



City and County of Swansea

Minutes of the Pension Fund Committee

Multi-Location Meeting - Gloucester Room, Guildhall / MS

Teams

Wednesday, 16 November 2022 at 10.00 am

Present: Councillor M B Lewis (Chair) Presided

Councillor(s)

P N Bentu
W G Thomas

Councillor(s)

P Downing

Councillor(s)

M W Locke

Advisors

Nick Jellema
Andre Ranchin

Advisor - Hymans Robertson
Advisor - Hymans Robertson

Officer(s)

Karen Cobb
Jeremy Parkhouse
Jeffrey Dong

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

Stephanie Williams

Principal Lawyer

Also present

Gillian Gillett
Laura Caudwell
Arkady Gibas

Audit Wales
AON
AON

Apologies for Absence

Councillor(s): J P Curtice

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 Bentu, P Downing, M B Lewis and W G Thomas declared personal interests 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 7 September 2022 be signed and approved as a correct record.

28 Audit of Accounts Report - City & County of Swansea Pension Fund.

Gillian Gillett, Audit Wales presented the Audit of Accounts Report – City and County of Swansea Pension Fund which summarised the main findings from the audit of the 2021-22 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. Details of the misstatements corrected by Management were provided at Appendix 3. There were no other significant issues arising.

One other issue which resulted in a recommendation being made regarding a valuation of investments was provided at Exhibit 2. The recommendations arising from the audit were provided at Appendix 4.

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

29 City & County of Swansea Pension Fund Triennial Valuation As At 31 March 2022.

Laura Caudwell and Arkady Gibas of AON, presented the Committee with the initial results of the City and County of Swansea Pension Fund Actuarial Valuation as at 31 March 2022.

Details provided in the presentation included: -

- Valuation process and assumptions.
- Initial whole fund 2022 results.
- Expectations for employer results and contributions.
- Summary, next steps and questions.

The Committee asked questions of the AON representatives, which were responded to accordingly. The very positive position of the Pension Fund was noted and the work of the Pension Team in providing clean accurate data was highlighted.

The Chair thanked the AON representatives for the very detailed presentation.

Resolved that the valuation of liabilities – assumptions be approved.

30 Annual Report and Statement of Accounts 2021/22.

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 2021/22.

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 2021/22 at the Pension Fund Committee in July 2022 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 results provided and the staff within Financial Services were thanked and congratulated for their work and commitment.

Resolved that that the City & County of Swansea Pension Fund Annual Report & Statement of Accounts 2020/21 be approved.

31 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 2022. The details of the breaches and the actions taken by Management were noted.

32 Wales Pension Partnership Annual Update 2021/22.

The Deputy Chief Finance Officer / Deputy S151 Officer presented a 'for information' report to the Pension Fund Committee which provided a snapshot of the work that the Wales Pension Partnership (WPP) had undertaken over the previous twelve months.

33 Pension Administration Resources.

The Deputy Chief Finance Officer / Deputy Section 151 Officer provided a report which sought approval to approve the recommend changes to the current staffing levels to Pension administration resources.

It was added that the report aimed at addressing scheme administration and investment monitoring challenges and Regulatory changes to ensure that the structure was fit for purpose to meet the objectives of the fund.

Resolved that the resourcing and budgetary additions identified in paragraphs 5.4, 5.5 and 6.3 of the report, be approved.

34 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)

35 Net Zero Workshop Summary.

Andre Ranchin, Independent Consultant, Hymans Robertson provided 'for information' a summary of the Net Zero – October 2022 workshop. He focussed upon the '3-dimensional' framework used to help achieve its Net Zero and wider objectives.

36 Wales Pension Partnership - 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).

37 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 2022.

38 Report(s) of the Independent Advisors.

Nick Jellema and Andre Ranchin, Investment Consultants, Hymans Robertson presented 'for information' the Quarter 3 2022 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 the report.

39 Fund Manager's Presentation(s):

A presentation was made by and Aidan Quinn, Paddy Bortoli, Taran Paik, Helena Hui Ravanans, Yacine Zerizef 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.

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The meeting ended at 12.35 pm

Chair