

KENT COUNTY COUNCIL

SUPERANNUATION FUND COMMITTEE

MINUTES of a meeting of the Superannuation Fund Committee held in the Medway Room - Sessions House on Friday, 23 March 2018.

PRESENT: Mr C Simkins (Chairman), Mr P V Barrington-King, Mr P Bartlett, Cllr J Burden, Cllr P Clokie, OBE, Mr P C Cooper, Mr D Coupland, Mr D S Daley, Cllr N Eden-Green, Mr P J Homewood, Mr J P McInroy, Mr J Parsons, Cllr L Wicks, Mrs M Wiggins and Mr J Wright.

ALSO PRESENT: Mr J D Simmonds, MBE

IN ATTENDANCE: Ms D Fitch (Democratic Services Manager (Council)), Mrs A Mings (Treasury and Investments Manager), Mr N Vickers (Business Partner (Pension Fund)) and Mr A Wood (Corporate Director of Finance).

UNRESTRICTED ITEMS

50. Membership

The Committee noted that Mrs Sophy Lysaght, the Union representative on the Committee, had been replaced by Mr Joe Parsons. The Chairman welcomed Mr Parsons to the meeting and expressed thanks to Mrs Lysaght for her contribution to the work of the Committee.

51. Declarations of Interests by Members in items on the Agenda for this meeting. *(Item A2)*

None

52. Minutes of the meeting held on 9 February 2018 *(Item A3)*

RESOLVED that the minutes of the meeting held on 9 February 2018 are correctly recorded and that they be signed by the Chairman.

53. 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.

54. Woodford Investors *(Item B1)*

(Mr Deer joined the meeting for this item.)

(1) The Chairman welcomed Mr Deer to the meeting and invited him to report the performance of the Kent Pension Fund's investment in the Woodford Fund. He answered questions from Committee members on the performance of Fund.

(2) RESOLVED that the presentation and the responses to the Committee's questions be noted.

(Mr Deer left the meeting after this item.)

55. YFM Private Equity

(Item B2)

(Mr Canning and Mr White joined the meeting for this item.)

(1) The Chairman welcomed Mr Canning and Mr White to the meeting. He invited them to present their report on the current investments by the Kent Pension Fund. They also gave details of a proposal for further investment in a new Fund. They answered questions from Committee members on the current Pension Fund investment and the investment proposal.

(2) RESOLVED that the presentation and the responses to the Committee's questions be noted.

(Mr Canning and Mr White left the meeting after this item.)

56. Fund Structure

(Item B3)

(1) Mr Vickers introduced a report on commercially sensitive matters relating to the structure and management of the Fund, which included the Woodford Fund, YFM Equity Partners and DTZ UK Commercial Property.

(2) Mr Vickers reminded the Committee that managers from Harbourvest and Partners would be attending the June meeting of the Committee and he undertook to arrange informal briefing sessions for members of the Committee in advance of the June meeting.

(3) RESOLVED that:

(a) the Woodford UK Equity mandate be retained but that this decision be reviewed at the November meeting of the Committee when Mr Woodford would be requested to attend to provide a presentation on the mandate and answer questions from the Committee.

(b) the Corporate Director of Finance, in consultation with the Chairman of the Committee, be delegated authority to invest an additional £10m in the YFM EP Co-Invest 2018 Fund and £20m in the proposed YFM EP 2019 Fund, subject to the satisfactory outcome of negotiations on the fee structure.

(c) the update on DTZ Investment Management be noted.

57. Investment Strategy

(Item B4)

(1) Mr Vickers introduced the recommendations of the Mercer review of investment strategy and the proposed implementation plan.

(2) RESOLVED that:

(a) the proposed approach to decision making and implementation of the recommendations from the Mercer review as set out in paragraph 12 of the report, with stage 1 amended to refer to 2 Absolute Return managers, be approved.

(b) Mercer be commissioned to support the Committee over the next 15 months on the implementation of the Investment Strategy.

58. ACCESS Update

(Item B5)

(1) Mrs Mings updated the Committee on progress on pooling. The update included the work of the Joint Committee, the appointment of LiNK as the Operator, the establishment of the Authorised Contractual Scheme and set-up of sub-funds, passive mandates transition and the interim arrangements for the ACCESS Support Unit.

(2) RESOLVED that the report be noted and the Corporate Director of Finance in consultation with the Chairman of the Committee be given delegated authority to make any decisions on moving funds into the Authorised Contractual Scheme depending upon the outcomes achieved by LiNK on the fees to be paid.

UNRESTRICTED ITEMS

(meeting open to the public)

59. Fund Position Statement

(Item C1)

(1) Mr Vickers introduced a report which provided a summary of Fund asset allocation and performance including the investment return to the quarter to 31 December 2017, the one-year investment return and asset allocation. The Committee considered asset allocation.

(2) RESOLVED that no change be made to asset allocation.

60. Fund Employer Matters

(Item C2)

(1) The Committee received a report on employer related matters, a new scheduled body and applications to join the Superannuation Fund.

(2) RESOLVED that:

(a) the Marlowe Trust be admitted to the Kent County Council Superannuation Fund;

- (b) Cater Link Ltd (re Halling Primary School) be admitted to the Kent County Council Superannuation Fund;
- (c) the Chairman sign the minutes relating to recommendations (a) and (b) at the end of today's meeting; and
- (d) once legal agreements have been prepared for these matters the Kent County Council seal can be affixed to the legal documents.

61. Date of next meeting
(Item C3)

It was noted that the next meeting of the Committee would be held on 22 June 2018.