AUM topped £14bn.
3. Mr Sims (Squire Patton Boggs) and the Clerk clarified that the Operator Agreement was a combination of contracts held with all 11 participating Authorities and therefore amendments would have be managed

accordingly, with formal decision-making happening at local level, subject to the proposed recommendation from the Joint Committee.

4. It was confirmed that Mr Paget would consult and update the Chair and Vice-Chair on the progress of contract negotiations and that the outcome of the negotiations and operator agreement amendments would be reported at the next meeting.

RESOLVED that;

- The report be noted;
- Progression of the amendment to the Operator Agreement relaxing the Standard & Poor's credit rating requirement of Link's Professional Indemnity and Crime Insurance Cover to A-, subject to their agreement to the incorporation of additional KPIs, be approved; and
- authority be delegated to the ASU Contracts Manager, in consultation with the ASU Director and the Chair and Vice Chair of the Joint Committee, to finalise the arrangements and make the relevant recommendations to the administering authorities in relation the Operator Agreement amendment.

216. Contract Management update - General.

(Item. 12)

RESOLVED that;

- the matters highlighted within the report, the activity that has taken place and forthcoming plans be noted.
- progression of the amendment to Schedule 4 of the Operator Agreement to incorporate specified additional KPIs, as negotiated by the Contracts Manager, be approved; and
- authority be delegated to the ASU Contract Manager, in consultation with the ASU Director and the Chair and Vice Chair of the Joint Committee, to undertake and finalise the negotiations and make the relevant recommendations to the administering authorities in relation the Operator Agreement amendment.

217. Scheduled Business As Usual (BAU) evaluation.

(Item. 13)

1. Mr Wright gave a presentation to the Joint Committee to introduce the work undertaken as part of the review. It was highlighted that the Committee would receive further reports at future meetings as the review progressed.

RESOLVED that;

- the report be noted;
- the progression of further scoping work and options analysis to support the review be approved.

218. Risk Register.
(Item. 14)

1. Mr McDonald provided an overview of the Risk Register.

RESOLVED that the report be noted.

219. Link Presentation (to follow).
(Item. 15)

Karl Midl, James Zealander and Richard Thornton from Link Fund Solutions were present for this item.

1. Mr Midl provided a verbal update on the Woodford matter. He advised that no timeline was available on the conclusion of the FCA investigation.
2. Mr Midl and Mr Zealander delivered a presentation and focused on Operator Services, divided into: appointing and overseeing Investment Managers, Monitoring Investments, Overseeing Administrators and the benefits of the Authorised Contractual Scheme (ACS) structure over other structures.

RESOLVED that the presentation be noted.



ACCESS JOINT COMMITTEE

MINUTES of a meeting of the ACCESS Joint Committee held virtually on Thursday, 12th November, 2020.

PRESENT: Cllr Mark Kemp-Gee - Chair (Hampshire CC), Cllr Susan Barker - Vice-Chair (Essex CC), Cllr Vanessa Churchman (Isle of Wight), Cllr Jonathan Ekins (Northamptonshire CC), Cllr Gerrard Fox (East Sussex CC), Cllr Terry Rogers (Cambridgeshire CC), Cllr Judy Oliver (Norfolk CC), Cllr Ralph Sangster (Hertfordshire CC), Cllr Charlie Simkins (Kent CC) and Cllr Karen Soons (Suffolk CC).

ALSO PRESENT: Kevin McDonald (ASU), Mark Paget (ASU), Dawn Butler (ASU), Clifford Sims (Squire Patton Boggs) and John Wright (Hymans Robertson)

OFFICERS: Andrew Boutflower (Hampshire), Glenn Cossey (Norfolk), Jody Evans (Essex), Paul Finbow (Suffolk), Sian Kunert (East Sussex), Alison Mings (Kent), Sharon Tan (Suffolk), Jo Thistlewood (Isle of Wight), Patrick Towey (Hertfordshire), Paul Tysoe (Cambridgeshire), Mark Whitby (Northamptonshire), Rachel Wood (West Sussex), and Joel Cook (Kent - Clerk).

UNRESTRICTED ITEMS

220. Apologies/Substitutes.
(Item. 1)

1. Apologies were received from Cllr Adrian Axford (Isle of Wight) and Cllr Jeremy Hunt (West Sussex). Cllr Vanessa Churchman substituted for Cllr Axford.

RESOLVED that the apologies and substitutes be noted.

221. Declaration of interests in items on the agenda.
(Item. 2)

1. No declarations of interest were made.

222. Chair's remarks.
(Item. 3)

1. The Chair confirmed that interviews for Communications/public relations partner had taken place on 9 November with Cllr Soons joining the Chair and Vice Chair on the panel. In thanking Cllr Soons and Cllr Barker for their involvement he highlighted that a report on the matter appeared later in the agenda.

2. The Chair assured Members that the development of new workstreams would involve the input of other members of the Joint Committee.
3. It was confirmed that training with public relations advisors would be made available to members of the Joint Committee.

RESOLVED that the Chair's remarks be noted.

223. Minutes of the meeting held on 7 September 2020.
(Item. 4)

RESOLVED that the minutes of the meeting on 7 September 2020 were a correct record and that they be signed by the Chair.

224. Business Plan.
(Item. 5)

1. Kevin McDonald (ASU Director) provided an update on the Business Plan and Risk Register. He confirmed that further budget information would be made available at the Joint Committee's January meeting. Mr McDonald stated that the risk profile remained unchanged, though assured Members that the profile was under constant review.
2. Mr McDonald outlined developments which had occurred since the publication of the agenda. He introduced a proposal which had been received from the Border to Coast Pensions Partnership pool, to commission research into the performance, structure and use of overseas pension pools. Mr McDonald noted that the proposal had been made due to the maturity of many overseas pools in comparison to those within the UK and that a majority consensus had been received from other pools within England and Wales to commission the research. In regard of timescale Mr McDonald estimated that the project from commissioning to completion would be 6 months.
3. Mr McDonald advised that the total cost implication for the ACCESS pool had been estimated at £20,000.
4. Members queried the MHCLG involvement in the project and whether any risks had been identified in terms of future relationships between the Ministry and participating pools. Mr McDonald assured the Joint Committee that MHCLG would be interested in the outcome of the research and no relevant risks had been identified.

RESOLVED that the Joint Committee:

- a) note the Business Plan update;
- b) note summary Risk Register; and
- c) agree to ACCESS' involvement in the research report and the associated spend.

225. Communications.
(Item. 6)

Consideration of Item 6 was moved to after consideration of Item 7 – to allow for transition into exempt for the remainder of the meeting (Part II items as per published agenda).

1. Mr McDonald outlined the progress made regarding the public relations arrangement and engagement terms which had been formed with Bloom in conjunction with advice from Squire Patton Boggs.
2. Mr McDonald noted that Hymans Robertson had been involved in the shortlisting of service providers from Bloom's category list and had identified two potential suppliers. John Wright (Hymans Robertson) confirmed that providers had been evaluated against a service specification and weighted scoring matrix.
3. The Chair congratulated Bloom and Hymans Robertson for their involvement in the sourcing and delivery of high-quality interviews.

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 paragraphs 3 & 5 of part 1 of Schedule 12A of the Act.

The Committee moved into exempt session during consideration of Item 6.

4. Mr McDonald introduced the supplementary report and outlined the timetable of actions taken to facilitate a well governed procurement.
5. Cllr Soons informed the Joint Committee that she had asked both interviewed agencies the same set of questions and that she had been impressed with the responses of the successful candidate in terms of the depth of understanding, experience and enthusiasm. The Chair concurred with these sentiments.
6. The Chair said he would value Cllr Soons' involvement in future workshops delivered by the public relations advisors.
7. Mr McDonald highlighted the cost of the advice on a year one and two cost basis, though reminded Members that the contract was for two years.

RESOLVED that the Joint Committee:

- a) note the report;
- b) note the outcome of the procurement process; and
- c) agree the appointment of Engine MHP to provide external communications support for a period of 2 years.

226. ESG / RI Position Statement.

(Item. 7)

1. Mark Whitby (Cambridge & Northamptonshire) provided an update on ESG and RI developments. He confirmed that the task and finish group for the procurement of ESG advice had been formed and that a two-stage

procurement had been planned, which comprised the implementation of guidelines and comprehensive information reporting.

2. It was noted that the task and finish group were due to meet next on 13 November 2020.
3. Members discussed proposals for the membership of the ESG advice selection interview panel.
4. Cllr Ekins agreed to substitute for members of interview panel if required.

RESOLVED that the Joint Committee:

- a) note the content of the report; and
- b) determine that the Chair, Vice-Chair and Cllr Fox represent the Joint Committee on the selection interview panel.

227. Motion to Exclude the Press and Public.

(Item. 8)

Motion to Exclude passed during consideration of Item 6 – Communications.

228. Contract Management.

(Item. 9)

1. Mark Paget provided a verbal overview of the report and confirmed that negotiations had concluded successfully with Link regarding the addition of updated KPIs and the agreement to amend the level of Links Insurance cover.
2. Mr Paget informed the Joint Committee that a virtual Investor Day event was scheduled on 17 December between 1300-1500, that Northern Trust were been due to present and that a recording would be made available.
3. Mr Paget outlined the insurance agreement covering Link's services and confirmed that insurance advice had been provided on contractual basis.
4. Mr McDonald confirmed to the Joint Committee that the ASU had been internally audited by Essex County Council and that the results of the audit would be brought to the January committee meeting.

RESOLVED that the Joint Committee matters highlighted within the report, the activity that has taken place and forthcoming plans be noted.

229. Sub-fund Implementation.

(Item. 10)

1. Andrew Boutflower (Hampshire) updated the Joint Committee on the launch of the ACS investment sub-funds. He affirmed that the launch had to that point progressed as planned. The different tranches and progress of each individual sub-fund were outlined to Members.

2. It was confirmed that the agreement of all ACCESS member authorities had been required to launch the sub-funds.
3. Mr McDonald agreed to circulate figures with the Joint Committee subsequent to the launch of the sub-funds.
4. Planned sub-funds were highlighted.

RESOLVED that the Joint Committee note the progress in launching the ACS investment sub-funds.

230. ACCESS illiquid asset pooling approach.
(Item. 11)

Sam Gervaise-Jones of bFinance was in attendance for this item.

1. Alex Younger (Norfolk) provided a verbal overview of the illiquid asset pooling approach report. Real estate, private equity, private debt and infrastructure were highlighted as the primary categories of illiquid asset held by member authorities, Mr Younger stressed that these assets were long term investments.
2. Mr Younger confirmed that future new money investments in illiquid assets would be pooled and that it was economically inefficient to transfer or sell long term private market assets at the time of the meeting.
3. Sam Gervaise-Jones (bFinance) gave a summary of bFinance's engagement with member authorities. He noted that different approaches were required across each asset class. Mr Gervaise-Jones recommended the use of an Implementation Advisor and Allocator to consult and assist member authorities in the creation of common definitions for asset types and further private equity partnerships. He outlined the advantages an Allocator would have for the pool within the field of global real estate investment.
4. Mr Gervaise-Jones reassured the Joint Committee that investments were still able to be multi-classed and that there was no need to tightly define all illiquid assets during phase one.
5. Mr McDonald outlined the timeline for phase one of the illiquid asset pooling approach project and noted that the proposed developments were to be taken to Section 151 Officers prior to further consideration from the Joint Committee at its January meeting.

RESOLVED that the Joint Committee note the report.

231. Fiduciary Duties - Q&A update.
(Item. 12)

1. Clifford Sims (Squire Patton Boggs – Legal Advisor) provided a verbal update and overview of the report, which outlined the Q&A document produced by Norfolk County Council. He confirmed that contact had been made with the LGA on behalf of the Scheme Advisory Board.
2. Mr Sims suggested that further legal comments be presented at a subsequent Joint Committee meeting, in order that legal advice be consolidated and exhaustive.
3. It was confirmed that the draft document could be shared with ACCESS authority pension committees on a confidential basis as the document was still subject to further legal expert review.

RESOLVED that the Joint Committee note the report and thanked Norfolk County Council for developing and sharing the Q&A document.

From: Chairman – Pensions Board
To: Superannuation Fund Committee – 12 March 2021
Subject: REPORT ON THE PENSIONS BOARD MEETING
ON 12 February 2021
Classification: Unrestricted

Summary:

To report on the matters discussed at the board meeting.

Recommendation:

The Committee is recommended to note this report.

FOR INFORMATION

1. Introduction

The Pensions Board met on Friday 12 February 2021 which was held to provide Members with an update on recent activity and providing them with the opportunity to ask questions of officers. The Chairman welcomed Ms A van Bochove Allen of Barnet Waddingham and Mr Simkins to the meeting. Mr Simkins provided an update to the Board on the work of the committee at the end of the meeting. The Board received reports on the following matters.

- Internal Audit Action Plan Update - verbal
- Pension Fund Business Plan
- Pensions Administration
- Fund Employer and Governance Matters
- ACCESS Pool Update
- Superannuation Fund Committee Update
- Training Update - verbal
- Pension Fund Risk Register

Members discussed the reports as follows and noted the updates.

2. Internal Audit Plan Update - verbal

The board received an update from Mrs Mings who advised that the governance and financial function reviews were progressing well. Ms van Bochove Allen from Barnett Waddingham had attended committee meetings as well as attending this

meeting to observe how they worked together. The Barnett Waddingham review is due to end late March/early April and a report will be presented to the board and Governance & Audit Committee when completed.

3. Pension Fund Business Plan

Mrs Mings introduced the report and highlighted the impact on the business plan of the McCloud judgment and the exit cap. The board was advised that the completion of accounts had been delayed and costs had been higher due to work on the EDP programme. However, the increase had been offset by savings elsewhere.

Mrs Mings responded to comments and questions from the board including the level of legal fees for next year, and explained that they related mostly to increased employer matters but that the estimate stated in the business plan was a reasonable forecast. In addition, the level of legal fees was not something the County Council could control as it had an obligation to bear certain costs when any new employer joined the scheme.

When asked about resources needed to support the committee's RI programme, Mrs Mings responded that, as the work had only just started, the workload and resource impact of it were not yet clear.

4. Pensions Administration

Mrs Cheatle introduced the report and highlighted key issues affecting the team. This included difficulty experienced in setting up the staff with IT equipment and licenses and other challenges for staff working from home. However, all ABIs had been issued successfully by the end of August as usual.

Mrs Cheatle responded to comments and questions from the board including having to deal with equipment that was quite old and did not always work. The Chairman undertook to advise Mr Oakford, Cabinet Member for Finance, Corporate and Traded Services, of the IT issues.

Mrs Cheatle responded to a question on the backlog of cases which were being addressed by ITM, the company engaged to tackle the problem, and was confident that they would be able to complete the task by the end of January 2022.

Considering the pressures surrounding the McCloud judgement, the exit cap and the impact of Covid-19, the performance figures were good when compared to the previous four years.

The Chairman thanked Mrs Cheatle and her team for their continued excellent standard and level of work through a very difficult and challenging time.

5. Fund Employer and Governance Matters

Mrs Mings introduced the report and highlighted the impact of the McCloud judgement, the exit cap, and Covid-19 on the ability of some employers,

especially some in the leisure industry to pay contributions. Mr Tagg advised that the numbers struggling were very low and delays were only of a few days.

Mrs Cheatle responded to comments and questions regarding the legal implications of the new exit cap of £95K on the amount an employer could pay an employee on retirement or redundancy. However, as some local authorities had sought judicial reviews, until these have been resolved no final ruling has yet been made and the Ombudsman would not consider any cases until after a judgment had been made on the current judicial reviews.

Responding to a communications question, Mrs Cheatle assured the Board that information was available on the pensions website but that employers were responsible to make their staff aware of the new cap and its implications. Mrs Cheatle also confirmed that so far there have been no cases in Kent in which the cap would need to be applied.

6. ACCESS update

Mrs Mings and Mr Simkins introduced the report, and the board was advised that two additional staff members were being recruited to assist with the ASU work.

Asked about the timeframe for the RI work, Mrs Mings advised that the timeframe was not yet clear, the work complex and could take a considerable length of time.

The meeting then moved in to closed session to discuss exempt items.

7. Superannuation Fund Committee update

Mrs Mings and Mr Simkins introduced the report and advised the Board on the work being carried out by working groups on EDP and RI in relation to the investment strategy.

8. Training update – verbal

Mrs A van Bochove-Allen gave an update on the training delivery to the committee and board members on 5 February and set out plans for future training.

9. Pension Fund Risk Register

Mrs Surana introduced the report and responded to questions about the process for preparing and updating of the risk register.

The Chairman thanked all present and their teams for the excellent work they have been doing in extremely difficult and challenging times.

Margaret Crabtree
Chairman, Pensions Board

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From: Chairman Superannuation Fund Committee
Corporate Director of Finance

To: Superannuation Fund Committee – 12 March 2021

Subject: Fund Position

Classification: Unrestricted

Summary:

To provide a summary of the Fund's asset allocation and performance.

Recommendation:

The Committee to note the Fund's asset allocation and performance as at 31 December 2020

FOR INFORMATION

1. Introduction

- 1.1 This report provides an update on the asset allocation and manager performance.
- 1.2 A copy of the Fund Position Statement is at appendix 1

2. Asset Allocation

- 2.1 As at 31 December 2020 the Fund's value was £7.381bn, an increase of £552m over the quarter and table 1 below compares the actual asset allocation at 31 December 2020 to that set out in the Fund's Investment Strategy.

Table 1 asset allocation

Asset Class	Value £m	Actual %	Benchmark %	Over / Under weight %
UK Equity	1,342	18.2	23.5	-5.3
Global Equity*	3,340	45.2	32	13.2
Fixed Income	948	12.8	15	-2.2
Private Equity	181	2.4	4	-1.6
Infrastructure	67	0.9	3.5	-2.6
Property	737	10.0	13	-3.0
Absolute Return	530	7.2	8	-0.8
Cash	237	3.2	1	2.2
Total	7,381	100	100	

- 2.2 The Fund has risen in value by £552m in the quarter, an appreciation of 8.4%. The quarter saw continued growth in the Fund's global equities as well as a rebound in UK equities on the back of prospects of a Brexit deal and the announcement of a vaccine programme roll out.
- 2.3 With the help of Mercer, the fund's investment consultants, the Committee appointed Insight to implement an equity downside protection (EDP) programme initially to cover global equities only. Passive equities managed by UBS were sold to release cash for collateral for the EDP and the passive exposure was synthetically created. The EDP was put in place in December in three tranches.
- 2.4 Through the synthetic equity the Fund continues to have the same exposure to UK and Global equities as in the UBS passive funds, and taking that into account, the current total equity allocation of the Fund is 63%.
- 2.5 As a result of the more than proportionate growth in equities all other asset classes other than private equity have fallen further below their benchmark allocation. During the quarter there were significant drawdowns paid to the Harbourvest Funds which have helped raise the Fund's allocation to private equity.
- 2.6 During the quarter, a sum of £6.44m was received from Link as part of the Woodford fund's capital redemption programme. The Fund also received several distributions from older vintages of the Infrastructure and Private Equity funds.
- 2.7 Cash held internally and by fund managers remains high at 3.2% of the fund compared to a benchmark allocation of 1%

3. Investment performance quarter to 31 December 2020

- 3.1 The quarter saw strong returns for equities particularly the UK equities which were earlier lagging due to the uncertainty caused by the pandemic / Brexit. The Fund's active managers outperformed their benchmarks, particularly significantly in the global equities space.
- 3.2 Returns for all asset classes were positive and the Fund's managers outperformed in all cases except in the case of property assets. Overall, the Fund's investments returned 8.42% in the December quarter compared with a benchmark return of 6.13%.
- 3.3 Besides growth stocks, value as well as cyclical stocks rebounded and helped drive strong growth in all the mandates, particularly the M&G global dividend fund, Schroders GAV and UK equities funds, and Impax. The multi asset credit (MAC) strategies managed by M&G and CQS also performed significantly above their benchmarks helped by the risk-on environment.
- 3.4 Private equity valuations recovered during the quarter and contributed to the good performance. Early stage investments in the new Partners Group 2018 fund continued the lag in performance.
- 3.5 Industrial property has continued to perform exceptionally strongly on the back of a huge surge in online sales and home deliveries during the pandemic. In all other sectors further lockdowns have affected valuations as well as rent collections which have detracted returns.

- 3.6 The DTZ property portfolio is independently valued by Colliers on an annual basis. The property valuations in the above chart do not include a subsequent revaluation uplift of £29m which takes the 1 year returns into positive territory at 1.2%.
- 3.7 Returns achieved by the Absolute Return portfolios remained positive and above benchmark but Ruffer produced a significant outperformance due to its dynamic asset allocation and management.

4. Longer term investment returns

- 4.1 Over the longer term the Fund has performed ahead of benchmark.
- 4.2 The 1-year performance is 11.74% vs the benchmark of 2.48% and the Fund's improved returns reflect the continued recovery of the market in the December quarter but crucially the significant outperformance by managers. For the 3-year period the Fund's return was 7.57% pa against the benchmark of 4.69% pa.
- 4.3 The main drivers of the long-term growth have been global equities notably the Baillie Gifford (BG) fund which returned 58% and 26% in the 1 year and 3-year periods. The BG fund is now close to £2bn in value and makes up a significant portion of the Kent Fund. During the year, it has benefitted from its holdings of technology stocks which have done particularly well in the pandemic.
- 4.4 UK equity values have generally lagged over the last few years due to Brexit uncertainties and have still not recovered to the valuations of last December. However Schroders' active management of the Fund's large UK equity portfolio has mitigated some of the losses.
- 4.5 The intermittent lockdowns and forfeiture moratoriums on rent collections during the pandemic has affected property assets. Property valuations are still to recover to last December levels although the 3-year returns are positive. It remains a challenging time for the asset class as it goes through structural changes and continued lockdown in the economy.
- 4.6 3 year returns of private equity and infrastructure assets remain positive albeit the 1 year returns are mixed due to the timing of the valuations of the underlying assets during the pandemic.

Alison Mings, Acting Business Partner – Kent Pension Fund

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November 2020

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FUND POSITION STATEMENT

Summary of Fund Asset Allocation and Performance

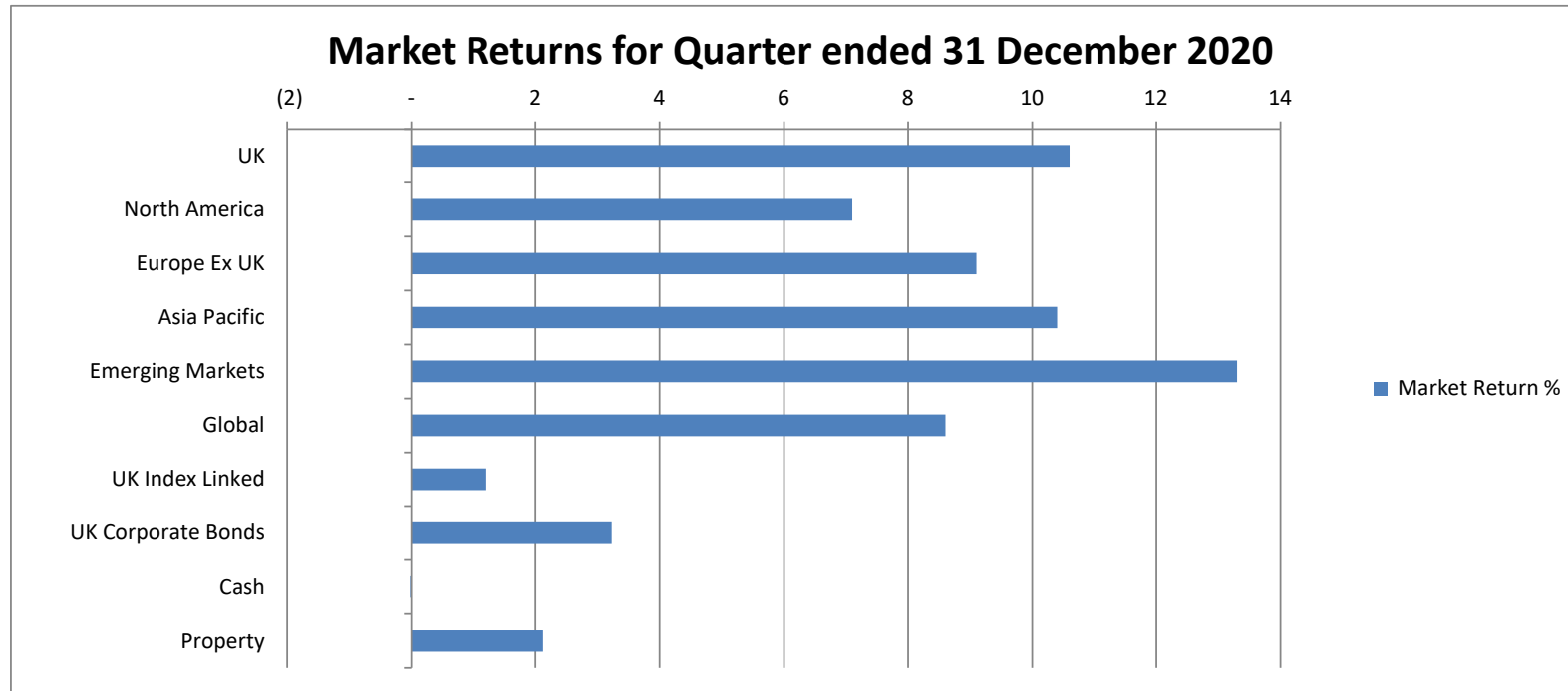
Superannuation Fund Committee

By: Chairman Superannuation Fund Committee
Corporate Director of Finance

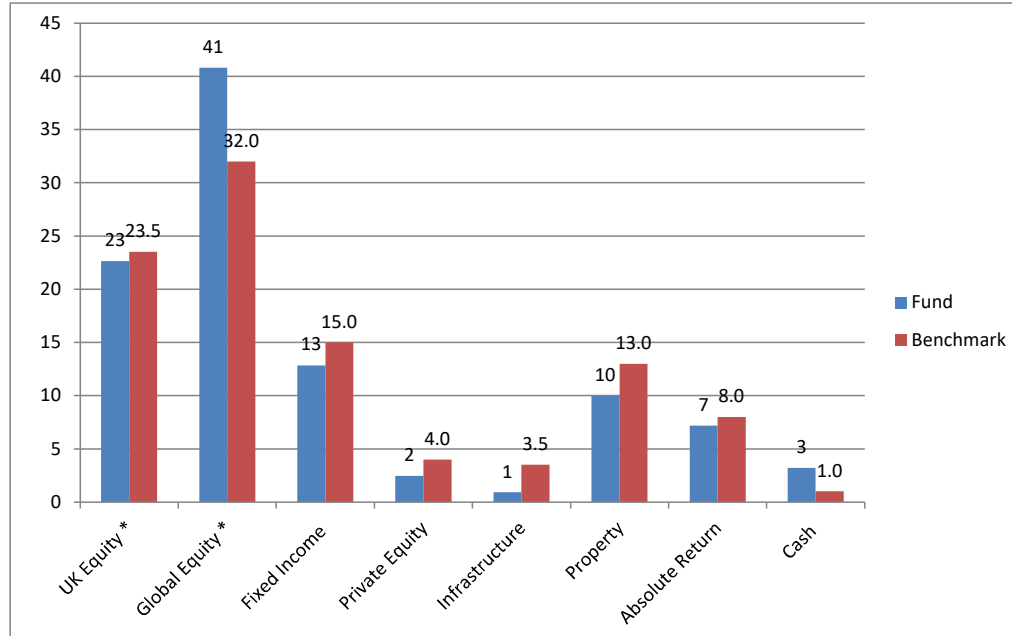


Kent County Council
Superannuation Fund Q3 2020-21
Alison Mings- Acting Business Partner -
Kent Pension Fund

Market Returns for Quarter ended 31 December 2020



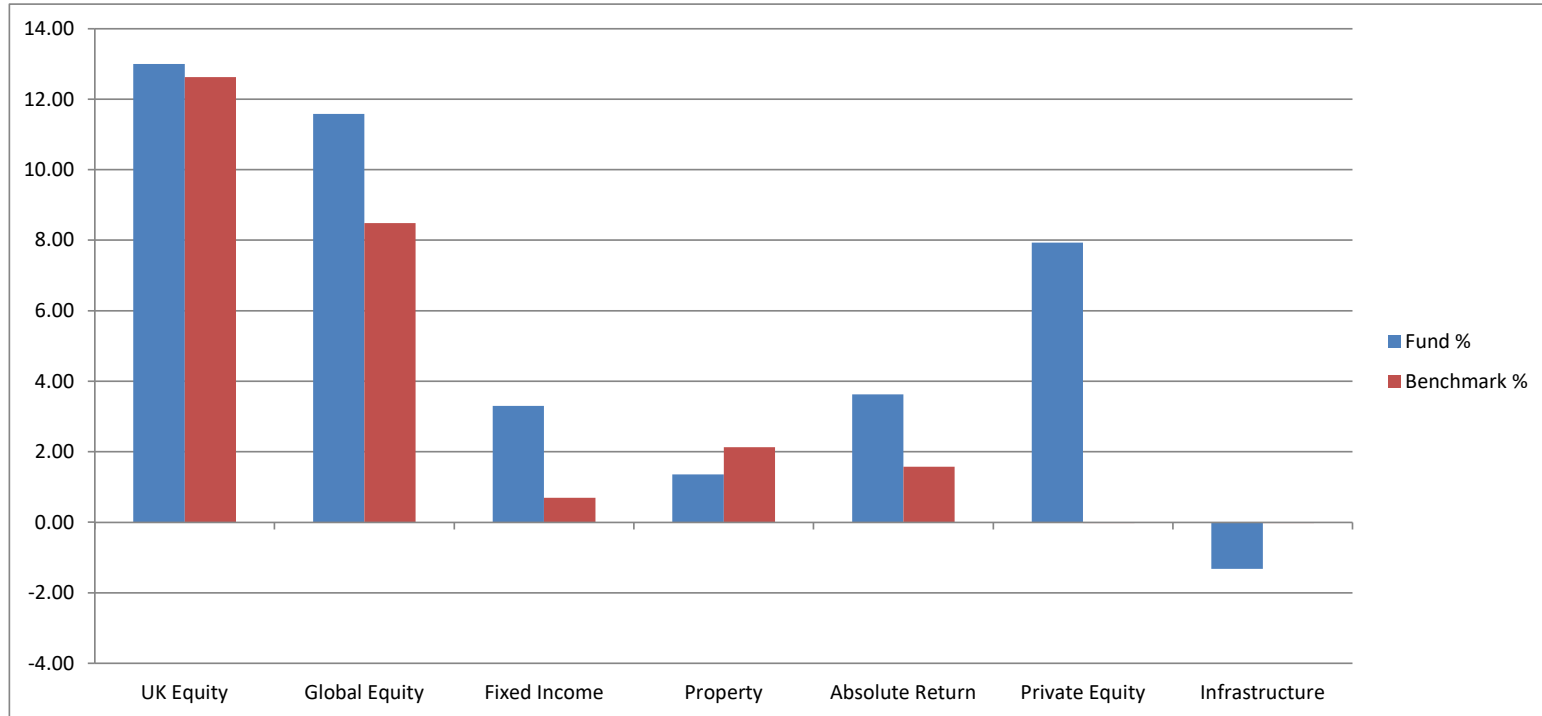
Fund Asset Allocation vs Benchmark as at 31 December 2020



Asset Class	Fund		Benchmark	Over / (under) weight
	£m	%	%	%
UK Equity *	1,671	22.6	23.5	-0.9
Global Equity *	3,011	40.8	32	8.8
Fixed Income	948	12.8	15	-2.2
Private Equity	181	2.4	4	-1.6
Infrastructure	67	0.9	3.5	-2.6
Property	737	10.0	13	-3.0
Absolute Return	530	7.2	8	-0.8
Cash	237	3.2	1	2.2
Total	7,381	100	100	

* Our synthetic equity exposure with Insight is included in UK and Global Equities

Fund Asset Class Performance for Quarter ending 31 December 2020



Asset Class	Fund %	Benchmark %	Outperformance %
UK Equity	12.99	12.62	0.37
Global Equity	11.58	8.49	3.09
Fixed Income	3.30	0.69	2.61
Property	1.35	2.12	-0.77
Absolute Return	3.63	1.58	2.05
Private Equity	7.93	-0.02	7.95
Infrastructure	-1.32	-0.02	-1.30

Market Value Summary by Fund Manager as at 31 December 2020

Fund Manager	Asset Class	Market Value as at 30 September 2020 (£m)	Market Value as at 31 December 2020 (£m)	Change in Market Value (£m)	% of Total Fund 31 December 2020
Baillie Gifford - LF ACCESS Global Equity Core Fund	Global Equity	1,655	1,865	210	25.3%
Schroders - LF ACCESS UK Equity Fund	UK Equity	871	981	110	13.3%
Insight	Equity Protection Program	0	686	686	9.3%
DTZ	Direct Property	456	460	4	6.2%
Pyrford	Absolute Return	434	448	13	6.1%
M&G - LF ACCESS Global Dividend Fund	Global Equity	368	429	61	5.8%
Goldman Sachs	Fixed Interest	408	420	12	5.7%
UBS Global **	Global Equity	361	0	-361	0.0%
Sarasin	Global Equity	306	342	36	4.6%
UBS UK **	UK Equity	294	0	-294	0.0%
Schroders GAV - LF ACCESS Global Active Value Fund*	Global Equity	285	317	32	4.3%
Schroders	Fixed Interest	243	248	5	3.4%
M&G Alpha Opportunities	Fixed Interest	153	160	6	2.2%
CQS	Fixed Interest	147	155	8	2.1%
Harbourvest	Private Equity	113	138	25	1.9%
Fidelity	Pooled Property	128	130	1	1.8%
Ruffer - LF ACCESS Absolute Return Fund	Absolute Return	77	82	5	1.1%
Impax Environmental Markets	Global Equity	58	68	10	0.9%
Partners	Infrastructure	71	67	-3	0.9%
M&G Residential Property	Pooled Property	65	65	0	0.9%
Kames	Pooled Property	43	43	0	0.6%
YFM	Private Equity	38	42	4	0.6%
DTZ Pooled Funds	Pooled Property	39	39	0	0.5%
Woodford	UK Equity	19	12	-7	0.2%
UBS Emerging Markets **	Global Equity	16	0	-16	0.0%
Internally managed cash	Cash	179	181	2	2.5%
Total Kent Fund		6,542	7,381	550	100.0%

Total investments in ACCESS pooled funds

3,643

3,675

Percentage of the total Fund ***

56%

50%

* Schroders GAV transferred to the ACCESS platform during the quarter

** All passive equity mandates with UBS were liquidated during the quarter to fund the Equity Protection Program with Insight.

*** % of total pooled funds has declined due to sale of UBS passive equities

Performance Returns as at 31 December 2020

	Quarter		1 Year		3 Year (p.a.)	
	Fund	Benchmark	Fund	Benchmark	Fund	Benchmark
Total Fund	8.42	6.13	11.74	2.48	7.57	4.69
UK Equity						
Schroders - LF ACCESS UK Equity Fund	12.61	12.17	-6.75	-11.78	0.66	-1.84
Woodford	-2.32	12.62	-26.97	-9.82	-21.81	-0.91
Global Equity						
Baillie Gifford - LF ACCESS Global Equity Core Fund	12.72	9.25	57.98	9.26	26.04	7.36
Sarasin	11.84	8.46	16.20	12.67	12.78	9.68
Schroders - LF ACCESS Global Active Value Fund	11.93	8.46	1.15	12.67	2.75	9.68
Impax	18.12	8.46	26.33	12.67	13.46	9.68
M&G - LF ACCESS Global Dividend Fund	16.60	8.46	11.14	12.67	7.67	9.68
Fixed Interest						
Goldman Sachs	3.02	0.86	3.97	3.50	4.22	3.50
Schroders Fixed Interest	1.95	0.02	-1.67	0.62	0.47	0.83
CQS	5.41	1.00	--	--	--	--
M&G Alpha Opportunities	4.15	1.00	--	--	--	--
Property						
DTZ	1.64	2.12	-1.08	-0.82	3.11	2.84
Fidelity	3.00	2.10	-1.10	-1.05	3.30	2.32
Kames	0.88	2.10	-4.61	-1.05	1.89	2.32
M&G Property	0.03	2.10	0.37	-1.05	1.84	2.32
Private Equity						
Harbourvest	6.69	-0.02	20.39	0.07	19.18	0.37
YFM	11.45	-0.02	1.67	0.07	18.96	0.37
Infrastructure						
Partners	-1.32	-0.02	-4.87	0.07	2.06	0.37
Absolute Return						
Pyrford	3.09	1.58	2.69	6.20	2.33	7.03
Ruffer - LF ACCESS Absolute Return Fund	6.63	1.58	14.86	6.20	--	--

* All Investments with UBS were sold during the quarter, therefore no quarterly performance data available

Fund Manager Benchmarks and Performance Targets

Asset Class / Manager	Performance Benchmark	Performance Target
UK Equities:		
Schroders - LF ACCESS UK Equity Fund	Customised	+1.5% pa over rolling 3 years
Woodford	FTSE All Share	Unconstrained
Global Equities:		
Baillie Gifford - LF ACCESS Global Equity Core Fund	Customised	+1.5% pa over rolling 3 years
Sarasin	MSCI AC World Index NDR	+2.5% over rolling 3 - 5 years
M&G - LF ACCESS Global Dividend Fund	MSCI AC World Index GDR	+3% pa
Schroders - LF ACCESS Global Active Value Fund	MSCI AC World Index NDR	+3% - 4% pa over rolling 3 years
Impax	MSCI AC World Index NDR	+2% pa over rolling 3 years
Fixed Income:		
Schroders Fixed Interest	3 months Sterling Libor	+4% pa over a full market cycle
Goldman Sachs	+3.5% Absolute	+6% Absolute
CQS	Libor + 4%	
M&G Alpha Opportunities	Libor + 4%	
Property:		
DTZ	IPD Pension Fund Index	≥ 3 year rolling average of benchmark returns
Fidelity	IPD UK PF Property Fund Index	
Kames	IPD UK PF Property Fund Index	
M&G Property	IPD UK PF Property Fund Index	
Alternatives: (Cash / Other Assets)		
Private Equity – YFM	GBP 7 Day LIBID	
Private Equity – HarbourVest	GBP 7 Day LIBID	
Infrastructure – Partners Group	GBP 7 Day LIBID	
Absolute Return – Pyrford	Retail Price Index (RPI)	RPI + 5%
Ruffer - LF ACCESS Absolute Return Fund	Retail Price Index (RPI)	
Internally managed cash – KCC Treasury and Investments team	GBP 7 Day LIBID	

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
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Agenda Item 14

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Agenda Item 17

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