



## **RHONDDA CYNON TAF COUNCIL RCT PENSION BOARD**

Minutes of the virtual meeting of the RCT Pension Board meeting held on Thursday, 15 January 2026 at 11:30am.

### **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)

Craig Flynn, Finance Director (Section 151) Officer for Merthyr CBC-

### **Officers in attendance**

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

Mr B Davies, The Deputy Chief Executive & Group Director Corp. Resources (Section 151 Officer)

Mrs C Black, Pensions Services Manager

### **Apology**

Darren Griffiths - Trade Union Representative (Merthyr Tydfil CBC)

Catherine Bartlett – Accountant Treasury and Pensions

### **31 Welcome**

The Chair welcomed RCT Pension Board Members and Officers to the meeting. The Chair welcomed Mr Craig Flynn, Finance Director (Section 151) Officer for Merthyr CBC, to his first meeting of the RCT Pension Board.

### **32 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

### **33 MINUTES OF THE PENSION BOARD AND MINUTES OF PENSION FUND COMMITTEE**

The minutes and Action points of the RCT Pension Board meeting on the 16th **October 2025** were **APPROVED** as an accurate reflection of the meeting.

#### **Matters Arising:**

In respect of Baillie Gifford Members were reassured that the fund manager is being monitored and like this monitoring will continue on transition into the 'new' pool.

In terms of the WLGA, Members were reassured about the transition of absorbing the LGDU (an existing Fund Employer) from the 01st December 2025, with further membership transition anticipated from 01st April 2026.

In respect of minute 30, Members were advised that TPR were going to send out a questionnaire.

**Action Points:**

Minute 30- SAB update: This took place at a meeting in London in October. Matters discussed included 'Fit for the Future' and the new pooling arrangements. Also on the agenda were presentations for the Ministry of Housing Communities and Local Government (MHCLG), a panel presentation on the responses of various pools to 'Fit for the Future' (including a panel member from WPP) and an outline of potential pension qualifications for administrative staff of the LGPS.

The Chair updated the Board in terms of the recent AGM. Members were advised that it was well attended and the Chair advised the Board that it was beneficial to have the opportunity to discuss matters with Councillor Leyshon.

**Pension Committee Minutes and WPP Minutes:**

Board Members RESOLVED to note the Pension Fund Committee and WPP Minutes. It was noted that there will be a special Pension Fund Committee in February before the Joint Board/Committee in March.

**34 INVESTMENT & ADMINISTRATION ADVISORY PANEL**

The Service Director, Pension Procurement and Transactional Services provided an update on the Investment & Administration Advisory Panel held on the 26<sup>th</sup> November 2025.

Board Members noted that the overall return of the Pension Fund for the year ending 30th September 2025 was 10% against a benchmark of 11.3% and the 3-year performance figures of active managers held outside WPP were noted.

Members noted again that the global growth portfolio was not performing well and was being monitored.

The asset allocation of the Fund by asset class compared to target benchmark at 30th September 2025 was noted (as per the table on page 12 of the report). It was noted that a high-level asset liability review would be concluded following completion of the 2025 Triennial Valuation exercise. The asset allocation of the Fund-by-Fund managers mandate (including cash) was also noted.

Discussions ensued and the Board noted the presentation from Black Rock. Board Members noted that 'renewable' opportunities were limited.

Discussions continued in respect of Environmental investment.

In respect of administration and governance, the Service Director advised that the three late payments identified do not represent a material breach for reporting to TPE given their value. It was recognised in line with comments by the Service Director by the pension board that resources can be an issue for such small authorities as highlighted here. The Board confirmed its agreement with this assessment.

It was noted that the Fund has continued its representation to the Insolvency Practitioner appointed in relation to the former 'Merthyr Tydfil Leisure Trust'. The Insolvency Practitioner has confirmed that it is likely to take some time to conclude the new process. It was anticipated that there will be insufficient unrestricted funds left from the liquidation of the assets.

The Board noted that there were no 'cyber' incidents to report this period.

The Service Director updated the Board in respect of key administration issues.

It was noted that Mr David Francis (Employer Representative), has stepped down from the Pension Board following his retirement. The Chair advised that an email had been sent out to Mr Francis to thank him for his hard work and commitment whilst he was a member of the Pension Board. The Service Director advised that Mr Craig Flynn has now been appointed to the Pension Board and Members welcomed him as a new Board Member (see page 31).

It was noted that the Scheme Advisory Board (SAB) has published a report summarising the findings from a recent survey which sought insight on diversity of representation on LGPS Pension Committees and Boards. The report outlines some actions that the SAB plan to take forward, including:

- Developing clear statutory guidance on what demographic information should be collected and published to ensure a standardised and consistent approach.

- Providing practical tools to explain the purpose and benefits of publishing EDI information in the annual report.
- Exploring opportunities to share good practice, such as how to encourage applications from a wider demographic pool.

The Board were advised that the SAB will explore this further following the results of the survey.

Board Members noted that MHCLG has released new statistics on LGPS funds in England and Wales for the 2024-25 year, with key observations at a scheme level:

- Expenditure reached £19.1 billion, an 11.7% increase;
- Income grew by 5.2% to £21.7 billion, driven primarily by investment income;
- The combined market value of LGPS funds grew, reaching £402.3 billion at the end of March 2025, a 2.7% increase;
- Continue to experience an increase in retirements, with 110,678 members retiring in 2024-25, up 11.2%; and
- The first year-end that pensioners (2.181 million) exceed the number of employees (2.169 million),

Board Members were advised that following The Pensions Regulator (TPR) publication of their new General Code of Practice, which came into force on 27<sup>th</sup> March 2024, the RCT Pension Fund Working Group have concluded the agreed gap analysis exercise, which has found the control environment and supporting evidence to be appropriate. The Fund's compliance tracker was independently reviewed by the Council's Internal Audit Service, who provided an Audit Opinion of 'substantial assurance'. Feedback from a final challenge session during July with the Pension Board has been received and will be updated to enhance the Fund's compliance record.

Board Members were pleased to hear that the RCT Fund responded to the consultation LGPS “Fit for the Future”, which closed on 16<sup>th</sup> January 2025. The consultation covered investment pooling and good governance proposals. The Fund continues to work closely with the Wales Pension Partnership and stakeholders in this regard. Pension Bill 2025 is working its way through Parliament. It is anticipated that the draft regulations will be available in the next couple of weeks together with the first set of guidance in relation to the SAB’s ‘Good Governance’ workstream. It is anticipated that this first guidance will cover the following key areas:

- Implementation of the Independent Governance Review.
- The role of the LGPS Senior Officer.
- The requirements of the Independent Advisor.

The Board noted the Funding Strategy Statement update is currently underway, and will be followed by a consultation period with key stakeholders prior to agreement at the joint meeting of the Pension Committee and Pension Board in March 2026.

The Board noted that the 2025 Valuation Exercise is progressing well.

Discussions continued and the Board were updated on the work of the McCloud working Group. Data Quality updates were also noted and it was confirmed that I-connect continues to be rolled out with the final Employer yet to onboard but has been reminded of their obligation.

In respect of ICT/Technology the Board were advised that Heywood functionality for aggregations and con-currents has been introduced and is being implemented and replaces manual processes.

Following discussions, Board Members **RESOLVED** to note the minutes of the Investment & Administration Advisory Panel held on the 26<sup>th</sup> November 2025.

## **35 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.

Board members referred to page 30 and the words “post valuation review”.

Board Members also referred to page 36 and noted that this should include an updated position in respect of the dashboard. It was noted that the wording “control measure” still needs to be revised.

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

## **36 ALL WALES 'POOLING'**

The Deputy Chief Executive & Group Director Corp. Resources (Section 151 Officer) updated the Board in respect of the All Wales Pooling Partnership and with regards to any new developments since the last update on progress with the new company.

It was confirmed that recruitment is a key priority and that Senior Management

roles have now been successfully recruited and will be in place before the 31<sup>st</sup> March. The Board were advised that an office manager has also been appointed.

It was noted that office headquarters are in the progress of negotiation and that the office will be based in Cardiff.

The Board were advised that governance documents are another key focus and that these need to be in place before the company goes live.

In respect of the Shareholder Board, there are various matters to establish such as key strategic issues as well as joint governance communication continuing and being conducted in public.

The Board noted that in respect of Shareholder representation on the company's Board, four transitioning Directors are in discussions with regards to any conflict of interests. There is also ongoing discussion about the role of an Elected Member to undertake a role on the Board.

In respect of a budget, it was confirmed that conversations are ongoing. It was advised that year one will be a transitioning year.

### **Project Snowden**

The Deputy Chief Executive & Group Director Corp. Resources (Section 151 Officer) confirmed that there is a commitment to get Project Snowden to the Joint Committee meeting in March 2026.

In terms of SAB, there are comments on the regulations i.e the issue of the company as a sole advisor and any conflicts of interests. The Deputy Chief Executive & Group Director Corp. Resources (Section 151 Officer) advised that this will be monitored.

The Deputy Chief Executive & Group Director Corp. Resources (Section 151 Officer) concluded that matters are progressing well and will continue in the months ahead to engage with all parties.

Following the overview, Members **RESOLVED** to note the All Wales Pooling Partnership update.

## **37 KNOWLEDGE AND UNDERSTANDING FRAMEWORK**

The Service Director of Pensions, Procurement & Transactional Services referred Board Members to the training plan and advised Members to let him know if there is anything missing.

Following discussion, Members **RESOLVED** to note the updated knowledge and understanding framework.

## **38 KEY PROJECTS UPDATE**

The Pension Service Manager updated Board Members in respect of key projects.

Board Members were advised that Valuation Results have come through from the majority of employers. Board Members were advised that they are waiting for the results of the covenant review for some employers to be concluded.

In terms of the Dashboard, the Fund successfully on-boarded by the 31<sup>st</sup> October deadline. . It was confirmed that the focus now is on data. It was confirmed that there is no date yet to 'go live'.

Following discussions, the Board **RESOLVED** to note the updates on key projects.

## **39 LEGISLATIVE AND ADMINISTRATIVE ISSUES**

### **Consultation Update:**

The Service Director confirmed that a number of consultations have all come out within weeks of each other.

It was confirmed that the WPP have responded individually and also given an 'All Wales' response on the consultation for pooling. The deadline for a response is the 12<sup>th</sup> February.

### **Strategy Statement Update**

Work has started on the strategy statement and discussions are taking place with the Actuary.

## **40 ENVIRONMENTAL, SOCIAL & CORPORATE GOVERNANCE**

The Service Director – Pensions, Procurement & Transactional Services shared further information to support the Council's 'Responsible Investment' policy. It was confirmed that a Fund statement has been drafted in relation to disinvestment , providing an update on our direction of travel, which will be published to the Fund website, to help reassure Scheme Members and Employers around the fund's fiduciary responsibilities.

It was noted that whilst the Scheme Advisory Board are still waiting from the Minister to reply to their letter of the 13<sup>th</sup> October.

## **41 ANY OTHER BUSINESS**

Board members were directed to the LGA Bulletins link included in the agenda for updates and the summary prepared by the Chair.

### **LGA Training Updates**

These have been confirmed for January 2026.

It was confirmed that future RCT Pension Board meeting dates will be circulated following the meeting and diary markers sent out accordingly.

**This meeting closed at 14:26pm.**

**Professor H. Coombs  
Chairman.**