



City and County of Swansea

Minutes of the **Local Pension Board**

Remotely via Microsoft Teams

Thursday, 23 July 2020 at 10.00 am

Present: I Guy (Chair) Presided

Employer Representatives

M B Lewis

Local Pension Board Member Representatives

D White

Officer(s)

Jeffrey Dong	Deputy Chief Finance Officer / Deputy Section 151 Officer.
Stephanie Williams	Principal Lawyer
Karen Cobb	Senior Accountant
Allison Lowe	Democratic Services Officer

Apologies for Absence

Employer Representatives

A Lockyer

Local Pension Board Member Representatives

R Broad and D Mackerras

44 Election of Vice-Chair for the Remainder of the 2019-2020 Municipal Year.

Resolved that Councillor M B Lewis be appointed Vice Chair for the remainder of the 2019-2020 Municipal Year.

45 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.

D White – Agenda as a whole – Member of Local Government Pension Scheme – personal.

Councillor M B Lewis – Agenda as a whole – Member of 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.

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

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

46 Minutes.

Resolved that the Minutes of the Local Pension Board meeting held on 13 February 2020 be approved and signed as a correct record.

47 2020 Audit Plan - City and County of Swansea Pension Fund. (For Information)

In advance of presenting the Audit Plan item the Deputy Chief Finance Officer / Deputy Section 151 Officer provided the following updates:

- He commented on the recent developments at a National scheme level and how the Pensions Admin section had coped during the Covid-19 crisis dealing with our current, deferred and active Pension Fund Scheme members.

The Chair, on behalf of the Board asked for their thanks to be conveyed to all staff involved in ensuring the work progressed during this difficult time.

- In the interim period since the last meeting, the Government had published a consultation seeking views on proposals for addressing the discrimination identified in McLoud in order to address the historical inequality between the sexes in accessing their Pensions. The consultation was available until 18 October 2020 and Swansea's comments would likely be included as part of the Wales Pension Partnership response.

The Deputy Chief Finance Officer / Deputy Section.151 Officer assured the Board that they would have sight of the draft response submitted to the Pension Fund Committee in September.

- On 21 July 2020 the Government responded to an open consultation in relation to restricting exit payments in the public sector. Swansea had submitted its comments as part of the collective Wales Pension Partnership response.

The Deputy Chief Finance Officer / Deputy Section 151 Officer presented the Wales Audit Office (WAO) 2020 Audit Plan which provided the proposed audit work, when it would be undertaken, how much it would cost and who would undertake it.

Appendix 1 set out the responsibilities of the Auditor, along with those of management and those charged with governance. Exhibit 1 provided the three phases of the audit approach, Exhibit 2 outlined the financial audit risks. The proposed audit fee for this work was set out in Exhibit 3 and the timetable of the proposed audits was provided at Exhibit 5.

48 City & County of Swansea Pension Fund - Draft Funding Strategy Statement. (For Information)

The Deputy Chief Finance Officer / Deputy Section.151 Officer provided a 'for information' report to ensure compliance with Local Government Pension Scheme Regulations which requires a funding strategy statement.

The main purpose of the Funding Strategy Statement was to set out the processes by which the Administering Authority:

- established a clear and transparent funding strategy, specific to the Fund, which would identify how employer's pension liabilities were best met going forward;
- supported the regulatory requirement in relation to the desirability of maintaining as nearly constant a primary rate of contributions as possible;
- ensured that the regulatory requirements to set contributions as to ensure the solvency and long-term cost efficiency of the Fund were met;
- took a prudent longer-term view of funding the Fund's liabilities.

49 City & County of Swansea Pension Fund Business Plan 2020/21. (For Information)

The Deputy Chief Finance Officer / Deputy Section 151 Officer presented a 'for information' report of the City & County of Swansea Pension Fund Business Plan 2020/21 in order to provide a working framework for the Pension Fund's programme of work 2020/21.

50 Trustee Training - CIPFA Code of Practice, Public Sector Finance Knowledge and Skills - The Pension Regulator Knowledge and Understanding Duty Committee Members.

The Deputy Chief Finance Officer / Deputy Section 151 Officer presented a 'for information' report which outlined the annual training programme for the Pension Fund Committee Members, Local Pension Board Members and officers of the Pension Fund.

The Board discussed the results of the online National Knowledge Assessment (NKA), together with various other online assessments and webinars provided by Hymans Robinson.

The Deputy Chief Finance Officer / Deputy S151 Officer would provide an anonymised results report on the National Knowledge Assessment at the next Local Pension Board meeting.

51 Draft Statement of Accounts 2019/20. (For Information)

The Deputy Chief Finance Officer / Deputy Section 151 Officer presented a 'for information' report which outlined the draft statement of accounts for the City & County of Swansea Pension Fund 2019/20.

It was added that Officers had presented a completed draft statement of accounts in line with the agreed timetable. Audit Wales had indicated that they would not commence their audit of the Pension Fund Draft Statement of Accounts 2019/20 until September 2020, due to the intervention of the Covid 19 crisis, which was not in line with their audit plan presented to Pension Fund Committee earlier in the year. However, they would still be in line with statutory deadlines. Their report would be presented to Pension Fund Committee at the conclusion of the audit later in the year.

The Draft Statement of Accounts 2019/20 were provided at Appendix 1.

52 Fraud & Related Party Assurances. (For Information)

The Deputy Chief Finance Officer / Deputy Section 151 Officer presented a 'for information' report which detailed the Fraud and Related Parties Disclosure for the City & County of Swansea Pension Fund 2019/20.

It was outlined that as part of Audit Wales' statutory audit of the City & County of Swansea Pension Fund's statement of accounts, they were required to ascertain how senior management oversaw and managed a series of related party, financial control and fraud control issues.

Attached at Appendix 1, were senior management's Fraud and related party disclosure for the financial year 2019/20.

53 Breaches Report. (For Information)

The Deputy Chief Finance Officer / Deputy Section 151 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 meeting in February 2020. The details of the breaches and the actions taken by Management were highlighted.

54 Wales Pensions Partnership (WPP) - Business Plan. (For Information)

The Deputy Chief Finance Officer / Deputy Section 151 Officer presented a 'for information' report which outlined the Welsh Pension Partnership (WPP) Business Plan 2020.

The WPP Business Plan was provided at Appendix 1. The Plan detailed the WPP's priorities and areas of focus for 2020/21, 2021/22 and 2022/23 and was approved by the WPP Joint Governance Committee on 12 March 2020. It was added that the

Business Plan was constantly monitored and would be formally reviewed and agreed every year.

It was explained that the purpose of the business plan was to:

- Explain the background and governance structure of the WPP;
- Outline the priorities and objectives of the WPP over the next three years;
- Introduce the WPP's policies and plans;
- Outline the financial budget for the relevant Business Plan period;
- Summarise the WPP's Investments & Performance Objectives.

The Local Pension Board fully supported the approach approved by the Pension Fund Committee including increasing the membership involvement in the WPP.

55 Rathbone Training. (For Information)

The Deputy Chief Finance Officer / Deputy Section 151 Officer presented a 'for information' report which informed the Board of the status of one of its admitted body employers.

It was outlined that the Pension Fund Committee approved the admission of Rathbone training in September 2015 and December 2015 as an admitted body employer in respect of 7 employees formerly employed by Gower College (4) and Swansea Council (3) (both scheduled employers of the City & County of Swansea Pension Fund). As a requirement for admission, Rathbone Training had to enter into a binding admission agreement, to which both Gower College and Swansea College were required to provide sponsoring employer guarantees in respect of any orphan or any other outstanding liabilities in the event of employer failure.

Notification was received in May 2020 that Rathbone Training had entered into creditors' voluntary liquidation. At May 2020, of the 7 members identified, 2 are pensioners, 3 are deferred members and 2 have transferred benefits. There were therefore no current active members in respect of Rathbone Training.

It was added that there were outstanding invoices to Rathbone Training as follows: -

- £69,048 (early access costs in respect of former employees of Gower College and actuarial costs rechargeable to Gower College);
- £2,050 (actuarial costs rechargeable to Swansea Council)

These were being progressed with the appointed administrators, Begbies Traynor. The appointed fund actuary, AON had been notified and was undertaking the required statutory exit valuation in respect of the employer, Rathbone. Any outstanding liabilities will be recovered by the administrators from the sponsoring employers, Gower College and Swansea Council, in line with the Admission agreement.

56 Administering Authority - Resourcing. (For Information)

The Deputy Chief Finance Officer / Deputy Section 151 Officer presented a 'for information' report which outlined the resourcing amendments.

The report provided details of the Finance restructure implemented in June 2020 and the proposed restructure / regrading's in Pension Administration and Pension Investments and Accounting.

It was confirmed that the roles would be subject to Job Evaluation.

57 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)

58 Triennial Valuation. (For Information)

The Deputy Chief Finance Officer / Deputy Section 151 Officer outlined a 'for information' report which had been first presented to The Pension Fund Committee on the 13th March 2020, to ensure compliance with Local Government Pension Scheme Regulations, which mandates the undertaking of a full triennial actuarial valuation.

59 Wales Pension Partnership (WPP) Update. (For Information)

The Deputy Chief Finance Officer / Deputy Section 151 Officer presented a 'for information' report which updated the Board on the progress of the Wales Pension Partnership (WPP) asset pooling.

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 pending launch of the tranche 3 fixed income fund at the end of July 2020. The City and County of Swansea Pension Fund was in preparations ahead of this transition.

60 Investment Strategy Implementation Update.

The Deputy Chief Finance Officer / Deputy Section 151 Officer provided an overview on the progress of the investment strategy implementation approved by the Pension Fund Committee in March 2019.

61 Report of the Investment Consultant. (For Information)

The Deputy Chief Finance Officer / Deputy Section 151 Officer provided an overview of the 'for information' report, which presented the Quarter 1 2020 Investment Monitoring Report.

The meeting ended at 12.19 pm

Chair