



City and County of Swansea

Minutes of the **Local Pension Board**

Remotely via Microsoft Teams

Thursday, 2 December 2021 at 10.00 am

Present: Councillor A Lockyer (Chair) Presided

Employer Representatives

P K Jones

Local Pension Board Member Representatives

R Broad

I Guy

D White

Officer(s)

Jeffrey Dong	Deputy Chief Finance Officer / Deputy Section 151 Officer.
Stephanie Williams	Principal Lawyer
Karen Cobb	Senior Accountant
Jeremy Parkhouse	Democratic Services Officer

Apologies for Absence: None.

17 Disclosures of Personal and Prejudicial Interests.

In accordance with the Code of Conduct adopted by the City and County of Swansea, the following interests were declared: -

R Broad - Agenda as a whole – My sister is an employee of Neath Port Talbot County Borough Council and is a member of the Fund – personal.

I Guy – Agenda as a whole – Member of Local Government Pension Scheme and contribute towards Prudential AVC's– personal.

Councillor A Lockyer – Agenda as a whole – Member of Local Government Pension Scheme – personal. My wife and son are also Members of the Local Government Pension Scheme – personal.

Officers:

K Cobb - Agenda as a whole – Member of Local Government Pension Scheme – personal.

J Dong – Agenda as a whole – Member of Local Government Pension Scheme – personal.

S Williams – Agenda as a whole – Member of Local Government Pension Scheme – personal.

J Parkhouse – Agenda as a whole – Member of Local Government Pension Scheme – personal.

18 Minutes.

Resolved that the Minutes of the Local Pension Board meeting held on 23 September 2021 be approved and signed as a correct record.

19 ISA 260 Report. (For information)

The Deputy Chief Finance Officer / Deputy S151 Officer presented the stand-alone ISA 260 report of the External Auditor. It was highlighted that the unqualified audit report summarised the main findings from the audit of the 2020-21 accounts.

It was added that there were fewer matters to note than in previous years and clarified the issues in relation to the significant matters outlined in Exhibit 2.

The Board were also updated in respect of Prudential, the default provider of Additional Voluntary Contributions (AVC's) in Wales.

The Chair thanked the Deputy Chief Finance Officer / Deputy S151 Officer for the report and praised Karen Cobb, Senior Accountant and Finance staff for all their work.

Resolved that the Audit of Accounts Report be approved.

20 Breaches Report. (For Information)

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' report which presented any breaches which had occurred in the period in accordance with the Reporting Breaches Policy.

Appendix A provided the details of breaches that had occurred since the previous Local Pension Board in September 2021. The details of the breaches and the actions taken by Management were highlighted.

21 Policy Update - Overpayment of Pension. (For information)

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' report on the Overpayment of Pensions Policy approved by the Pension Fund Committee on 17 November 2021.

He noted that the Policy would be used as a 'good practice guide' and each case would be treated on its merits.

22 Competition & Markets Authority (CMA). (For Information)

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' report to set and monitor measurable objectives for appointed investment consultants as required by CMA requirements.

The Investment Consultants' identified objectives and their progress against the same were outlined in Appendix 1. It was added that the objectives were subject to periodic review by the Deputy Chief Finance Officer.

23 Pension Admin Update. (For information)

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' report, which was approved by the Pension Fund Committee on 17 November 2021, in accordance with statute, to update Applicable Administering Authority Discretions Policy and Pensions Administration Policy.

It was added that the Administering Authority Discretions Policy would be presented to the next meeting of the Board.

The Board noted ongoing situation regarding late payments being made by employers.

The Chair, on behalf of the Board, conveyed the thanks of the Board to the Pensions Manager and her team for all their hard work.

24 Net Zero Carbon Investment Strategy. (For information)

The Deputy Chief Finance Officer / Deputy Section 151 Officer presented a 'for information' report which considered the implications and identified the appropriate target date and methodology to achieve a carbon net zero investment portfolio in the City & County of Swansea Pension Fund.

It was added that the Pension Fund Committee had approved the following on the 17 November 2021: -

- a) A commitment to achieve a net zero carbon position in its investment portfolio by 2037;
- b) The adoption of the Fund's Responsible Investment Beliefs as outlined in Appendix 1, would underpin the Fund's actions on climate risk;
- c) The climate actions of the Fund being developed across three key areas ('3-dimensions') to give greater balance between:
 1. Carbon and other ESG metrics (both backward and forward looking).
 2. Opportunities that would benefit from the transition to a lower carbon economy.
 3. Engagement activities focussed on climate, and encouraging best practice amongst fund managers, investee companies and other investors.

The Board noted the progress made and emphasised the need for the targets set to be met. It was recognised that the progress made would place the Fund

as a UK leader, whilst continuing the obligation to its members in seeking the best possible returns.

25 Exclusion of the Public.

The Board were requested to exclude the public from the meeting during consideration of the item(s) of business identified in the recommendation(s) to the report on the grounds that it / they involved the likely disclosure of exempt information as set out in the exclusion paragraph of Schedule 12A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007 relevant to the item(s) of business set out in the report.

The Board considered the Public Interest Test in deciding whether to exclude the public from the meeting for the items of business where the Public Interest Test was relevant as set out in the report.

Resolved that the public be excluded for the following items of business.

(Closed Session)

a Wales Pension Partnership - Progress Update. (For Information)

The Deputy Chief Finance Officer / Deputy S151 Officer presented a report which updated the Board on the progress and work of the Wales Pension Partnership (WPP).

He stated that the Joint Governance Committee had approved the inter-Authority agreement which was also approved by Swansea Council on 4 November 2021.

26 Investment Consultant's Quarterly Report. (For Information)

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' report which provided the Quarter 3 2021 Investment Monitoring Report of Hymans Robertson, Investment Consultant's.

27 Investment Summary. (For Information)

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' report which presented the asset valuation and investment performance for the quarter, year and 3 years ended 30 September 2021.

The meeting ended at 11.30 am

Chair