

KENT COUNTY COUNCIL

SUPERANNUATION FUND COMMITTEE

MINUTES of a meeting of the Superannuation Fund Committee held in the Medway Room, Sessions House, County Hall, Maidstone on Friday, 6 February 2015.

PRESENT: Mr J E Scholes (Chairman), Mr D S Daley (Vice-Chairman), Cllr J Burden, Mr A D Crowther, Mr D Coupland, Mr J A Davies, Ms J De Rochefort, Cllr N Eden-Green, Mr B E MacDowall, Mr T A Maddison, Mr R A Marsh, Mr R J Parry, Mr S Richards, Mr C Simkins and Cllr L Wicks.

ALSO PRESENT: Miss S J Carey

IN ATTENDANCE: Ms D Fitch (Democratic Services Manager (Council)), Ms A Mings (Treasury & Investments Manager), Ms S Surana (Senior Accountant - Investments), Mr S Tagg (Senior Accountant Pension Fund) and Mr N Vickers (Head of Financial Services).

UNRESTRICTED ITEMS

99. Minutes of the meetings held on 7 and 14 November 2014
(Item A3)

Mr Simkins informed the Committee that he had visited Councillor Clokie, who had been taken seriously ill before Christmas. He stated that Councillor Clokie was recuperating at home and was expected to make a full recovery. The Committee asked that their best wishes be sent to Councillor Clokie.

RESOLVED that the minutes of the meetings held on 7 and 14 November 2014 are correctly recorded and that they be signed as a correct record.

100. Motion to exclude the Press and Public
(Item A4)

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

101. Pyrford
(Item B1)

((Mr Cousins and Mr Nielsen of Pyrford were present for this item and then withdrew from the meeting.))

(1) The Committee received a presentation by Mr Cousins and Mr Nielsen on Pyrford's global absolute return strategy with particular emphasis on the performance of KCC's investment in Pyrford's global total return fund. Mr Cousins and Mr Nielsen answered questions from Committee Members.

(2) RESOLVED that the presentation be noted.

102. Schroder Investment Management Fixed Income
(Item B2)

Mr Cauberghs and Mr Day were present for this item and then withdrew from the meeting.)

(1) Mr Cauberghs and Mr Day gave a presentation on the fixed income market including the challenges and potential yields. Mr Cauberghs answered questions from Members on the presentation. The Chairman thanked Mr Cauberghs and Mr Day and stated that the Committee were open to proposals from them regarding the way in which the Fund's investment be split between their strategic bond fund and their Sterling Broad Market Bond Fund.

(2) RESOLVED that the presentation be noted.

103. Investment Manager Monitoring and Strategy
(Item B3)

(1) Mr Vickers introduced a report which had provided the background to the presentations from Pyrford and Schroders. The report also set out the key points from a discussion with Hymans Robertson which provided some background to the consideration at the next meeting of a paper on investment strategy issues. Members agreed that they do not wish to pursue any of the options put forward by Hymans Robertson and that they should be informed of this and will not be asked to attend the next meeting of the Committee.

(2) RESOLVED that the report be noted.

UNRESTRICTED ITEMS

(During these items the meeting was open to the public)

104. Pension Board
(Item C1)

(1) Mr Vickers introduced a report which set out proposals for the establishment of a Pensions Board, under the Public Services Pension Act 2013. The report also requested the Committee to consider the status of the co-optees on the Superannuation Fund Committee and whether they wished to make any amendments to them.

(2) Members discussed the draft consultation document setting out proposals for the establishment of a Pension Board. The following points were made;

- Mr Vickers emphasised that the Pension Board will not have a scrutiny function, it's role was to fulfil the requirements of the Pensions Regulator.
- In relation to the proposal that the term of office of members of the Pension Board be four years with no provision for substitutes, it was suggested that this could be problematic for the Trade Union representative in particular.

- Mr Vickers confirmed that the Pensions Board would have no remit to consider grievances in relation to the Local Government Pension Scheme, it was a regulatory board with a narrow remit set out in the legislation.
- Mr Vickers undertook to clarify in the draft consultation document that travel expenses only were payable to members of the Pensions Board.

(3) In relation to the co-optees on this Committee, Members discussed the three issues, i.e. the number of District Council co-optees and the method of appointing them, whether the representative from Medway Council should have voting rights and whether representation from Kent Active Retired Fellowship (KARF), the trade union and staff should continue or whether this was more appropriate for the Pension Board.

(4) Ms Fitch confirmed that it was for the Committee to consider whether it wished to continue to have three District Council co-optees on this Committee. In light of the upcoming District Council elections in May 2015 it was timely to look at a more sustainable method of appointing these representatives, other than via the current 3 largest political groups across districts.

(5) Councillor Burden offered to seek the views of the Kent Leaders Group on the way in which the District Council representatives on this Committee should be appointed and whether there should continue to be three representatives.

(6) In relation to the non-voting status of the Medway Council co-optee on the Committee, Councillor Wicks expressed the view that this was an inconsistency that needed be addressed at the first appropriate opportunity.

(7) It was suggested that the matter of the co-optee membership on the Committee could wait and be addressed prior to the 2017 KCC elections. However, in view of the May 2015 District and Medway Council elections a number of members of the Committee considered that this matter needed to be addressed as soon as possible after the 2015 elections.

(8) RESOLVED that:

(a) the consultation document (Appendix 1 to the report) and the process for establishing the Pension Board as set out in paragraph 23 of the report be approved and that the results of the consultation be submitted to the meeting of this Committee on 20 March 2015 for endorsement prior to submission to County Council for approval on 21 May 2015; and

(b) in relation to the District and Medway Councils co-opted members of the Superannuation Fund Committee a report be submitted to this Committee at its meeting on 26 June 2015 and any recommendations to amend the co-optees on this Committee be submitted to the Selection and Member Services Committee for approval.

105. Admissions to the Fund *(Item C2)*

(1) Mr Tagg introduced the report on an application to join the Pension Fund, a name change and updated the Committee on a number of current employer related matters. Mr Tagg, Mr Vickers and Mrs Mings answered some questions of clarification from Members.

- (2) RESOLVED that
- a) the admission to the Kent County Council Pension Fund of Westgate Community Trust (Canterbury) Limited be approved; and
 - b) that an amended legal agreement can be entered into with Avante Care and Support Limited; and
 - c) to note the update on current employer related matters; and
 - d) the Chairman sign the minutes of today's meeting relating to recommendation (a) above at the end of today's meeting; and
 - e) once legal agreements have been prepared for a) and b) above, the Kent County Council seal be affixed to the legal documents.

106. Date of next meeting - 20 March 2015
(Item C3)