



City and County of Swansea

Minutes of the **Local Pension Board**

Remotely via Microsoft Teams

Thursday, 24 September 2020 at 10.00 am

Present: I Guy (Chair) Presided

Employer Representatives

A Lockyer

Local Pension Board Member Representatives

R Broad

Officer(s)

Jeffrey Dong	Deputy Chief Finance Officer / Deputy Section 151 Officer.
Karen Cobb	Senior Accountant
Jeremy Parkhouse	Democratic Services Officer
Carolyn Isaac	Lawyer

Apologies for Absence

Employer Representatives

None

Local Pension Board Member Representatives

D White

62 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: -

I Guy – Agenda as a whole – Member of Local Government Pension Scheme – 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:

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

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

C Isaac – 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.64 – Annual Report 2019/20 – Clerk to Llanrhidian Higher Community Council – personal.

63 Minutes.

Resolved that the Minutes of the Local Pension Board meeting held on 23 July 2020 be approved and signed as a correct record.

64 Annual Report 2019/2020.

The Deputy Chief Finance Officer / Deputy S151 Officer presented 'for information' 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 Local Pension Board in July 2020. Those financial statements were currently being audited by Audit Wales and their summary ISA 260 would be presented at the next Local Pension Board in November 2020.

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

The Committee the following: -

- An explanation of the fund being 92% funded and the deficit;
- Pension Fund benefits being guaranteed by Statute;
- Improving the format of the annual benefits statement;
- The potential impact of the £95,000 cap and the response of the Authority to the consultation.

Resolved that; -

- 1) a report regarding improving the format of the annual benefits statement be provided to a future Board meeting;
- 2) the response to the consultation regarding the £95,000 exit cap payments be circulated to the Board.

65 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.

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

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' 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.

67 Local Government Pension Scheme National Knowledge Assessment - Results.

The Deputy Chief Finance Officer / Deputy S151 Officer provided a 'for information' 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 7th 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.

68 Exclusion of the Public.

The Board 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 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)

69 Report(s) of the Independent Investment Consultant.

The Deputy Chief Finance Officer / Deputy S151 Officer provided 'for information' the report of the Independent Investment Consultants, which presented the Quarter 2 2020 Investment Monitoring Report.

The Board commented upon the good results despite the present situation.

70 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.

The Chair commented that he was very impressed by the engagement training provided by the Pool.

Resolved that the Deputy Chief Finance Officer / Deputy S151 Officer reports to a future meeting regarding Environmental, Social and Governance (ESG) issues relating to the Local Government Pension Scheme.

71 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.

The meeting ended at 11.22 am

Chair