



City and County of Swansea

Minutes of the Pension Fund Committee

Multi-Location Meeting - Gloucester Room, Guildhall / MS

Teams

Thursday, 7 July 2022 at 1.00 pm

Present:

Councillor(s)

P N Bentu
M B Lewis

Councillor(s)

J P Curtice
M W Locke

Councillor(s)

P Downing
W G Thomas

Advisors

D Morton
Andre Ranchin

Advisor - Hymans Robertson
Advisor - Hymans Robertson

Officer(s)

Karen Cobb
Jeremy Parkhouse
Jeffrey Dong

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

Stephanie Williams

Apologies for Absence

Advisors: N Jellema

1 Election of Chair for the 2022-2023 Municipal Year.

Resolved that Councillor M B Lewis be elected Chair for the 2022-2023 Municipal Year.

(Councillor M B Lewis presided)

2 Election of Vice-Chair for the 2022-2023 Municipal Year.

Resolved that Councillor P Downing be elected Vice-Chair for the 2022-2023 Municipal Year.

3 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 Bentu, J P Curtice, P Downing, M B Lewis and W G Thomas declared personal interests in the agenda as a whole.

Officers:

K Cobb, C Davies, J Dong, J Parkhouse and S Williams declared personal interests in the agenda as a whole.

4 Minutes.

Resolved that the Minutes of the Pension Fund Committee meeting held on 15 March 2022 be signed and approved as a correct record.

5 2022 Audit Plan - City & County of Swansea Pension Fund.

Gillian Gillett, Audit Wales presented the Audit Wales 2022 Audit Plan – City and County of Swansea Pension Fund.

The report outlined the work Audit Wales would plan to undertake during 2022 to discharge its statutory responsibilities as external auditor and to fulfil its obligations under the Code of Audit Practice to examine and certify whether the Pension Fund accounting statements were 'true and fair'.

The purpose of the plan was to set out the proposed work, when it would be undertaken, how much it would cost and who would undertake it. It was added that there had been no limitations imposed on the auditors in planning the scope of the audit.

The plan also outlined the continued impact of Covid-19, the audit of pension fund accounts, the financial audit risks, statutory audit functions, audit fee, audit team and timetable.

Resolved that the contents of the report be noted.

6 City & County of Swansea Pension Fund - Draft Annual Report & Statement of Accounts 2021/22.

The Deputy Chief Finance Officer / Deputy Section 151 Officer provided for approval the draft annual report & statement of accounts for the City & County of Swansea Pension Fund 2021/22.

It was outlined that the City & County of Swansea Pension Fund had always produced separate statement of accounts and annual report in respect of the financial year in question, which were subject to public audit. However, in consultation with Audit Wales, it was determined to consolidate both documents into one and streamline the production/audit process.

It was added that Officers had presented a completed draft annual report & statement of accounts 2021/22 to Audit Wales to commence their audit. Audit Wales had indicated that they would not commence their audit of the Pension Fund Draft

Annual Report & Statement of Accounts 2020/21 until September 2022. Their subsequent ISA 260 report with audit opinion and audit findings would be presented to Pension Fund Committee at the conclusion of the audit in November 2022.

The City & County of Swansea Pension Fund Draft Annual Report & Statement of Accounts 2021/22 were attached at Appendix 1.

The Committee commented upon the excellent results, particularly the record rise in asset values over the 3 years ranking the fund 2nd overall. Staff within the Finance Department were thanked and congratulated for their work and commitment.

Resolved that the City & County of Swansea Pension Fund Draft Annual Report & Statement of Accounts 2021/22 be approved, subject to audit.

7 Breaches Report.

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 March 2022. The details of the breaches and the actions taken by Management were noted.

8 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 paragraphs 3.7, 3.8 and 3.9 be approved and further opportunities which are identified during the year be delegated to the Deputy Section 151 Officer for approval.

9 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)

10 Investment Strategy Implementation Update.

The Deputy Chief Finance Officer / Deputy S151 Officer presented a report which updated the Committee on the progress of the continuation of the asset re-allocation (de-risking) programme from equities into yielding assets and the implementation of an equity protection programme proxy.

Resolved that: -

- 1) The progress made to date on previously approved recommendations in sections 2.3 and 3.4 of the report be noted and approved.
- 2) The granting of delegated approval to the Deputy Section 151 Officer to implement the programme of GILT futures outlined in line with Appendix 1 to manage interest rate exposure, be noted and approved.

11 Net Zero Journey Plan.

The Deputy Chief Finance Officer / Deputy S151 Officer and David Morton, Hymans Robertson presented a report which sought approval of the Net Zero Journey Plan, objectives and timeline.

The Chair requested that Officers prepared a statement which outlined the progress made and what the Committee was achieving.

Resolved that: -

- 1) The Net Zero Journey Plan and Objectives provided at Appendix 2, be approved.
- 2) The Net Zero Timeline provided at Appendix 3, be approved.

12 Wales Pension Partnership - Draft Statement of Accounts and Audit Return.

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' report which updated the Committee on the Wales Pension Partnership Draft Annual Report and Statement of Accounts 2021/22.

13 Wales Pension Partnership Business Plan 2022-2025.

The Deputy Chief Finance Officer / Deputy S151 Officer presented a report which provided a framework to the Wales Pension Partnership (WPP) programme of work for 2022-2025.

Resolved that the Wales Pension Partnership Business Plan 2022-2025 be approved.

14 Wales Pension Partnership - Progress 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).

15 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 March 2022.

16 Report(s) of the Independent Advisors.

David Morton and Andre Ranchin, Investment Consultants, Hymans Robertson presented 'for information' the Quarter 1 2022 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.

17 Fund Manager's Presentation(s):

A presentation was made by and Aidan Quinn and Ionna Ali 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 3.36 pm

Chair