

RHONDDA CYNON TAF PENSION BOARD

Minutes of the meeting of Rhondda Cynon Taf Pension Board held at Bronwydd House, Porth on Tuesday, 12th December 2017 at 9.30 a.m.

In Attendance:

Professor Hugh Coombs	Employer Representative (University of South Wales) and Chairman of the RCT Pension Board
David Francis Cymoedd)	Pension Board Employer Representative (Coleg y
Angela Pring	Member Representative (Actives/Deferred)
Rob Whiles	Member Representative (Pensioners)

Also in Attendance:

County Borough Councillor M. Norris – Chair, Pension Fund Committee

Officers:

Ian Traylor	RCTCBC Support
Stephanie Davies	RCTCBC Support

24 WELCOME

The Chair of the RCT Pension Board welcomed the Chair of the Pension Fund Committee, County Borough Councillor M. Norris, to the meeting.

25 DECLARATION OF INTEREST/CONFLICTS

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

26 MINUTES

AGREED to approve as an accurate record, the minutes of the meeting of the RCT Pension Board held on the 12th September 2017 subject to the following being inserted:-

Page 2 – that the word ‘Funds ’is inserted at ‘Those funds that had currency hedging would not have had the benefit of currency gain; and

Page 5 – that the date 31st August 2017 is inserted in respect of the ABS deadline.

27 MATTERS ARISING

1. **Minute 15** – It was agreed that the power point slides from Mr Cullinan’s presentation be emailed to the Board.
2. **Minute 15** – That a comparison between the RCT fund and other Welsh Funds, as referred to in Mr Cullinan’s presentation (12th September 2017), is provided to the Board.
3. **Minute 16** – The Head of Pensions, Payments and Payroll assured the Board that details of the remaining tenure would be confirmed in writing following consultation with the Director HR and Director Legal & Democratic Services. He alluded to the vacancy that will exist post 1st April 2018 and to the intention to maintain a level of consistency amongst the Board Members in terms of experience, knowledge and skills
4. **Minute 17** – MIFID II – Confirmation was provided that the Fund has opted up to professional client status.
The Chair of the Board has considered the paper on introducing derivatives into the Bonds portfolio and the paper will be circulated to all Board Members.
5. **Minute 20** – The Board wished to extend its thanks to the staff responsible for completing the Annual Benefits Statement.
6. **Minute 23** - Liability Insurance – The Head of Pensions, Payments and Payroll confirmed that he would raise the issue with the LGA however he stressed that professional advice had been sought in respect of this when setting up the Pension Board.

28 SUMMARY OF ACTION POINTS RESULTING FROM THE MEETING OF THE PENSION BOARD ON 12th SEPTEMBER 2017

The Board Members considered the summary of action points arising from the minutes of its last meeting and the status updates were noted.

Minute 3 (59) – Cash flow Position of the Fund – Members were advised that the Head of Pensions, Payments and Payroll met with the Actuary following the AGM and confirmed that there is no issue with the Fund’s cash flow position, at the latest valuation.

Minute 3 (64) – GMP Reconciliation – it was agreed that this would be discussed under Agenda Item 5.

29 INVESTMENT & ADMINISTRATION ADVISORY PANEL

The Board Members received the minutes of the meeting of the RCT Pension Fund Investment and Administration Panel held on 2nd October and 27th November 2017 and of the Pension Fund Committee held on the 13th November 2017.

The Head of Finance, Education and Financial Reporting highlighted the three year performance figures for the Fund with particular regard to the

performance of the individual Fund Managers. It was confirmed that the slides referred to within the report relating to Newton and CBRE would be circulated to the Board. It was agreed that the information relating to a particular Blackrock holding would be clarified and circulated.

The Head of Pensions, Payments and Payroll updated the Board on the valuation which had been completed as appropriate. The Annual Benefits Statements had been issued ahead of statutory deadlines which had resulted in a minimal amount of queries, all of which have been dealt with appropriately.

In respect of Governance issues it was reported that the Regulator Scheme return had been submitted on the 10th October 2017 prior to its statutory deadline of the 25th October.

The Head of Pensions, Payments and Payroll circulated information in respect of attendance figures for the Pension AGM for the Board Members which was held on the 28th November 2017. He added that he had contacted all Chief Executives of the relevant Fund Employers in advance of the event which had marginally improved the attendance figures from the previous year. It was confirmed that a link to the Pension website had been circulated to all employers following the AGM enabling them to access the slides from the event.

The Board was also informed that the Fund Annual Report had been published prior to its statutory deadline of the 1st December 2017 and it was confirmed that the Board membership details would be updated in readiness for next year.

Details were provided in respect of the schedule of testing and performance of the Member Self Serve and it was agreed that the Board would also receive relevant training on the process.

In respect of the Pension Fund Committee minutes, it was confirmed that an invitation to the presentation relating to the Euraplan Shareholder II system, to be held at the next meeting of the Pension Fund Committee, would be circulated.

Following consideration of the report it, it was **AGREED** –

- (1) To note the minutes of the last two meetings of the Investment & Administration Panel and of the minutes of the Pension Fund Committee ;
- (2) That the slides from Newton and CBRE be circulated to the Board;
- (3) That a spreadsheet detailing the value of each portfolio held by the Fund Managers is circulated to the Board;
- (4) That a response to the query in respect of a particular Blackrock holding is circulated;

(5) That the Board receives training in respect of the Member Self Serve in due course; and

(6) That invitations are circulated to attend the next meeting of the Pension Fund Committee to receive a presentation in respect of the Euraplan Shareholder II system.

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 to note the information and that a colour coded key is included for the next meeting so as to identify the risks.

31 GMP RECONCILIATION UPDATE

The Board received a verbal update in respect of the GMP Reconciliation in conjunction with additional information which was circulated at the meeting. It was reported that the exercise had been completed and returned to the HMRC by 18th December 2017.

Following consideration of the information circulated at the meeting it was agreed to note the oral update and that the Board's thanks are extended to the staff involved in undertaking the work.

32 GENERAL DATA PROTECTION REGULATION (GDPR)

The Head of Pensions, Payroll and Payments presented his report in respect of the EU General Data Protection Regulation (GDPR) which will apply from the 25th May 2018. He explained that the new law will mean heightened sanctions for a breach, although as clarified by the ICO, the fines will be proportionate.

The Board was informed that for the Local Authority it means reviewing and updating, where necessary, its data transmissions and third party contracts and looking to have a clear plan for data retention. It also involves providing the appropriate support to decision makers and key staff within the local authority.

Whilst reviewing the next steps for the Fund it was confirmed that the Risk Register would include reference to the GDRP.

It was agreed to note the contents of the report.

33 ANNUAL COMPLIANCE

It was confirmed that this agenda item had previously been considered.

34 KNOWLEDGE AND UNDERSTANDING

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.

It was agreed to add the following to the list of 'Training Undertaken':-

- All members of the Board attended the Pension AGM;
- Presentation in relation to Socially Responsible Investing on the 4th January 2018 (Pension Fund Committee);
- Training in respect of Euraplan Shareholder II system;
- Chairs meeting in January 2018

35 OTHER BUSINESS

Governance Survey

The Head of Pensions, Payroll and Payments explained that he had, in conjunction with the Chair, completed a scheme manager survey which referred to the launch of a TPR campaign called the 21st Century Trusteeship and Governance. It was acknowledged that the link to the Pensions Regulator website had been previously circulated for members' information and it was agreed that it be added to the 'Knowledge and Skills Framework'.

Pooling Update

The Head of Pensions, Payroll and Payments provided a verbal update on progress being made towards developing LGPS investment pooling arrangements on an all Wales basis including the development of the associated governance arrangements. It was confirmed that an operator has been appointed and that further information would be provided to the Board in respect of this in due course. It is expected that the pooling structure will be in place ahead of April 2018.

It has been proposed that Carmarthenshire County Council (administering authority of the Dyfed Pension Fund) will act as Host Authority for the Pool. In conclusion, the Head of Pensions, Payroll and Payments confirmed that the next stage would involve the development of the collaboration at a more detailed level.

**PROFESSOR H. COOMBS
CHAIRMAN**

The meeting closed at 12.45 p.m.

**SUMMARY OF ACTION POINTS ARISING FROM THE MEETING OF THE RCT
PENSION BOARD HELD ON 12th DECEMBER 2017**

MINUTE	ACTION	RESPONSIBLE MEMBER/OFFICER	STATUS
27 (1)	Slides from David Cullinan's presentation to be circulated to the Board following the meeting.	SD	Completed
27 (2)	That a comparison between the RCT fund and other Welsh Funds, as referred to in Mr Cullinan's presentation (12 th September 2017), is provided to the Board.	SD	
27 (3)	Details of the remaining tenure to be confirmed in writing following consultation with the Director HR and Director Legal & Democratic Services	IT	
27 (4)	The paper on introducing derivatives into the Bonds portfolio and the paper to be circulated to all Board Members.	SD	
29	That the slides referred to within the report relating to Newton and CBRE to be circulated to the Board. Information relating to a particular Blackrock's holding to be clarified and circulated. That a spreadsheet detailing the value of each portfolio held by the Fund Managers is circulated to the Board	SD	<i>Completed</i> <i>Completed</i> <i>Completed</i>
29	The Board to receive training on the Member Self Serve in due course.	IT	
29	Invitation to be circulated to receive a presentation of	IT	<i>Completed</i>

	the Euraplan Shareholder II system at the next meeting of the Pension Fund Committee		
30	Colour coding on the next Risk Register so as to identify the risks.	IT	<i>Completed</i>
31	Date of the next meeting – 7 th March 2018	JN	