



RHONDDA CYNON TAF COUNCIL RCT PENSION BOARD

Minutes of the virtual meeting of the RCT Pension Board meeting held on Thursday, 7th
August 2025 at 10am

RCT Pension Board Members in attendance:-

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

Rob Whiles – Member Representative (Pensioners)

Darren Griffiths - Trade Union Representative (Merthyr Tydfil CBC)

Officers in attendance

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

Mrs C Black, Pensions Services Manager

Ms Y Keitch, Principal Accountant

Ms C Bartlett, Pension & Treasury Team

Apology

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

11. DECLARATION OF INTEREST / CONFLICTS / CONFIDENTIALITY

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

12. MINUTES OF THE PENSION BOARD AND AGENDA OF PENSION FUND COMMITTEE

The minutes of the RCT Pension Board meeting on the **5th June 2025** were **APPROVED** as an accurate reflection of the meeting (subject to it being noted that Minute 6. Should read 'WPP training in March and June 2025' (and not 2026 as set out) and that the word 'appraised' at Minute 5. is spelled incorrectly).

Matters Arising from the Minutes 5th June 2025

- **Page 5-** The consultation outcome regarding death grants has been published. The consultation proposed that pension scheme administrators, rather than personal representatives would be liable for the reporting and payment of any Inheritance Tax on the pension component of an estate. However, the proposal will not be progressed, instead personal representatives will now be liable for reporting and paying Inheritance Tax on any unused pension funds and death benefits. LGA will provide guidance notes regarding administration requirements.



- **WPP** -It was confirmed that the link to the consultation responses to the LGPS: Fit for the Future consultation had been circulated to all as requested.
- Page 5 -The new 'My Pension Online' portal will be a 'soft' launch. Wider communication will be included with the Annual Benefit Statements.
- Page 6- Congratulations were passed to the team on the outcome of a recent audit report in respect of McCloud and compliance against the new Regulator code.
- Page 6 -The Board noted that there had been no changes to the voting procedures of BlackRock and Robeco on underlying US holdings following new guidance by the SEC, their engagement remains unchanged.
- Page 8 – It was confirmed that links to the relevant LGA Bulletins have been included on the agenda and will continue for future meetings as requested.

Action Points from the meeting held on the 5th June

- The Board were pleased to note the circulated update from ICT RCT via email regarding the progress of the collaborative WARP cyber group, frequency of meetings and scope of its work with a further update in due course. The Board discussed the positive development regarding cyber security and noted the steps in place to report cyber breaches (as contained within the Fund's Pension Breaches policy).
- The Board **AGREED** that all action points listed following the previous meeting held on the 5th June had been 'actioned' as intended.
- Noted that the Minutes of the Pension Fund Committee and WPP are rightly dominated by progress/work/schedule of Project Snowdon which supports the governance arrangements.

(Noted also that an update on the WPP would be provided later on the agenda from the Deputy Chief Executive/Group Director – Finance, Digital and Frontline Services).

13. INVESTMENT & ADMINISTRATION ADVISORY PANEL

The Principal Accountant provided an update on the Investment & Administration Advisory Panel held on the 2nd June, to which Mercer and Baillie Gifford Pension Companies as well as all underlying managers were invited. The action points were addressed.

The Principal Accountant advised that it had been a volatile quarter as the Magnificent 7 (Apple, Microsoft, Alphabet, Nvidia, Tesla, Amazon and Meta) continue to dominate the market with so much value invested in so few companies, it was proving a difficult market. With the overall value of the Fund at £4,783 million with the current funding level at 113.5%, another asset liability review was due to be undertaken to ensure the right balance has been achieved.



With Baillie Gifford underperforming again in the last quarter, the Principal Accountant advised that their performance would continue to be monitored. Baillie Gifford have acknowledged their underperformance and are committed to their core philosophy which will hopefully see them recover as they have done previously. The Board noted the situation regarding BlackRock's Renewable Infrastructure Fund and the impact of geo-political influences on renewable investment.

The Board was provided with an update on the asset allocation of the Fund by asset class compared to target benchmark at 31st December 2024 with particular reference to the 54% Equities target and the Service Director – Pensions, Procurement & Transactional Services confirmed that there would be a further asset liability review following the 2025 Valuation exercise next year.

The Board noted that the WPP Sustainable Equity Fund had failed to achieve its benchmark, as similar funds had experienced the same performance challenges and noted that the Fund is looking towards long term investment as it transitions to net zero. The Board acknowledged that this was an informed judgement from a governance point of view.

The Service Director – Pensions, Procurement & Transactional Services provided an update on the five late payments which had been identified during the reporting period. He reminded the Board that all late payments are recorded and reported to both the Board and Panel, the Employers are contacted to remind them of their responsibilities. Given the quantum and rationale provided. Board concurred with the Panel that the late payments do not constitute a 'material' breach for formal reporting purposes.

Further consideration was given to the benefits of increasing the Board membership numbers, with the Service Director advising that any changes to the Board's terms of reference would need to be ratified by Full Council. It was agreed that increasing the membership would support any future unplanned absences.

The Board requested sight of the All Wales Response and the LGA Response to the Access and Fairness Consultation ahead of amendments to the Local Government Pension Scheme regulations to promote 'access and fairness' to its scheme members which had been launched on the 15th May by the Ministry of Housing, Communities and Local Government (MHCLG). It was agreed that it would be provided following the meeting.

The Service Director – Pensions, Procurement & Transactional Services advised on the following:

- The Normal Pension Age will increase from age 55 to 57 on 6 April 2028, noting this could be a significant change which will require appropriate communication to advise members ahead of the April 2028 implementation date;
- It was agreed that the Pensions National Dashboards Programme (PDP) would be discussed later on the agenda;



- It was confirmed that the consultation LGPS “Fit for the Future,” which closed on 16th January 2025 had been circulated to members of the Board. A further and more detailed update would be provided later on the agenda;
- The 2025 Valuation exercise activity is underway with the ‘Overall’ Funding level at 31st December 2024 which has again improved to 113.3%, a positive position;
- The Board acknowledged that the 2025 Annual Benefit Statements deadline of 31st August 2025 is on target and that further discussion on the ABS would be picked up later on the agenda;
- Proof of Life’ exercise as previously reported, six member accounts have subsequently been suspended;
- An update was provided in respect of McCloud (underpins), the Board noted that the 2024/25 Internal Audit review of the Fund’s progress as providing ‘substantial assurance’ (demonstrating the importance of independent reassurance);
- I-Connect-An update was provided in respect of SWFRS, the final employer to onboard. RCT met with SW Fire and Rescue who have reaffirmed their obligations;
- The Board had previously acknowledged the Member Self-Serve numbers are positive and still increasing with a commitment that the link to the updated ‘My Pension Online Portal’ would be circulated to members of the Board for them to see first-hand the latest portal;
- An update on employer/internal transfers was provided and information on the two new admissions having been agreed into the Fund;
- An update was provided in respect of the following cessations, Valleys to Coast and the Central South Consortium (the latter effective from 1st September 2025 with a transfer to the constituent authorities RCT, Merthyr, Vale of Glamorgan, Bridgend and Cardiff);
- The Board noted the positive response from the Panel recognising that the team are also maintaining the day to day business despite the volume and challenging targets with regards to the timescales of the key service standards;
- Board members were advised of the team’s development:
 - three apprenticeships are progressing well;
 - the Service area is participating in the new apprenticeship scheme which commences in September 2025;
 - three GR5 secondments into Pension Officer roles;
 - interviews next week to fill the GR5 vacancies left following the secondments; and
 - two Grade 4 officers are undertaking the APE (GCSE Level) qualification.



Board was pleased to hear the progression and the commitment of the Service area to 'grow our own' talent through clearly defined career paths;

WPP Update

An update on the Wales Pension Partnership was provided and the Board were advised that the value of the total pooled assets of the WPP as at March 2025 was £19.3 billion. In terms of the stewardship related work, the Passive mandates evolution is open to all investors and moving to a WPP bespoke fund. Work has begun on the 2025 submission for the FRC Stewardship Code. The Good Economy impact reporting proposal has been agreed (for a 3-year period).

The Chair confirmed that the Climate Policy, Stewardship Policy, and Responsible Investment Policy have all now been adopted and published to the WPP website.

The Board then received an update on asset liability review which provided an overview of the Fund's position in terms of its infrastructure investments and an update on progress of the local windfarm project through the WPP was provided under Socially Responsible Investments.

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

14. RISK MONITORING

The Board considered the current risks associated with the RCT Pension Fund and noted the changes as set out in the updated Risk Register.

It was agreed to cross reference the terminology under the Governance section of the Pension Fund Risk Register relating to transparency and monitoring (in the context of the WPP Risk Register).

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

15. KNOWLEDGE AND UNDERSTANDING FRAMEWORK

The Service Director of Pensions, Procurement & Transactional Services referred Board Members to the training plan until October 2025 and it was agreed that the training session scheduled for the 18th October would be checked (the 18th being a Saturday).

16. KEY PROJECTS UPDATE

The Board received an update on the following items:

- Regulator General Code 'Gap Analysis'
- Pension Dashboard Programme (connection guide published)
- Annual Benefit Statements (McCloud)
- Fund Valuation Exercise



Regulator General Code 'Gap Analysis'

Board provided feedback which will be included in the 'Gap Analysis.' The Board agreed that it is an effective system of governance, undertaking its own risk analysis which is in line with the requirements of the TPR.

(The Chair requested a hard copy of the gap analysis spreadsheet)

Pension Dashboard Programme (connection guide published)

The Pension Services Manager provided an update on the Pensions National Dashboards Programme (PDP) since the last meeting. The Board noted that they will receive notification when final connection to the Dashboard has been achieved. Further information is forthcoming from Heywood via webinars in respect of resolving possible matches criteria as well as data cleansing and enrichment.

It was agreed to share the PASA data matching guidance with the Board.

Annual Benefit Statements (McCloud)

A further update was provided in respect of McCloud with Annual Benefit Statements to be issued by the Regulatory deadline of 31st August 2025 (with LGPS administering authorities able to exercise their discretion to delay this for a further year to August 2026)..

Following discussion, it was agreed that in satisfying the TPR, the approved plan through delegated authority was shared with the Board for compliance purposes.

Fund Valuation Exercise

It was confirmed that the deadline for providing data has been met with the first round of feedback expected by the end of the week, with initial results to be received during October.

17. LEGISLATIVE AND ADMINISTRATIVE ISSUES

The Board were provided with an update on the following:

- Inheritance Tax consultation response
- Legislation planned in response to the Virgin Media judgment
- Pension Schemes Bill 2024/25 – first reading 5th June

The Board noted that the inheritance tax consultation response had been discussed previously on the agenda and noted the updates in respect of the other matters.



18. ENVIRONMENTAL, SOCIAL & CORPORATE GOVERNANCE

The Board noted the update on this item earlier on the agenda.

19. ANY OTHER BUSINESS

- LGA Bulletin Update items (noted that the links to the relevant LGA Bulletins are included on the agenda).
- Reassurance was provided to the Board that the team have received training on the changes (TPR Annual Funding Statement, HMRC Public Service Pensions Remedy newsletter) and that the LGA bulletins are reviewed and actioned as appropriate.

10. TO RECEIVE A VERBAL UPDATE ON PROGRESS OF THE WALES PENSIONS PARTNERSHIP 'PROJECT SNOWDON'

The Deputy Chief Executive/Group Director – Finance, Digital and Frontline Services provided the Board with an update on progress of the WPP Project Snowden. He confirmed that all eight Constituent Authorities have now approved the build of WPP Investment Management Company (IM Co), including its submission to the FCA to obtain formal authorisation and the appointment to a number of key positions in line with the FCA.

It was recognised that the Chairs' meeting have contributed to the WPP governance. There followed a discussion in relation to the matters raised and the Board acknowledged and thanked the Deputy Chief Executive/Group Director – Finance, Digital and Frontline Services for the regular updates to them which served to demonstrate transparency and good governance.

The meeting closed at 12.40pm

Professor H Coombs

Chair.