



City and County of Swansea

## Minutes of the Pension Fund Committee

Committee Room 6, Guildhall, Swansea

Thursday, 21 November 2019 at 2.00 pm

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

**Councillor(s)**

M B Lewis  
J P Curtice

**Councillor(s)**

D G Sullivan

**Councillor(s)**

W G Thomas

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

P Rees

**Advisors**

N Jellema  
N Mills

Advisor - Hymans Robertson  
Independent Investment Advisor

**Also Present**

I Guy

Chair of Local Pension Board

**Officer(s)**

Jeremy Parkhouse  
Jeffrey Dong

Democratic Services Officer  
Deputy Chief Finance Officer / Deputy Section 151  
Officer.  
Lawyer

Carolyn Isaac

**Apologies for Absence**

Councillor(s): P Downing

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**34 Disclosures of Personal and Prejudicial Interests.**

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

Councillor M B Lewis - agenda as a whole – 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 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:**

J Dong – 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. 36 – Annual Report 2018/19 – Clerk to Llanrhidian Higher Community Council – personal.

**35 Minutes.**

**Resolved** that the Minutes of the Pension Fund Committee meeting held on 12 September 2019 be signed and approved as a correct record.

**36 Annual Report 2018/19.**

The Deputy Chief Finance Officer / Deputy S151 Officer presented for approval the City & County of Swansea Pension Fund Annual Report 2018/19. It was explained that the Wales Audit Office had completed their audit of the Annual Report 2018/19 in line with their audit plan presented to Pension Fund Committee earlier in the year.

The City & County of Swansea Annual Report 2018/19 was provided at Appendix 1. The Committee noted the very positive report.

**Resolved** that the Annual Report 2018/19 be approved.

**37 Competition and Markets Authority Reporting.**

The Deputy Chief Finance Officer / Deputy S151 Officer presented a report which sought to set measurable objectives for appointed investment consultants as required by Competitions and Market Authority (CMA) requirements.

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

The Committee discussed the following: -

- The timescale for reviewing the objectives;
- How the Fund was market leading in setting these objectives;
- Different engagement techniques with Fund members;
- How the objectives would provide a focus for the consultants;
- Including Local Pension Board members in the training programme.

**Resolved** that the Investment Consultants' objectives attached at Appendix 1 be approved, subjective to periodic review by the Deputy Chief Finance Officer / Deputy Section 151 Officer.

### **38 Breaches.**

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 September 2019. The details of the breaches and the actions taken by Management were highlighted.

### **39 Administering Authority Resourcing.**

The Deputy Chief Finance Officer / Deputy S151 Officer presented a report which sought to approve the recommended resourcing enhancements outlined within the report. The different areas of work undertaken by the Pensions Administration and Pension Fund Investment Teams were explained.

It was outlined that the creation of the role of a Senior Pensions Communications Officer would assist the Pensions Administration Section in addressing these evolving demands. It was proposed that this role would be filled from internal resources. The subsequent role profile would be job evaluated and appropriate HR advised recruitment and selection processes would be adopted to appoint to this role.

In addition, it was proposed that the creation of the role of Pension Fund Investment and Accounting Manager be created and filled from existing resources would assist the Pension Fund Investment Section and help to address the increasingly complex workload. The subsequent role profile would be job evaluated and appropriate HR advised recruitment and selection processes would be adopted to appoint to this role.

**Resolved** that the resourcing amendments outlined in 2.7 and 3.2 and the financial implications in 6.1 be approved.

### **40 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)**

**41 Report of the Appointed Actuary.**

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' report which presented an overview of the 2019 Actuarial Valuation of the City & County of Swansea Pension Fund.

Chris Archer and Chris Darby of AON presented the Actuarial Valuation as at 31 March 2019, that was provided at Appendix 1. It was commented that the quality of the data provided by the Pension Fund was excellent.

The Committee asked questions of the AON representatives which were responded to accordingly.

The Chair thanked the AON representatives for providing the report.

**42 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 asset pooling.

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

Referenced within the update is the timeline for the launch of the tranche 3 fixed income fund, this has been rescheduled and will now take place in Q1 2020.

**43 Report of the Investment Consultant.**

Nick Jellema, Investment Consultant provided a 'for information' report, which presented the Quarter 3 2019 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 Consultant was thanked for his report.

**44 Report and Retirement of Noel Mills, Independent Advisor.**

The “for information” report presented the economic update and market commentary from the perspective of Mr Noel Mills, Appointed Independent Investment Advisor.

The quarterly report ending 30 September 2019 was attached at Appendix 1.

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

The Chair expressed thanks and best wishes on behalf of the Committee to Noel Mills for his valued contribution to the Pension Fund Committee and expressed best wishes for his forthcoming retirement.

**45 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 September 2019.

The quarterly investment summaries for the Pension Fund for the quarter, year and 3 years ended 30 September 2019 were attached at Appendix 1.

**46 Fund Manager's Presentation(s):**

Link Asset Services and Russell Investments.

A presentation was made by Eamon McGrath of Link Asset Services and Aidan Quinn 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 attending the meeting.

The meeting ended at 4.15 pm

**Chair**