



City and County of Swansea

Minutes of the Pension Fund Committee

Remotely via Microsoft Teams

Tuesday, 15 March 2022 at 11.00 am

Present: Councillor C E Lloyd (Chair) Presided

Councillor(s)

P Downing
M B Lewis

Councillor(s)

D G Sullivan

Councillor(s)

W G Thomas

Neath Port Talbot Council Co-opted Member

P A Rees

Advisors

N Jellema

Advisor - Hymans Robertson

Also Present

D King

Audit Wales

Observers

Councillor A Lockyer
I Guy

Chair of the Local Pension Board
Local Pension Board Member

Officer(s)

Karen Cobb
Jeremy Parkhouse
Jeffrey Dong

Senior Accountant
Democratic Services Officer
Deputy Chief Finance Officer / Deputy Section 151
Officer.

Carolyn Isaac

Lawyer

Apologies for Absence

Councillor(s): J P Curtice
Advisors: S Jasinski

31 Disclosures of Personal and Prejudicial Interests.

In accordance with the Code of Conduct adopted by the City & County of Swansea, the following interests were disclosed:

Councillor P Downing - agenda as a whole - my brother is a 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.

Observers:

Councillor A R Lockyer, Chair of Local Pension Board – 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.

I Guy, Member of Local Pension Board - agenda as a whole – member of the Local Government Pension Scheme - 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.

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.

32 Minutes.

Resolved that the Minutes of the Pension Fund Committee meeting held on 17 November 2021 be signed and approved as a correct record.

33 City & County of Swansea Pension Fund Audit Plan 2022.

Daniel King, Audit Wales provided the Committee with a verbal update in respect of the City & County of Swansea Pension Fund Audit Plan 2022.

He apologised for not providing a written report, adding that the Plan would be presented to the Committee in July 2022 and commented that Audit Wales had only recently appointed Gillian Gillet as Audit Manager, which had resulted in the delay.

End of year planning procedures were highlighted, along with the fact that similarly to the previous year, expectations appeared to be very similar.

Resolved that the contents of the report be noted.

34 City & County of Swansea Pension Fund Business Plan 2022/23.

The Deputy Chief Finance Officer / Deputy S151 Officer presented a report which sought to provide a working framework for the Pension Fund's programme of work for 2022/23.

It was outlined that in line with best practice, the Pension Fund produces a business plan, risk register, budget and asset allocation to inform its work programme for the forthcoming 12 month period. The business plan, budget, risk register, asset allocation for 2022/23 were attached at Appendices 1, 2, 3 and 4.

The Pension Fund Committee were asked to approve the business plan, budget, risk register and asset allocation (noting the variance between actual and target allocations due to market movements which is being addressed by the continuing re-allocation into the portfolio of yielding real assets) for the year 2022/23 noting the timescale and responsibility for key action points throughout the year. The document was a dynamic document and would be revised and amended throughout the year as necessary.

The Chair and Committee highlighted their pride with the achievements of the Pension Fund, particularly being fully funded, with its highest ever valuation and a road map out of net zero. Officers were thanked accordingly for their efforts.

Resolved that the following be approved and noted: -

- 1) The City & County of Swansea Pension Fund Annual Business Plan 2022/23;
- 2) Risk Register 2022/23;
- 3) Asset Allocation (actual target);
- 4) Budget 2022/23.

35 Trustee Training.

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

Resolved that the assessment and outline training plan in 3.7, 3.8 and 3.9 of the report be approved and further opportunities which are identified during the year, be delegated to the Deputy S 151 Officer for approval.

36 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 November 2021. The details of the breaches and the actions taken by Management were highlighted.

(Councillor P Downing (Vice Chair) presided)

37 Role of Pension Fund Committee Chair.

The Deputy Chief Finance Officer / Deputy S151 Officer presented a report which sought to recognise the increased breadth and scope of the role of Chair of the Pension Fund Committee and make commensurate recommendations for appropriate remuneration in line with that responsibility and to be consistent with its partner funds in the Wales Pension Partnership (WPP) and other Committee Chair roles within the Council.

The Committee recognised the work load and knowledge required by the Chair of the Committee. It was added that the role had become more complex, demanding and the Pension Fund was the only one in Wales that did not remunerate the Chair.

Resolved that the following recommendations be approved and forwarded to Council for approval: -

- 1) The Pension Fund Committee recognises the increased scope and breadth of responsibility of the role of The Pension Fund Committee Chair;
- 2) The Pension Fund Committee approves the recommendation to pay, at its discretion, the equivalent of an Independent Remuneration Panel for Wales (IRPW) senior salary for a Committee Chair to the Pension Fund Committee Chair with the additional sums (over and above basic salary) to be met by the Pension Fund as outlined in 6.1 of this report.

(Noted – the abstention of Councillor W G Thomas)

(Councillor C E Lloyd (Chair) presided)

38 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)

39 Report of the Investment Consultant.

Andre Ranchin and Nick Jellema, Investment Consultants, Hymans Robertson presented Quarter 4 2021 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.

(The Hymans Robertson representatives left the meeting)

40 Investment Consultant Contract.

The Deputy Chief Finance Officer / Deputy S151 Officer presented a report which sought approval of the extension to the Investment Consultant's Contract (in line with the LGPS Norfolk framework for Investment Consultants).

Resolved that the extension of the Investment Consultant contract for 2 years (until March 2024) be approved.

41 Wales Pension Partnership Update.

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' report to update the Pension Fund Committee on the progress and work of the Wales Pension Partnership (WPP).

The Chair praised the swift response of Officers provided in respect of the issues surrounding the invasion of Ukraine by Russia. He condemned the actions of Russia and added that WPP had quickly sought a complete divestment from Russia. He added that the majority of investments were through WPP.

42 Investment Summary.

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' report which presented the asset valuation and investment performance for the quarter, year and 3 years ended 31 December 2022.

43 Fund Manager's Presentation(s):

A presentation was made by and Aidan Quinn, Taran Paik, Gerard Fitzpatrick, Yacine Zerizef and William Pearce 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.

44 Thank You

As this was the last scheduled meeting of the Committee, the Chair thanked Members and Officers for their work and commitment throughout the Council term.

Members thanked the Chair for his work and commitment, particularly as Chair of the Welsh Pension Partnership and as he was not seeking re-election as a Councillor, wished him well for the future.

The meeting ended at 1.25 pm

Chair