

RHONDDA CYNON TAF PENSION BOARD

Minutes of the meeting of Rhondda Cynon Taf Pension Board held at Pontyclun Library, Heol Y Felin, Pontyclun on Wednesday, 27 January 2016 at 9.30 a.m.

In Attendance:

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| Professor Hugh Coombs | Employer Representative (University of South Wales) and Chairman of the RCT Pension Board |
| Gwyn Williams | Employer Representative (South Wales Police) |
| Angela Pring | Member Representative (Actives/Deferred) |
| Rob Whiles | Member Representative (Pensioners) |

Officers:

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| Ian Traylor | RCTCBC Support |
| Stephanie Davies | RCTCBC Support |
| Denise Stone | RCTCBC Support |
| Zelda Maisey | RCTCBC Admin Support |

26 DECLARATION OF INTEREST/CONFLICTS

There were no declarations of personal interests/conflicts in matters pertaining to the agenda.

27 MINUTES

AGREED to approve as an accurate record, the minutes of the meeting of the RCT Pension Board held on 5th November 2015.

28 SUMMARY OF ACTION POINTS RESULTING FROM THE MEETING OF THE PENSION BOARD ON 5TH NOVEMBER 2015

The Board Members considered the summary of action points arising from the minutes of its last meeting and were updated as follows:

- Minute No.15 – The HR Officer had checked whether all Board Members had returned their Personal Interest Declaration Form and found that a form had not been filed for Gwyn Williams. A fresh form would be sent out in the post for his completion and return to H.R at the earliest opportunity.
- Minute No.17 – The Board Members were provided with a summary of a Fund Manager's mandate history along with details on timescales taken for the Manager to achieve the required benchmark which were accompanied by graphs illustrating benchmarking against performance. The improved performance of the Fund Manager was

noted and the Board **AGREED** to request that details of the total fees paid to date be presented at the its next meeting.

- Minute No.18(5a) – The Board Members were informed that the return to the Fund after fees was not collected and performance was reported before fees to ensure comparisons could be made with the bench mark overall. An organisation - J.L.T. - was currently reviewing fees on behalf of the Pension Fund and the outcome of the review would be brought back to the Board. The Board **AGREED** to receive this information at a future meeting.
- Minute No.18 (7.3a) – The Board noted that work on the self assessment toolkit was still ongoing and would be brought to a future meeting of the Board.
- Minute No.20(e) – Discretionary Policies were currently being reviewed and it was **AGREED** that the Board be briefed at its next meeting on the review being undertaken and have an opportunity to comment thereon.
- Minute No.22(c) – The Board Members were presented with information on the various types of appeals in progress as at November 2015 and following consideration of the information, it was **AGREED** to request that this level of information is reported to the Investment & Administration Panel and also included in future minutes of its meetings. The minutes would then be presented to the Pension Board for information and feedback, when necessary.

29 RCT PENSION FUND INVESTMENT & ADMINISTRATION PANEL

The Board received the minutes of the meeting of the RCT Pension Fund Investment & Administration Panel held on 30th November 2015 and following consideration thereof, it was **AGREED** –

- (1) To note the minutes of the last meeting of the Investment & Administration Panel.
- (2) To request feedback on the annual impact of fees to a Fund Manager and in particular, when their fees were reduced.

30 RISK MONITORING

The Board was presented with an assessment of the risks associated with the RCT Pension Fund and the control measures in place.

Following consideration of the document presented, the Board **AGREED** -

- (1) To request additional feedback on the current situation regarding 'Custody' arrangements.

- (2) Under the heading 'Governance – Loss of Reputation' – to add to the Control Measures the fact that all Employers are invited to the AGM.
- (3) To note that reference to the Breaches Policy (once adopted) will be included in the Risk Register under the heading 'Governance'.
- (4) Under the heading 'Regulatory – Loss of key staff/expertise' – to add 'Succession Planning' to the Control Measures.

31 REPORTING BREACHES TO 'THE PENSIONS REGULATOR' POLICY

The Board Members considered the draft policy for reporting breaches to the Pensions Regulator and following consideration thereof, **AGREED** to approve the draft policy subject to:

- the wording of paragraph 24 being corrected to read as follows:

'After obtaining clarification of the law, if required, and the facts around the breach the reporter should refer the potential breach to the Pensions Administration Manager and Head of Service, Pensions, Payroll & Payments who will undertake their own investigations and, using the traffic light framework, determine whether they categorise it to be red, amber or green.'
- the wording of paragraph 26 being revised to read as follows:

'The Head of Service, Pensions, Payroll & Payments will refer the case immediately to the Group Director, Corporate & Frontline Services (Section 151 Officer) for reporting decision and inform the Chair of the Pension Board.'
- the addition of the words 'appropriate employers' Whistleblowing Policies should apply' to the section relating to whistleblowing protection and confidentiality.

32 CHANGE TO THE ORDER OF THE AGENDA NEW LOCAL GOVERNMENT PENSIONS SCHEME INVESTMENT REGULATIONS AND ASSET POOLING

At this point in the proceedings, the Chairman brought forward for consideration an item raised by Angela Pring in relation to a request from UNISON to respond to consultation on the 'New Local Government Pensions Scheme Investment Regulations and Asset Pooling' which was originally due to be considered later in the meeting under 'Any Other Business'.

At the invitation of the Chairman, Mrs. Pring stated that she had been asked to bring this matter to the attention of the Board and she circulated a briefing note outlining UNISON's position on the Government's new proposals. Attached to the briefing note was a standard letter drafted by UNISON which the Board was invited to submit in response to the consultation.

Following a discussion, it was **AGREED** –

- (1) Not to accede to the request of UNISON as this was not a matter for the Board.
- (2) To note that the administering authority – RCT – would be formally responding to the consultation.

33 MEMBER COMMUNICATIONS UPDATE

(1) Pensioner Newsletter

Officers provided the Board Members with a copy of the LGPS 2015 Newsletter for Pensioners for their information and advised that the 2016 edition would need to include reference to the existence of the Pensions Board. In response, the Chairman stated that he would draft a column for inclusion in the newsletter and forward it on to Ian Traylor before the deadline date of 15th February 2016.

The Board also noted that there would be no increase in pensions during 2016-17.

(2) End of Contracted Out Notice

Reference was made to the changes to the “Contracted Out” status of the LGPS effective from 6th April 2016 and the Board considered that there was a duty on each employing authority to communicate to its employees that there are resulting N.I. changes. It was noted that an All Wales Communication has been circulated.

(3) Pension Tax Sessions

Officers provided the Board Members with an example of a letter sent to Senior Officers within all the Fund Employers inviting them to attend ‘Pension Tax Allowances’ awareness session being undertaken by Prudential.

(4) Auto Enrolment (re-enrolment)

The Board noted that letters would be sent by Employers to their employees regarding auto enrolment (re-enrolment) to the LGPS and the impact this would have on the Fund.

34 MEMBERSHIP DATA

Officers provided the Board Members with an update on the GMP Reconciliation Project.

It was noted that the LGPS was a contracted out pension scheme but following the end of contracting out in April 2016, HMRC would be sending a

statement during 2018 to all individuals affected stating the amount of GMP they would receive and who was responsible for paying it. Ahead of this, the scheme should reconcile the GMP values they hold for members with those calculated by HMRC or face making overpayments to existing members and even individuals for whom they believe they had no liability.

The Board was informed of the work currently being undertaken by RCT Pensions staff in respect of this requirement and noted that the exercise was very time consuming in terms of numbers of cases and complexity of issues and needed experienced staff to look at the mismatches/records to determine resolutions.

35 KNOWLEDGE AND SKILLS FRAMEWORK

Officers provided the Board with a copy of the 'Knowledge and Skills Framework' showing details of the Core Technical Requirements for the Chair and Members of the Pensions Fund Board together with details of the training undertaken to date. Angela Pring pointed out that she completed the Trustees Toolkit on 8 October 2015 and this should be added to the schedule.

It was **AGREED** that at its next meeting, the Board would consider the way forward regarding future training requirements.

36 OTHER BUSINESS

(1) Work Programme

The Board was informed that an additional column would be added to the Work Plan to highlight the various topics that had been covered.

(2) Valuation Report

Officers advised the Board that an update on valuation timescales would be submitted to the next meeting.

(3) Date of Next Board Meeting

It was **AGREED** that the next Board meeting would take place mid April.

**PROFESSOR H.COOMBS
CHAIRMAN**

The meeting closed at 12.25 p.m.

**SUMMARY OF ACTION POINTS ARISING FROM THE MEETING OF THE RCT
PENSION BOARD HELD ON 21 JANUARY 2016**

| MINUTE | ACTION | RESPONSIBLE MEMBER/OFFICER | STATUS |
|----------------|--|---------------------------------------|--------------------------------|
| 28 | Personal Interest Declaration Form to be sent to GW for completion | SD | Complete |
| 28 | Information required on the total fees paid to a Fund Manager to date | SD | Complete |
| 28 | Report required on the outcome of the review of fees | SD | Feedback at April meeting |
| 28 | To receive a briefing at the next meeting on the review of Discretionary Policies | IT | To be provided at July meeting |
| 28 | Further information on the self assessment toolkit to be presented to a future meeting | IT | To be provided at July meeting |
| 28 | Information on the various types of appeals in progress be included in future minutes of the Pension Panel | IT | Feedback at April meeting |
| 29 | Feedback required on the annual impact of fees to a Fund Manager and in particular, when their fees were reduced | SD | Feedback at April meeting |
| 30(1) | Feedback required on Custody arrangements | IT | Feedback at April meeting |
| 30(2)(3) & (4) | Additions required to the risks associated with the Pension Fund and control measures in place | IT SD | Complete |
| 31 | Correction and additions to be made to the Pensions Regulator Policy | IT | Complete |

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|-------|--|----------|---------------------------|
| 33(1) | Chairman to prepare information for inclusion on the Pensioner Newsletter | HC IT | Complete |
| 35 | Way forward regarding future training for Board members to be considered at next meeting | HC | On-going |
| 36(1) | Additional column to be added to Work Plan re: Topics Covered | HC | On-going |
| 36(2) | Update on valuation timescales to be submitted to the next meeting | IT | Feedback at April meeting |
| 36(3) | Arrangements to be made for the next meeting to take place mid April 2016 | IT ZM | Complete |