

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 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.

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

J Parkhouse – Agenda as a whole – Member of Local Government Pension Scheme and Clerk of Llanrhidian Higher Community Council – personal.

4 Minutes.

Resolved that the Minutes of the Local Pension Board meeting held on xx be approved and signed as a correct record.

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 Local Pension Board in March 2021. The details of the breaches and the actions taken by Management were highlighted.

6 WPP Business Plan. (For Information)

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' report which provided a framework for the Wales Pension Partnership programme of work for 2021- 2024.

It was added that in line with best practice, the Wales Pension Partnership produced a business plan to inform its work programme for the forthcoming 12 month period. The business plan for 2021- 2024 was provided at Appendix 1.

It was further added that the Appointment of a Scheme Member Representative to the Joint Governance Committee had received revised inter-Authority agreement and each individual authority must also obtain approval from their Council meeting.

7 Draft Annual Report and Statement of Accounts 2020-21. (For Information)

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' report which provided the Board with a briefing on the draft annual report & statement of accounts for the City & County of Swansea Pension Fund 2020/21.

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 2020/21 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 2021 due to delays in the statutory audits of their other public body clients (including Swansea Council). 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 2021.

The City & County of Swansea Pension Fund Draft Annual Report & Statement of Accounts 2020/21 were attached at Appendix 1.

The Board commented upon the excellent results provided and the staff within Financial Services were thanked and congratulated for their work, commitment and producing the Statement of Accounts on time.

The decarbonisation strategy adopted by the Fund was commented upon positively and the Board discussed the future options available in this respect.

8 Audit Enquiries to those Charged with Governance. (For Information)

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' report which sought to brief the Board on management and those charged with governance responses to audit enquiries 2020/21.

It was explained that in line with statutory requirements, Audit Wales outlined their audit plan to audit the financial statement and associated financial controls in respect of the City & County of Swansea Pension Fund to the Pension Fund Committee in March 2021. Audit Wales had indicated they would commence their audit fieldwork during the week commencing 6 September 2021.

It was added that as part of their preliminary work, Audit Wales made some high level enquiries in respect of the governance and control frameworks in place and operational in the management of the Pension Fund. Appendix 1 provided both the management response and proposed response in respect of those charged with Governance to those audit queries.

9 Exclusion of the Public.

The Board were 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)

10 Investment Strategy Update. (For Information)

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' report which sought to brief the Board on the approved delegated authority for the current asset re-allocation (de-risking) programme from equities into yielding assets noting the excellent investment returns 31% (LGPS average 22%).

It was recognised that the proposed strategy had incumbent relative opportunity risk should equity markets continue to outperform but recognised that it was prudent ahead of the triennial valuation 31/3/22.

11 Net Zero. (For Information)

The Deputy Chief Finance Officer / Deputy S151 Officer, Nick Jellema and Andre Ranchin, Investment Consultants presented a 'for information' report which sought to evaluate the implications of achieving a carbon net zero investment portfolio in the City & County of Swansea Pension Fund.

It was outlined that the Pension Fund Committee approved the first iteration of its Responsible Investment Policy in 2017 and subsequent iterations had identified 50% carbon reduction in its listed equity targets by 2022. Progress against this target was reported to the Pension Fund Committee in November 2020.

It was added that the Administering Authority, Swansea Council had approved an ambitious target of being carbon net zero as an organisation by 2030 and also for the City as a whole by 2050.

A joint Pension Fund Committee and Local Pension Board Net Zero Workshop had been agreed for October 2021.

12 Cash Management. (For Information)

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' report which sought to brief the Local Pension Board on the use of money market funds/bond funds in the effective management of the pension fund's working cash flows.

13 WPP Progress 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 quarterly progress and update report, plus the annual report provided by Wales Pension Partnership host authority, Carmarthenshire CC and Link the Authorised Contractual Scheme (ACS) Operator. Appendix 2 provided the WPP Private Markets letter to JGC members.

It was noted that Councillor C E Lloyd, Chair of the City & County of Swansea Pension Fund had been appointed as Chair of the Joint Governance Committee (JGC) of WPP.

14 Custody & Associated Services. (For Information)

The Deputy Chief Finance Officer / Deputy S151 Officer presented a report which sought to brief the Board on the approach for an appropriate procurement process and subsequent appointment to consolidate custody and associated services for the City & County of Swansea Pension Fund including :

- a) Access of the LGPS Norfolk framework for Custody and associated services.
- b) Calling off the framework with a view to consolidate the custody provider in line with WPP provision.

15 Report(s) of the Investment Consultant. (For Information)

The Deputy Chief Finance Officer / Deputy S151 Officer provided a 'for information' report, which presented the Hymans Robertson Quarterly 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.

16 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 June 2021.

Minutes of the Local Pension Board (23.09.2021)
Cont'd

The quarterly investment summaries for the Pension Fund for the quarter, year and 3 years ended 30 June 2021 were attached at Appendix 1.

The meeting ended at 12.06 pm

Chair