



City and County of Swansea

Minutes of the **Local Pension Board**

Committee Room 6 - Guildhall, Swansea

Monday, 30 April 2018 at 2.00 pm

Present: I Guy (Chair) Presided

Employer Representatives:

J Andrew	Director of Finance Tai Tarian
Councillor A Lockyer	Neath Port Talbot County Borough Council
Councillor T M White	Swansea Council

Officer(s)

Jeffrey Dong	Chief Treasury & Technical Officer / Deputy Section 151 Officer
Jeremy Parkhouse	Democratic Services Officer
Stephanie Williams	Principal Lawyer

Also Present: -

David Williams	Wales Audit Office
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Apologies for Absence

Officer(s): K Cobb

37 Disclosures of Personal and Prejudicial Interests.

J Andrew – Agenda as a whole – Member of Local Government Pension Scheme – personal.

I Guy – Agenda as a whole – Member of Local Government Pension Scheme – personal.

Councillor A Lockyer – Agenda as a whole – Member of Local Government Pension Scheme – personal. My wife and son are also Members of the Local Pension Scheme (Neath Port Talbot County Borough Council Education) – personal.

Councillor T M White – Agenda as a whole – Member of Local Government Pension Scheme and member of Audit Committee – personal.

Officers:

J Dong – 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.

38 Minutes.

Resolved that the Minutes of the Local Pension Board held on 5 January 2018 be signed and approved as a correct record.

Noted the update provided upon request by the Chief Treasury & Technical Officer regarding GDPR. The Board commented in respect of the more onerous procedures being introduced by the Information Commissioner's Office.

39 2018 Audit Plan - City and County of Swansea.

David Williams, Wales Audit Office (WAO) presented the 2018 Audit Plan for the City and County of Swansea Pension Fund.

The responsibilities of the Auditors, along with those of management and those charged with governance, were set out in Appendix 1. The audit approach consisted of three phases as set out in Exhibit 1. The risks of material misstatement which required audit consideration and the work plan was shown at Exhibit 2. The estimated fee was provided at Exhibit 3 and was a reduced fee due to the efficiencies of the Council.

In addition to including the Pension Fund's financial statements in their main financial statements, administering authorities were required to publish a Pension Fund annual report, which must include the Pension Fund financial statements.

The Auditors were also required to read the Pension Fund annual report and consider whether the information it contained was consistent with the audited Pension Fund financial statements included in the Council's main financial statements.

The Auditors were also required to issue an audit statement confirming the consistency of the financial statements included in the annual report with the audited Pension Fund financial statements. The timetable of works was provided at Exhibit 5.

The Board discussed risks of material misstatement, particularly the revised Accounts and Audit Regulations, internal control reports provided by investment managers, valuing private equity and the impact of GDPR.

Resolved that the contents of the report be noted.

40 Breaches Report.

The Chief Treasury & Technical Officer presented a 'for information' report, which provided details of breaches that had occurred in the Pension Fund in accordance with the Reporting Breaches Policy.

Appendix A provided the details of breaches that had occurred since the previous Local Pension Board. The details of the breaches and actions undertaken by the Management were highlighted.

41 Investment Beliefs.

The Chief Treasury and Technical Officer presented a 'for information' report to outline the Investment Beliefs adopted by this Pension Fund Committee.

The Statement of Investment Beliefs was attached at Appendix 1.

Questions in relation to the content of the report were asked by the Committee and responses were provided accordingly. It was recognised that the beliefs would be reviewed regularly.

42 Exclusion of the Public.

The Board 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 Board 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)

43 Investment Strategy Review.

The Chief Treasury & Technical Officer presented a 'for information' report that outlined the recommended amendments to the investment strategy and subsequent revision to the Investment Strategy Statement.

It was added that the appointed investment consultants, Hymans Robertson had undertaken a review of the strategy with input from officers and independent investment advisor, taking on board the outcomes of the Pension Fund Committee / Local Pension Board's training and validation of their investment beliefs.

The investment strategy review and proposed changes were outlined at Appendix 1. The subsequently amended Investment Strategy Statement was provided at Appendix 2.

44 Pension Administration Section Resource Review Report.

The Chief Treasury & Technical Officer presented a 'for information' report that outlined resourcing in the Pension Administration Section.

Questions in relation to the content of the report were asked by the Board and responses were provided accordingly. The Board highlighted the continued complicated nature of administering the LGPS and the resulting challenges faced by staff.

Resolved that regular updates be provided and comments regarding the complexity of administering the LGPS be noted.

45 Environmental Social Governance (ESG) Policy.

The Chief Treasury & Technical Officer presented a 'for information' report that considered the draft Environmental, Social, Governance Policy of the City & County of Swansea Pension Fund.

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

46 Wales Pension Partnership ACS Operator Link and their Appointed Advisor - Russell Investments.

A presentation was made by Eamonn Gough of Link Fund Solutions and Sasha Mandich of Russell Investments.

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

The content of the presentation was noted and the Chair thanked Link Fund Solutions and Russell Investments for attending the meeting.

47 Local Pension Board Members - John Andrew and Andrea Thomas.

The Chair announced that John Andrew was attending his last Board meeting as he was leaving Tai Tarian. He added that Andrea Thomas had left the employment of Swansea Council in March 2018 and her Board membership had therefore ceased.

He thanked both for their contributions to the Board and wished them well for the future.

The meeting ended at 4.35 pm

Chair