

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.

16 Minutes.

Resolved that the Minutes of the Local Pension Board meeting held on 26 November 2020 be approved and signed as a correct record.

17 City & County of Swansea Pension Fund Audit Plan 2021.

Jeff Dong, Deputy Chief Finance Officer / Deputy S151 Officer presented the Audit Wales (AW) City and County of Swansea Pension Fund Audit Plan 2021.

It was outlined that the purpose of the plan was to set out the proposed work of AW, when it would be undertaken, how much it would cost and who would undertake it.

The report detailed the following: -

- The ongoing impact of Covid 19, the uncertainty going forward and how AW planned to undertake their work.
- The Audit of the Pension Fund accounts.
- The financial audit risks, including significant risks; impact of COVID 19; McCloud judgement; private equity investments; and Wales Pension Partnership.
- Statutory Audit functions.
- Fee, audit team and timetable.

The Chair expressed his thanks that the audit fee had remained the same for two years.

Resolved that the contents of the report be noted.

18 City & County of Swansea Pension Fund Draft Funding Strategy Statement (Employer Flexibility Revisions). (For Information)

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' report which detailed how the Pension Fund ensured compliance with Local Government Pension Scheme Regulations.

It was outlined that in line with the Local Government Pension Scheme Regulations, the City & County of Swansea Pension Fund produced and approved a funding strategy statement, in consultation with its scheme employers, appointed actuary and advisors originally in March 2020.

Since that date, additional regulations had been laid which afford additional flexibilities in dealing with employer exits. A revised draft Funding Strategy Statement was presented which incorporated the additional flexibilities.

19 Breaches. (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 December 2020. The details of the breaches and the actions taken by Management were highlighted.

20 City & County of Swansea Pension Fund Business Plan 2021/22. (For Information)

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' report which provided a working framework for the Pension Fund's programme of work for 2021/22 also including the pension fund budget and risk register.

It was outlined that in line with best practice, the Pension Fund produced a business plan to inform its work programme for the forthcoming 12 month period. The business plan for 2021/22 was provided at Appendix 1.

The Board discussed the information contained within the plan as follows: -

- The amendment to recognise scheme member representative on JGC;
- Mitigating the effect of Brexit on the Business Plan due to the global investment strategy;
- Training targets for Board Members.

21 Trustee Training.

The Deputy Chief Finance Officer / Deputy S151 Officer presented a report which sought to determine an annual training programme for the Pension Fund Committee, Local Pension Board members and officers of the Pension Fund.

The background and progress made in respect of training needs and knowledge gained, including the CIPFA Code of Practice and the Pension Regulator's knowledge and understanding requirements and the Pension Fund Policy Statement were outlined.

Details of the LGPS National Knowledge Assessment (NKA) launched by Hymans in 2020, the Trustee training undertaken in 2020/21 and the proposed training programme in 2021/22 were provided.

The Chair highlighted the worthwhile virtual training that had been provided, the very useful WPP training and additional ad hoc training being provided by some large financial companies.

Resolved that: -

- 1) the assessment and outline training plan at paragraphs 3.7, 3.8 and 3.9 be approved;
- 2) further opportunities which are identified during the year be delegated to the Deputy S 151 Officer for approval;
- 3) the Chair of the Pension Fund Committee be consulted regarding future joint training between Committee and Board members.

22 Exit Cap Regulations Update. (For Information)

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' report which updated the Local Pension Board on the £95k Exit Cap Regulations which were disapplied on 12 February 2021.

It was outlined that HM Treasury had published The Exit Payment Directions 2021 which disapplied regulations 3.9 and 12 of the Restriction of Public Sector Exit Payment Regulations 2020. This meant that the exit cap did not apply to exits taking place on or after 12 February 2021. The LGA had published guidance notes for Administering Authorities which were provided at Appendix 1. It was noted that although the Exit Cap in its original form had been disapplied, the Government was committed to introducing an alternative capping mechanism to public sector exit payments 'at pace'.

It was added that there were no exits breaching the cap between 4 November and 12 February for the City & County of Swansea Pension Fund. In addition, it was reported that The Ministry of Housing, Communities and Local Government (MHCLG) had halted a consultation seeking views on proposals for further reform on exit payment terms in the LGPS.

23 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)

24 Wales Pension Partnership Update. (For Information)

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).

The Board welcomed the approval of a member representative on the Joint Governance Committee (JGC) 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 WPP Private Markets timeline.

25 Report of the Investment Consultant. (For Information)

The report of the Investment Consultants was provided 'for information', which presented the Quarter 4 2020/21 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.

26 Investment Summary. (For Information)

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 31 December 2020 plus a funding update as at 31/12/20 which showed the funding level at 99.6%

The quarterly investment summaries for the Pension Fund for the quarter, year and 3 years ended 31 December 2020 were attached at Appendix 1.

The meeting ended at 11.30 am

Chair