



City and County of Swansea

Minutes of the Pension Fund Committee

Multi-Location Meeting - Gloucester Room, Guildhall / MS

Teams

Wednesday, 15 November 2023 at 10.00 am

Present: Councillor M B Lewis (Chair) Presided

Councillor(s)
P N Bentu

Councillor(s)
P Downing

Councillor(s)
W G Thomas

Neath Port Talbot Council Co-opted Member

Philip Rogers

Advisors

Philip Pearson
Andre Ranchin

Advisor - Hymans Robertson
Advisor - Hymans Robertson

Officer(s)

Karen Cobb
Jeremy Parkhouse
Jeffrey Dong

Investment & Accounting Manager
Democratic Services Officer
Deputy Chief Finance Officer / Deputy Section 151
Officer.
Principal Lawyer

Stephanie Williams

Apologies for Absence

Councillor(s): J P Curtice and M W Locke

26 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:

Councillors P N Bentu, P Downing, M B Lewis, P Rogers and W G Thomas declared personal interests in the agenda as a whole.

Ian Guy declared a personal interest in the agenda as a whole.

Officers:

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

27 Minutes.

Resolved that the Minutes of the Pension Fund Committee meeting held on 6 September 2023 be signed and approved as a correct record.

28 Detailed Audit Plan - City and County of Swansea.

Gillian Gillett, Audit Wales presented the Audit Wales 2023 Audit Plan – City and County of Swansea Pension Fund.

The report outlined the work Audit Wales would plan to undertake during 2023 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 financial statements materiality, audit of pension fund accounts, the significant financial statements risks, other areas of focus, statutory audit functions, audit fee, audit team, timetable and audit quality.

Appendix 1 provided the key changes to ISA315 and the potential impact on the Council.

29 ISA 260 Report - City and County of Swansea Pension Fund.

Gillian Gillett, Audit Wales presented the ISA 260 Audit of Accounts Report – City and County of Swansea Pension Fund which summarised the main findings from the audit of the 2022-23 accounts.

It was added that Audit Wales intended to issue an unqualified audit opinion on this year's accounts once the Council had provided a Letter of Representation based on Appendix 1. The proposed Audit report was provided at Appendix 2.

There were no misstatements identified in the accounts which remained uncorrected. It was explained that details of the misstatements corrected by Management were minor amendments of a presentational nature and had no impact on the net expenditure or net assets of the Pension Fund. There were no other significant issues arising.

It was added that during the 2021-22 audit, Audit Wales identified one other issue which resulted in a recommendation being reported in the 2021-22 Audit of Accounts report. Audit Wales had followed up on the implementation of this recommendation and noted that it had been implemented as set out in Appendix 3. They had not identified any further recommendations for the Pension Fund during the course of the 2022-23 audit.

The Chair thanked Audit Wales for the report and praised Jeff Dong, Deputy Chief Finance Officer / Deputy S151 Officer, Karen Cobb, Accounting and Investment Manager and Finance Department staff for all their work.

30 City & County of Swansea Pension Fund Annual Report and Statement of Accounts 2022/23.

The Deputy Chief Finance Officer / Deputy Section 151 Officer provided a report which sought approval of the annual report & statement of accounts for the City & County of Swansea Pension Fund 2022/23.

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 had been determined to consolidate both documents into one and streamline the production / audit process.

It was added that Officers presented the draft Annual Report and Statement of Accounts 2022/23 at the Pension Fund Committee in July 2023 and Appendix 1 provided the final version, which was the subject of the ISA 260 report with audit opinion and audit findings presented by Audit Wales.

The Committee commented upon the excellent league topping investment performance over 3 years and the continued improvement over the longer term and the staff within the Finance Department were thanked and congratulated for their work and commitment.

Resolved that that the City & County of Swansea Pension Fund Annual Report & Statement of Accounts 2022/23 be approved.

31 Wales Pension Partnership (WPP) Annual Report 2022/23.

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' report which presented the Wales Pension Partnership (WPP) Annual Report 2022/23.

Appendix 1 provided the WPP Annual Report 2022/23.

32 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 September 2023. The details of the breaches and the actions taken by Management were noted.

33 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)

34 Investment Strategy Implementation Update.

The Deputy Chief Finance Officer / Deputy S151 Officer presented a report which provided an update on the progress of the continuation of the asset re-allocation (de-risking) programme from equities into yielding assets which were contributory to net zero objectives.

Resolved that the progress and implementations made to date on previously approved recommendations in section 2.2.6 of the report, be approved.

35 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).

Appendix 1 provided the quarterly progress and update report provided by Wales Pension Partnership host authority, Carmarthenshire Council and the WPP Business Plan Q1 2023-24 Review.

36 Quarterly Investment Monitoring Report.

Philip Pearson and Andre Ranchin, Hymans Robertson presented the 'for information' quarterly investment and market update to the fund.

Questions in relation to the content of the presentation were asked by the Committee and responses were provided accordingly.

37 Investment Strategy Review.

Philip Pearson and Andre Ranchin, Hymans Robertson presented 'for information' the City and County of Swansea Pension Fund 2023 Investment Strategy Review.

38 Net Zero Journey Plan.

Philip Pearson and Andre Ranchin, Hymans Robertson presented 'for information' the City and County of Swansea Pension Fund Net Zero Transition Plan.

39 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 30 September 2023.

40 Fund Manager's Presentation(s):

A presentation was made by Julian Brown, Majid Khan and Taran Paik 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 12.30 pm

Chair