

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 September 2019.

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

ALSO PRESENT: Mr P J Oakford

IN ATTENDANCE: Ms Z Cooke (Corporate Director of Finance), Mrs A Mings (Treasury and Investments Manager), Mr N Vickers (Business Partner (Pension Fund)), Mr G Singh (Barrister), Mr B Watts (General Counsel) and Mrs A Hunter (Principal Democratic Services Officer).

UNRESTRICTED ITEMS

145. Declarations of interest by Members in items on the agenda for this meeting. *(Item 2)*

There were no declarations made at this point in the meeting. However, before the discussion of item 12 – Fund Employer Matters, Mr Barrington-King said he was in receipt of a pension from West Kent College. He remained in the meeting and took part in the discussion.

146. Minutes of the meeting held on 21 June 2019 *(Item 3)*

RESOLVED that the open minutes of the meeting held on 21 June 2019 are correctly recorded and that they be signed by the Chairman.

147. Motion to exclude the press and public *(Item 4)*

Resolved that under Section 100A of the Local Government Act 1972 the press and public be excluded from the meeting for the following business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of part 1 of Schedule 12A of the Act.

EXEMPT ITEMS

(Open minutes)

148. Schroder *(Item 5)*

Geoff Day (Client Director), Vincent Man (Solutions Manager) and Csaba Koppány (Solutions Manager) from Schrodgers were present for this item at the request of the committee.

1. The chairman welcomed Mr Day, Mr Man and Mr Koppany to the meeting and invited them to give a presentation about equity protection. Following the presentation, they answered questions raised by members of the committee.
2. Resolved that the information set out in the presentation and given in response to members' questions be noted.

149. Investment Strategy (Item 7)

Nick Page from Mercers was in attendance for this item at the request of the committee.

1. Mr Page gave a presentation on equity protection, and equity options. Following the presentation, he answered questions from the members of the committee.
2. Resolved that:
 - (a) Equity protection be investigated further with Mercers and a further report be considered at the next meeting of the committee in November 2019;
 - (b) As the equity portfolio risk review conducted by Mercers had not raised any particular concerns to review it on a six-monthly basis and to request Mercers to advise the committee of any key developments and changes identified in their regular reviews;
 - (c) Work with Mercers be undertaken to prepare a report for a future meeting on Currency Hedging.

150. Woodford Update (Item 6)

Clifford Sims and Victoria Leigh from Squire Patton Boggs were in attendance for this item at the request of the committee.

1. Mr Simkins provided an update on the suspension of the investment in the Woodford Income Fund which had been put in place on 3 June. He said that the news from Link was that the suspension of dealing was likely to last until early December. He also said the Pension Fund, as a whole, continued to perform well and value of the Fund had increased over the last three years.
2. Ms Cooke, Corporate Director of Finance, outlined the principal message of a proposed press release which was endorsed by the committee.
3. The committee received a presentation from Clifford Sims and Victoria Leigh and following the presentation, they answered members' questions.
4. Mr Simkins thanked Mr Sims and Ms Leigh for their presentation.
5. Resolved that:
 - (a) The report and presentation be noted;

- (b) Legal work should continue through the General Counsel and the Deputy Monitoring Officer.

151. ACCESS Update

(Item 8)

Alison Mings (Treasury and Investments Manager) was in attendance for this item

1. Mrs Mings introduced the report which provided an update on the progress made with pooling. She also answered members' questions.
2. Resolved that the report be noted.

UNRESTRICTED ITEMS *(meeting open to the public)*

152. Fund Position Statement

(Item 9)

1. Mr Vickers introduced the report which provided a summary of the Fund asset allocation and performance.
2. Resolved that the report be noted.

153. Superannuation Fund Report & Accounts and External Audit

(Item 10)

Alison Mings (Treasury and Investments Manager) was in attendance for this item

1. Mrs Mings introduced the report which included the annual report and accounts for the Superannuation Fund for 2018/19 and the External Audit Findings report.
2. Resolved that the:
 - (a) Superannuation Fund Annual Report be approved;
 - (b) Updated Investment Strategy Statement be approved;
 - (c) Updated Governance Compliance Statement be approved;
 - (d) Content of the 2018/19 Superannuation Fund Accounts be noted;
 - (e) Report and accounts be published to the Kent Pension Fund website;
 - (f) External auditor's Audit Findings Report be noted;
 - (g) Position with regard to Governance and Audit Committee be noted.

154. 2019-20 Pension Fund Business Plan

(Item 11)

Alison Mings (Treasury and Investments Manager) was in attendance for this item

1. Mrs Mings introduced the report which advised the Committee of the 2019-20 business plan and the related budget and risk register.
2. Resolved that:
 - (a) The 2019-20 Business Plan and related budget be noted;
 - (b) The Fund Risk Register be agreed.

155. Fund Employer Matters
(Item 12)

Alison Mings (Treasury and Investments Manager) was in attendance for this item.

1. Mr Barrington-King said he was in receipt of a pension from West Kent College. He remained in the meeting and took part in the discussion and decision-making.
2. Mrs Mings introduced the report which set out information on employer related matters, updates on Hadlow College and West Kent and Ashford College and the McCloud judgement.
3. Resolved that:
 - (a) In order to safeguard the Kent Pension Fund's interests, authority be delegated to the Corporate Director of Finance to make decisions to resolve the financial position of West Kent and Ashford College;
 - (b) The employer update be noted;
 - (c) The update on Hadlow College be noted;
 - (d) The position of West Kent and Ashford College be noted;
 - (e) The update on the McCloud judgement be noted;
 - (f) The chairman may sign the minutes relating to (a) above at the end of today's meeting.

156. Date of next meeting
(Item 13)

It was noted that the next meeting of the Committee would be held on 15 November 2019 at 10am.