



City and County of Swansea

Minutes of the Pension Fund Committee

Remotely via Microsoft Teams

Wednesday, 17 November 2021 at 10.00 am

Present: 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

D Morton
Andre Ranchin

Hymans Robertson
Hymans Robertson

Also Present:

Daniel King
Taran Paik
William Pearce
Aiden Quinn

Audit Wales
Russell Investments
Russell Investments
Russell Investments

Officer(s)

Karen Cobb
Jeffrey Dong

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

Allison Lowe
Carolyn Isaac

Apologies for Absence

Councillor(s): J P Curtice

18 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.

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.

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

19 Minutes.

Resolved that the Minutes of the Pension Fund Committee held on 8 September 2021 be approved and signed as a correct record.

20 Audit of Accounts Report - City and County of Swansea Pension Fund.

The Deputy Chief Finance Officer / Deputy S151 Officer clarified that this was the stand-alone ISA260 report of the External Auditor.

Daniel King offered apologies from Jason Garcia and presented the unqualified audit report which summarised the main findings from the audit of the 2020-21 accounts.

The Deputy Chief Finance Officer / Deputy S151 Officer stated that there were fewer matters to note than in previous years and clarified the issues in relation to the significant matters outlined in Exhibit 2.

The Chair thanked Audit Wales for the report and praised the Deputy Chief Finance Officer / Deputy S151 Officer, Karen Cobb, Senior Accountant and Finance staff for all their work.

Resolved that the Audit of Accounts Report be approved.

21 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 2021. The details of the breaches and the actions taken by Management were highlighted.

22 Policy Update - Overpayment of Pension.

The Deputy Chief Finance Officer / Deputy S151 Officer presented a report in accordance with statute, to approve an Overpayment of Pensions Policy.

Resolved that the Overpayment of Pensions Policy at Appendix 1 be approved.

23 Competition & Markets Authority (CMA).

The Deputy Chief Finance Officer / Deputy S151 Officer presented a report to set and monitor measurable objectives for appointed investment consultants as required by CMA requirements.

Resolved that the Investment Consultants' identified objectives and their progress against the same outlined in Appendix 1, subjective to periodic review by the Deputy Chief Finance Officer be approved.

24 Pension Admin Update.

The Deputy Chief Finance Officer / Deputy S151 Officer presented a report in accordance with statute, to update Applicable Administering Authority Discretions Policy and Pensions Administration Policy.

He stated that at this time he was only seeking approval on the Pensions Administration Strategy. The Administering Authority Discretions Policy would be presented to the next meeting of the Pension Fund Committee.

The Chair, on behalf of the Pension Fund Committee conveyed his thanks to the Pensions Manager and her team for all their hard work.

Resolved that the Pensions Administration Strategy be approved.

25 Net Zero Carbon Investment Strategy.

The Deputy Chief Finance Officer / Deputy Section 151 Officer presented a report to consider the implications and identify an appropriate target date and methodology to achieve a carbon net zero investment portfolio in the City & County of Swansea Pension Fund.

David Morton and Andre Ranchin, Hymans Robinson LLP outlined the details in Appendix 1 – Net Zero Ambition and Investment Beliefs.

Resolved that the following be approved:

- A) A commitment to achieve a net zero carbon position in its investment portfolio by 2037;
- B) The adoption of the Fund's Responsible Investment Beliefs as outlined in Appendix 1, will underpin the Fund's actions on climate risk;
- C) The climate actions of the Fund are developed across three key areas ('3-dimensions') to give greater balance between:
 - 1. Carbon and other ESG metrics (both backward and forward looking);
 - 2. Opportunities that will benefit from the transition to a lower carbon Economy;
 - 3. Engagement activities focussed on climate, and encouraging best practice amongst fund managers, investee companies and other investors.

26 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)

27 Wales Pension Partnership - Progress Update. (For Information)

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

He stated that the Joint Governance Committee had approved the inter-Authority agreement which was also approved by Swansea Council on 4 November 2021.

28 Investment Consultant's Quarterly Report. (For Information)

Andre Ranchin Investment Consultant, Hymans presented Quarter 3 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.

29 Investment Summary. (For Information)

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 30 September 2021

30 Fund Manager's Presentation(s):

Russell Investments – Global Equities and Fixed Income Update

A presentation was made by and Aidan Quinn, Taran Paik 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.

The meeting ended at 11.55 am

Chair