



**City and County of Swansea**

**Minutes of the Pension Fund Committee**

**Remotely via Microsoft Teams**

**Thursday, 10 September 2020 at 10.00 am**

**Present:** Councillor C E Lloyd (Chair) Presided

**Councillor(s)**

P Downing  
J P Curtice

**Councillor(s)**

D G Sullivan

**Councillor(s)**

W G Thomas

**Neath Port Talbot Council Co-opted Member**

P A Rees

**Also Present**

I Guy

Local Pension Board Chair

**Advisors**

N Jellema  
D Morton

Advisor - Hymans Robertson  
Advisor - Hymans Robertson

**Officer(s)**

Karen Cobb  
Jeremy Parkhouse  
Jeffrey Dong

Senior Accountant  
Democratic Services Officer  
Deputy Chief Finance Officer / Deputy Section 151  
Officer.  
Principal Lawyer

Stephanie Williams

**Apologies for Absence:** None.

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**73 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: -

Councillor J P Curtice - agenda as a whole – member of the Local Government Pension Scheme - personal.

Councillor P Downing - agenda as a whole - my brother is a member of the Local Government Pension Scheme – personal.

Councillor C E Lloyd – agenda as a whole – member of the Local Government Pension Scheme - personal.

Councillor P Rees - agenda as a whole – Daughter-In-Law is a member of the Local Government Pension Scheme - personal.

Councillor D G Sullivan - agenda as a whole – Daughter-In-Law is a member of the Local Government Pension Scheme and I am in receipt of a pension administered by the former Dyfed County Council - personal.

Councillor W G Thomas - agenda as a whole – member of the Local Government Pension Scheme - personal.

**Observer:**

I Guy, Chair of Local Pension Board - agenda as a whole – member 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 and Minute No. 76 – Annual Report 2019/2020 – Clerk to Llanrhidian Higher Community Council – personal.

**74 Minutes.**

**Resolved** that the Minutes of the Pension Fund Committee meeting held on 9 July 2020 be signed and approved as a correct record.

**75 Annual Report 2019/2020.**

The Deputy Chief Finance Officer / Deputy S151 Officer presented for approval the City & County of Swansea Pension Fund Annual Report 2019/20.

It was explained that the draft financial statement of the City & County of Swansea Pension Fund was previously presented to the Pension Fund Committee in July 2020. Those financial statements were currently being audited by Audit Wales and their summary ISA 260 would be presented at the next Pension Fund Committee in November 2020.

The City & County of Swansea Annual Report 2019/20 was provided at Appendix 1.

The Committee highlighted the potential for additional communication with Fund members in future years.

**Resolved** that the City and County of Swansea Pension Fund Draft Annual Report 2019/20 at Appendix 1 be approved subject to final audit.

**76 Breaches Report.**

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 Pension Fund Committee in July 2020. The details of the breaches and the actions taken by Management were highlighted.

**77 The Competition and Markets Authority (CMA) - Setting Objectives for Investment Consultants.**

The Deputy Chief Finance Officer / Deputy S151 Officer presented a report which appraised progress against the agreed objectives for the appointed investment consultants as required by the Competition and Markets Authority (CMA).

The report outlined CMA requirements, the importance of objectives, establishing objectives for consultants, measuring success in practice and reporting compliance.

Appendix 1 provided the Investment Consultant Performance Objectives.

The Committee discussed improving communications with Fund members.

Noted that David Morton and Nick Jellema left the meeting prior to any discussions on this item.

**Resolved** that the Investment Consultants' progress against the identified and approved objectives at Appendix 1, be approved.

**78 Local Government Pension Scheme National Knowledge Assessment - Results.**

The Deputy Chief Finance Officer / Deputy S151 Officer provided a report which presented the results of the LGPS National Knowledge Assessment.

It was outlined that the Committee had approved the Trustee training plan for both the Pension Fund Committee and Local Pension Board at its meeting in March 2020. Included in the training plan was a recommendation for members of both the Committee and Board to undertake the online LGPS National Knowledge Assessment being administered by Hymans Robertson and the survey had a combined 69% participation rate for both the Board and Committee.

The Swansea results were provided at Appendix 1 and it was noted that there was an average score of 63%, ranking Swansea 7<sup>th</sup> out of 18 funds with the Committee averaging 68.79% and the Board averaging 58.16%. Results for all respondents were provided at Appendix 2.

It was added that the assessment had identified particular areas in which the members could do with some extra training, namely, Pension Administration and Actuarial valuation. These areas could therefore inform future training requirements. Members also identified future training they would like to receive on risk management and Section 13.

Hymans Robertson had compiled a suggested training plan using the information gained from the assessment and would agree an implementation plan with the Deputy Chief Finance Officer.

The Chair commented upon the importance of the results which identified training requirements going forward and highlighted that it was good governance practice to evaluate the Committee in this way.

**Resolved** that the National Knowledge Assessment results be noted and the Deputy Chief Finance Officer be delegated to identify suitable training informed by the assessment.

**79 Exclusion of the Public.**

The Committee was 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 Committee 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)**

**80 Report(s) of the Independent Investment Consultant.**

David Morton and Nick Jellema, Investment Consultants provided a 'for information' report, which presented the Quarter 2 2020 Investment Monitoring Report.

The content of the report was noted by the Committee and various questions were asked, which were responded to accordingly. The Investment Consultants were thanked for the report.

**81 Wales Pension Partnership Update.**

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' report which updated the Committee on the progress of the Wales Pension Partnership (WPP).

Appendix 1 provided the progress and update report provided by the ACS Operator Link Asset Services.

Appendix 2 provided the Draft WPP Conflicts of Interest Policy, Appendix 3 the Draft WPP Climate Risk Policy and Appendix 4 the Draft WPP Statement of Accounts 2019/20.

Referenced within the update was the launch of the tranche 3 fixed income fund at the end of July 2020, which was delayed to the end of September 2020.

**82 Investment Summary.**

The Deputy Chief Finance Officer / Deputy S151 Officer provided a "for information" report, which presented the investment performance for the quarter, year and 3 years ended 30 June 2020.

The quarterly investment summaries for the Pension Fund for the quarter, year and 3 years ended 30 June 2020 were attached at Appendix 1.

**83 Fund Manager's Presentation(s): Global Equities - Russell Investments.**

A presentation was made by Aidan Quinn, Taran Paik, Sasha Mandrich, William Pearce and Yacine Zerizef of Russell Investments.

Questions in relation to the content of the presentation were asked by the Committee and responses were provided accordingly.

The content of the presentation was noted and the Chair thanked the Fund Managers for providing the presentation.

The meeting ended at 11.58 am

**Chair**