



RHONDDA CYNON TAF COUNCIL RCT PENSION BOARD

Minutes of the virtual meeting of the RCT Pension Board held on Monday, 9 August 2021 at 10.00 am.

RCT Pension Board Members in attendance:-

Professor Hugh Coombs – Employer Representative (University of South Wales) and Chairman of the RCT Pension Board.

Angela Pring – Member Representative (Actives/Deferred)

Rob Whiles – Member Representative (Actives/Deferred)

David Francis – Pension Board Employer Representative (Coleg y Cymoedd)

Officers in attendance:-

Mr I Traylor, Service Director – Pensions, Procurement & Transactional Services

Ms Y Keitch, Senior Accountant Pensions And Treasury Management

Mrs S Handy – Members' Researcher & Scrutiny Officer

1 Declaration of Interest

In accordance with the Council's Code of Conduct, there were no declarations of interest pertaining to the agenda.

2 Minutes

The minutes of the RCT Pension Board meeting on the 26th April 2021 were **APPROVED** as an accurate reflection of the meeting.

3 MATTER ARISING

The Service Director – Pensions, Procurement & Transactional Services provided Board Members with the following updates resulting from the April 2021 minutes:

- Page 3; The Service Director – Pensions, Procurement & Transactional Services confirmed that discussions in respect of the increased state pension age are still ongoing.
- Page 3: The Senior Accountant, Pensions & Treasury

Management officer advised that the WPP Joint Committee report had been approved and sent back to the host Authority

- Page 4: The Service Director – Pensions, Procurement & Transactional Services advised that the Aon IT survey had been circulated and was reassuring to the fund
- Page 6: The Senior Accountant, Pensions & Treasury Management officer advised that in respect of the Wales Pension Partnership, the bespoke policy was still being developed.

Link to the latest WPP Joint Committee 28th July 2021;

- The Senior Accountant, Pensions & Treasury Management noted the manager proposal was approved by the JCC.

Action points April 2021:

- Board Members were advised that the promotional leaflets have been paused and that Members will be advised when any benefit statement is available.

4 Investment & Administration Advisory Panel

The Board was provided with an update in respect of the minutes of the Rhondda Cynon Taf Pension Fund Investment & Advisory Panel held on the 7th June 2021.

The Senior Accountant Pensions & Treasury Management reported that the overall value of the Fund increased from £4,417 million (31st December 2020) to £4,493 million (31st March 2021). The overall return of the Pension Fund for the quarter ending 31st March 2021 was 34.1 % against a scheme benchmark of 23.2% .

Board members were referred to the three year performance figures of Active managers and were also referred to the presentation from Mercer, Veritas and Baillie Gifford.

In respect of skills and knowledge, the Service Director, Procurement & Transactional Services informed the Board in respect of staff changes and that Councillor Hooper had been added to the Pension Fund Committee following a change in the Council's political balance.

Discussions ensued and The Service Director, Procurement & Transactional Services updated the Board in terms of governance arrangements and the updates to the Pension Fund Risk Register.

In respect of Year End Valuation, it was noted that templates for 2021 Exercise have been issued to all Employers and that approximately half have been received in respect of the 7th May deadline.

In respect of Communications, The Service Director advised the Board that

Pension Members have been informed of the Pension increase and that the Employee Communication forum was scheduled for July.

The Board also noted progress made around the I-connect implementation.

Board Members were then referred to the performance against the Fund's key service standards.

The Senior Accountant, Pensions & Treasury Management updated the Board on the Wales Pensions Partnership progress report. Board Members were informed that following the re-submitted prospectus, the Responsible Investment overlay of the Global Opportunities Fund commenced 1st April 2021. Board Members were advised that the transition date for the launch of the emerging markets tranche is now estimated as October 2021.

Following discussion, Board members **AGREED** to acknowledge the updated information.

5 Risk Monitoring

Board Members were provided with an assessment of the risks associated with the RCT Pension Fund and to outline the control measures in place.

In respect of the WPP pooling, Board Members also felt it was important to add in two additional risks:

1. The risk of confidential data being leaked; and,
2. The risk of the fund taking corrective action in respect of any malpractice.

The Board **RESOLVED** to note the current risks associated with the RCT Pension Fund and the control measures in place.

6 All Wales 'Pooling'

The Senior Accountant Pensions & Treasury Management provided the Board with an update on progress of the Wales Pension Partnership.

Board Members were informed that the business plan was approved by the JCC and RCT. Board was told that work continues on the private market sub group and that virtual working practices continue. The Senior Accountant Pensions & Treasury Management agreed to look into whether the WPP report can be circulated to Board Members.

Following discussion, it was **RESOLVED** to note the current update in respect of the Wales Pensions Partnership.

7 Knowledge and Understanding Framework

The Service Director, Pensions, Procurement & Transactional Services referred Board Members to the training undertaken to date by the Board.

The Board agreed to send the Service Director, Pensions, Procurement & Transactional Services a list of any training requirements to add to the list on an ongoing basis.

It was agreed to add in the following dates:

- 23rd June 2021: LGPS Training; and,
- 20th July 2021: Wales Partnership Pooling training

The Chair also wished to place on record his gratitude to the WPP for offering Chairs training to everybody.

Following discussion, Members **RESOLVED** to note the information in respect of the Board's knowledge and skills framework.

8 Covid Governance Update

Members were provide verbal reassurance to the Board around the Governance arrangements and any lessons learned as a result of the Covid Circumstances.

Board members were informed that officers are still working remotely, however, a pilot scheme is currently in place where officers can attend the office two days a week on a rota basis. Board Members were informed of the success of the pilot scheme to date.

Following discussion, Members **RESOLVED** to note the update.

9 Legislation and Administrative Issues

- Annual Benefit Statement Update:
Bord Members were advised that the annual benefit statement will be produced prior to the deadline.
- McCloud:
Board Members were advised that on the 19th July, the Public Service Pension Judicial Bill went before Parliament. Consequently, the LGPS will be able to pull the requirements together to include retrospective measures. The LPS regulations need to be in place by the end of 2021. When it's in place, the

regulations will be applied. Board Members were advised of the depth and scope of this project, however, they were reassured that the support is in place and that a Graduate Officer will be assisting on the McCloud project as part of their external graduate qualification.

- *Employers Flexibility Scheme*
The Service Director of Pensions, Procurement & Transactional Services confirmed that this has been discussed throughout the meeting
- *Pension dashboard update*
Board Members were shown the Pension dashboard screen. Board Members were advised that Aquilla Haywood have been selected to work with the Government, which will provide the individual with all their pension savings in one place. Board Members were told that this will be live from 2023.

Following discussion, Board Members **RESOLVED** to note the legislative update.

10 ENVIRONMENTAL, SOCIAL & CORPORATE GOVERNANCE

The Senior Accountant Pensions & Treasury Management provide Board members with a verbal update in respect of ESG matters.

It was noted that the ESG should be taken into account on an ongoing basis. Board members were reassured that ESG is something that will be continually monitored. Members were reminded that a carbon focused report is received on a quarterly basis and that in respect of global growth the climate risk has improved.

Following discussion, Board members **RESOLVED** to note the update on environmental, social and corporate governance.

11 Any Other Business

The Chair informed the Board about the Pension Regulation Survey Results. The following points were noted:

- 94% Conflicts of interest Policy
- 94% policies to assess identify and report breaches of the law
- 98% Policies for resolving payments issues
- 97% has processes to monitor records for accuracy compliance
- 95% had access to knowledge skills to properly run the scheme
- 84% had own procedures to monitor and assess risk
- 75% had all the above

The Service Director of Pensions, Procurement & Transactional Services also advised Board Members in respect of the Barnett & Warrington training section. Board Members were reassured that the RCT fund has not hit any of the red flags. Discussions ensued and Board Members agreed to ask a representative to come to the next Pension Board meeting to update the Board. It was agreed that the Service Director of Pensions, Procurement & Transactional Services would arrange this.

Board Members were also updated in respect of the cost management consultation. Members were told that the review is out for consultation until the 19th August and that a further update will be provided accordingly.

This meeting closed at 12.36 pm

**MR H. COOMBS
CHAIR.**