



City and County of Swansea

## Minutes of the Pension Fund Committee

Remotely via Microsoft Teams

Thursday, 12 November 2020 at 10.00 am

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

**Councillor(s)**

P Downing  
J P Curtice

**Councillor(s)**

D G Sullivan  
M B Lewis

**Councillor(s)**

W G Thomas

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

P A Rees

**Advisors**

D Morton  
N Jellema

Advisor - Hymans Robertson

**Observer**

I Guy

Chair of Local Pension Board

**Officer(s)**

Karen Cobb  
Jeremy Parkhouse  
Jeffrey Dong

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

Stephanie Williams  
Carolyn Isaac

Principal Lawyer  
Lawyer

**Apologies for Absence - None.**

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**1 Election of Vice Chair for the 2020-2021 Municipal Year.**

**Resolved** that Councillor P Downing be elected Vice Chair for the 2020-2021 Municipal Year.

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

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

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

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 – members 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:**

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.

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

**3 Minutes.**

**Resolved** that the Minutes of the Pension Fund Committee meeting held on 10 September 2020 be signed and approved as a correct record.

#### **4 Audit of Accounts Report – City and County of Swansea Pension Fund.**

Jason Garcia and Andrea Williams (Audit Wales) presented the Audit of Accounts Report – City and County of Swansea which summarised the main findings from the audit of the 2019-20 accounts.

It was explained that the COVID-19 pandemic had made a significant impact on all aspects of our society and continued to do so. The Council was required by law to prepare accounts and it was of testament to the commitment of the accounts team that the Council had succeeded in doing so this year in the face of the challenges posed by this pandemic. Audit Wales were extremely grateful for the professionalism of the team in supporting them to complete our audit in such difficult circumstances.

Audit Wales received the draft statement of accounts on 10 June 2020, as agreed with the Pension Fund and received a subsequent draft set of accounts on 2 September 2020, following some asset valuation adjustments. This version was accepted as the draft set of accounts which would be audited as they were received prior to Audit Wales starting their audit work.

The impact of the pandemic was provided at Exhibit1. It was outlined that Audit Wales intended to issue an unqualified audit opinion on this year's accounts once the Authority had provided the Letter of Representation based on that set out in Appendix 1. The proposed audit report was set out in Appendix 2.

It was added that there were no misstatements identified in the financial statements which remained uncorrected. There were initially misstatements in the accounts that had been corrected by management. The most significant of these amendments were provided at Appendix 3. Exhibit 2 included commentary on the more significant matters Audit Wales encountered and worked with management to resolve.

Jeff Dong, Deputy Chief Finance Officer / Deputy S151 Officer stated that the Council greatly appreciated the flexibility shown by Audit Wales and commented on the very positive way both organisations had worked together.

The Chair stated that the report was an outstanding achievement by the Council and he praised the Deputy Chief Finance Officer / Deputy S151 Officer, Karen Cobb, Senior Accountant and Finance staff for their work.

**Resolved** that the Audit of Accounts Report be approved.

#### **5 Breaches Report. (For Information)**

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 2020. The details of the breaches and the actions taken by Management were highlighted.

**6 Pension Administration - Review of the Pension Section Administration Resourcing.**

The Deputy Chief Finance Officer / Deputy S151 Officer presented a report which appraised the current staffing levels within the Pension Administration Team, with the aim of addressing scheme administration challenges and regulatory changes to ensure legal obligations were met.

Details of the background, past, current and future challenges were outlined and resourcing proposals were provided.

**Resolved** that the resourcing proposals and the associated financial implications outlined in paragraph 5.5 be approved and the Deputy S151 Officer / Pension Manager be authorised to implement the changes immediately.

**7 Exit Payment Reform - Response to Government Consultation.**

The Deputy Chief Finance Officer / Deputy S151 Officer presented a report which provided 'for information' the Administrating Authority response to Government consultation on Exit Payment Reform.

It was explained that the response, which had to be provided by 4 November 2020, had been forwarded with the approval of the Chair of the Committee and Chair of the Local Pension Board.

The Ministry of Housing Communities and Local Government (MHCLG) letter outlining their position was provided at Appendix 1 and the Administering Authority Response was provided at Appendix 2.

**8 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)**

**9 Wales Pension Partnership Update. (For Information)**

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 (WPP).

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

**10 Investment Strategy Update. (For Information)**

The Deputy Chief Finance Officer / Deputy S151 Officer provided an update report which outlined the progress of the investment strategy implementation, previously approved by the Pension Fund Committee.

Appendix 1 provided a report to Council on 4 November 2020 – 'How the Pension Fund Is Addressing Climate Change Risk In Its Investment Portfolio'.

**Resolved** that the Pension Fund Committee notes and approves:

- 1) the revised capital commitments in 2.1;
- 2) the update report at Appendix 1.

**11 Report of Investment Consultants. (For Information)**

David Morton and Nick Jellema, Investment Consultants provided a 'for information' report, which presented the Quarter 3 2020 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.

**12 Investment Summary. (For Information)**

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 2020.

The quarterly investment summaries for the Pension Fund for the quarter, year and 3 years ended 30 September 2020 were attached at Appendix 1.

The meeting ended at 12.10 pm

**Chair**