



City and County of Swansea

Minutes of the **Local Pension Board**

Committee Room 5 - Guildhall, Swansea

Friday, 5 January 2018 at 10.00 am

Present: I Guy (Chair) Presided

Employer Representatives:

J Andrew - Director of Finance Tai Tarian
Councillor T M White – City & County of Swansea

Local Pension Board Member Representatives:

A Thomas – City & County of Swansea

Officer(s)

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

Apologies for Absence

Councillor(s): Councillor Alan Lockyer – Neath Port Talbot County Borough Council
Independent Member(s): A Chaves

27 Disclosures of Personal and Prejudicial Interests.

Board Members:

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

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

A Thomas – Agenda as a whole – Member of Local Government Pension Scheme – personal.

Councillor T M White – Agenda as a whole – Member of Local Government Pension Scheme and member of Audit Committee – 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.

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

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

28 Minutes.

Resolved that the Minutes of the Local Pension Board held on 28 September 2017 be signed and approved as a correct record.

29 Breaches Report.

The Chief Treasury & Technical Officer presented a 'for information' report which provided details of breaches which had occurred in accordance with the Reporting Breaches Policy.

Appendix A provided the Breaches Report including details of breaches that had occurred since the previous Local Pension Board in September 2017. The details of the breaches, actions undertaken by the Pension Fund and personnel changes in the Pension Team were highlighted.

Discussions followed regarding the adequate resourcing of the Pensions Team; imposing penalty charges upon repeat offenders; following best practice; comparing with other pension funds.

30 Wales Pension Partnership - Progress Update.

The Chief Treasury & Technical Officer presented a 'for information' report which updated the Board on the progress of the Wales Pension Partnership.

The Committee were updated regarding the submission in respect of the 8 Welsh Pension Funds, governance and procurement progress, including the reporting procedure of the Joint Governance Committee.

Appendix 1 provided the Welsh Pension Fund Partnership Local Government Pension Scheme Pooling: Progress Report October 2017.

The Board discussed administrative costs paid to Carmarthenshire Council for secretariat services; increased costs against less overall savings for the project; increased costs incurred due to additional legal advice received; reduction in the fees of fund managers; the timetable extension required; the value of pool assets and assets outside the pool.

31 Administration Strategy Update - Draft.

The Chief Treasury & Technical Officer presented a 'for information' report that outlined the latest version of the Pension Fund's Administration Strategy.

It was added that the adopted Pension Fund Administration Strategy was adopted in 2013 and had been modified incrementally in the interim. Attached at Appendix 1 was the draft Administration Strategy for consideration by the Local Pension Board, prior to formal adoption by the Pension Fund Committee.

The Board noted that the required documentation was available on the Council website.

Discussions followed regarding the content of the Draft Strategy and included:

- Cost recovery as a direct result of an employer's poor performance;
- Actions when serious breaches occur;
- Resources within the Pension Team and recent changes in personnel that had taken place;
- The implications of Data Protection changes being introduced, data sharing and ensuring compliance;
- Responsibilities and penalties report.
- It was recognised that the breaches identified were not material in quantum.

Resolved that a report be provided in due course regarding Pension Team Resources.

32 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)

33 Wales Pension Partnership - Recommendation to Appoint an ACS Operator.

The Chief Treasury & Technical Officer presented a report which informed the Board of the recommendation of the Joint Governance Committee of the Wales Pension

Partnership to appoint the Operator of the Authorised Contractual Scheme (ACS). The appointment process was explained in detail and the appointment noted.

Resolved that the contents of the report be noted.

34 Investment Beliefs.

The report of Hymans Robertson, Investment Consultants was provided 'for information'. The report presented the recommended next steps in respect of developing and formalising the Pension Fund's investment beliefs.

Appendix 1 provided a report of the investment beliefs summarised from both the questionnaire and the training day.

The Board discussed the information contained within the report and commented upon divestment and jointly reviewing the Strategy annually with the Pension Fund Committee.

35 Environmental, Social & Governance Issues.

The report of Hymans Robertson, Investment Consultants was provided 'for information'. The report presented the recommended next steps in respect of the Pension Fund's policies on environmental, social and governance issues.

Attached at Appendix 1 was the summary report of next steps.

The Board discussed financial returns being the priority of the Fund; measuring financial / non-financial factors; Pension Fund member representation on the Pool; and divestment not being the only option.- the policy to be rewritten to recognise that the fund reserved the right to divest as an ultimate act.

36 Next Meeting.

It was requested that the next scheduled meeting be moved from 29 March 2018 to an alternative date during the weeks commencing 23 and 30 April 2018.

Resolved that the Democratic Services Officer circulates alternative dates to the Board for agreement.

The meeting ended at 11.45 am

Chair