

Mae'r cofnodion hyn yn amodol ar gymeradwyaeth yng nghyfarfod priodol nesaf y Pwyllgor.
These Minutes are subject to approval at the next appropriate meeting of the Committee,

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
PENSION FUND COMMITTEE

Minutes of the meeting of the Pension Fund Committee held at The Pavilions,
Clydach Vale on Monday, 13th November 2017 at 2 p.m.

PRESENT

County Borough Councillor M.A.Norris – in the Chair

County Borough Councillors

G. Caple, R.W. Smith, E. Webster

Officers in Attendance

Mr. C. Lee – Group Director, Corporate & Frontline Services

Mr B. Davies – Director, Financial Services

Mr. I. Traylor – Head of Pensions, Payroll & Payments

Ms Y. Keitch - Senior Accountant, Pension Fund & Treasury Management

11. APOLOGY

An apology of absence was received from County Borough Councillor S. Pickering.

12. DECLARATION OF INTERESTS

Members had no declarations of personal interests to declare in matters pertaining to the agenda (other than as members of the LGPS which was noted as being not a conflict insofar as the role of the Committee was concerned).

13. MINUTES

RESLOVED – To approve as an accurate record the minutes of the meeting of the Pension Fund Committee held on the 24th July 2017.

14. UPDATE

The Director of Financial Services provided an update in respect of socially responsible investing following receipt of an email from Keith Bray, Senior Representative of the Local Authority Pension Fund Forum. It was reported that Mr Bray would attend the next Committee meeting to outline the current developments in socially responsible investing in the context of the Local Government Pension Scheme (LGPS) .

15. LEARNING AND DEVELOPMENT

The Head of Pensions, Payroll and Payments provided an oral update in respect of the EU General Data Protection Regulation (GDPR) which will apply from 25 May 2018. Committee was informed that the new law marks a wide-reaching and significant shift in the way that personal data is protected and introduces new mandatory responsibilities, for example, data breach reporting.

The Head of Pensions, Payroll and Payments explained that in comparison to the existing Data Protection rules, many of the original concepts and principles are the same but there are new elements to consider such as the Local Authority demonstrating its compliance with the six principles and the heightened sanctions for a potential breach. It was emphasised that the GDPR will improve the rights of the individual due to its significant enhancements and provide individuals with more opportunity to engage with those that hold their data.

Following consideration of the report, Committee was advised of the next steps for the Fund such as including the GDRP on the RCT Fund Risk Register and making sure decision makers and key people within the Authority are aware of when the changes are being implemented via the Fund's Governance forums. Also to be progressed is a review of third party agreements and an update of policies and procedures.

It was **RESOLVED** to note the update in respect of the General Data Protection Regulation (GDPR).

16. DELEGATED FUNCTIONS

The Director of Financial Services presented an update report in respect of Delegated Functions as specified in the Pension Fund Governance Policy Statement, by the Group Director, Corporate and Frontline Services and outlined the responsibilities tasked to the Group Director, Corporate and Frontline Services in his role as S151 officer.

A summary of performance relative to the fund was highlighted by means of a table set out at 4.3 of the report which demonstrated that the rolling 3 year performance of the fund is 1.8% positive as compared to benchmark. Committee was informed that the Advisory Panel meets with Fund Managers on a cyclical basis and met with CBRE (Property) and Blackrock (UK Equity) at its October meeting. An update was provided to Committee in respect of a follow up meeting with Newton in August 2017 based on its negative performance over a three year time period and of the Panel's decision to hold a further discussion with Newton and to continue to monitor its performance.

An update was provided in respect of the RCT Pension Fund being classed as "retail" until the Fund opts up to professional client status. This is requirement of MIFID II (Markets in Financial Instruments Directive) European legislation. It was noted that the Fund is in the process of opting up.

The Head of Pensions, Payroll and Payments reported on Administration issues such as progress on GMP reconciliation requirements and compliance with the

Welsh Language standards. Confirmation that the Fund Annual General Meeting will take place on the 28th November 2017 in the Council Chamber was provided and an update given on the second phase of Member Self Service (MSS).

Committee noted that the Pension Board was attended by its replacement employer representative at its September meeting and the Chair of the Board is to be invited to the next meeting of the Pension Fund Committee.

In conclusion, Committee **RESOLVED** to note the issues addressed within the report.

17. PENSION FUND RISK REGISTER

The Director of Financial Services presented the arrangements in place for the management of risk by the Pension Fund. Members were asked to note reference to the MiFID II within the register.

Following discussion in respect of the Risk Register it was **RESOLVED**:-

1. To note the arrangements in place for the management of risk; and
2. That Committee receives a presentation in respect of the Euraplan Shareholder II system at the next meeting of the Pension Fund Committee.

18. AUDITED FINANCIAL STATEMENTS AND WALES AUDIT OFFICE REPORT

The Director of Financial Services presented the report of the Group Director, Corporate and Frontline Services in respect of the Pension Fund Audited Financial Statements 2016/2017 which set out the role of the Committee with regard to the approval process for the Pension Fund Accounts and provides members with the opportunity to discharge their responsibilities in this regard.

Following consideration of the report it was **RESOLVED** that the Committee:-

1. Note the audited financial statements of the Pension Fund for the financial year 2016/17; and
2. Note the Audit Report on the financial statements as provided by the Wales Audit Office.

19. EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED –“That the press and public be excluded for the next item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 14 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended), namely information relating to the financial information relating to the financial or business affairs of any particular person (including the authority holding the information). The Operator Selection Report (Appendix 1 to the report) provides a summary of the procurement exercise to appoint an operator for the Wales Pensions Partnership conducted by the eight Welsh pension funds. This information

includes commercially sensitive information about applicants' comparative strengths and weaknesses and their submissions, and the scores awarded to the applicants. Consequently the public interest in maintaining the exemption outweighs the public interest in disclosing the information by virtue of which the meeting is likely not to be open to the public during its consideration.

20. WALES PENSION PARTNERSHIP – OPERATOR APPOINTMENT

The Group Director, Corporate and Frontline Services presented an update in respect of progress with the procurement of the operator services for the Wales Pension Partnership.

Following consideration of the report it was **RESOLVED** to:-

1. Agree the recommendation of the Joint Governance Committee as set out in Appendix 1 of the report;
2. Agree the removal of recommendation A(ii), as set out in Appendix 1 of the report; and,
3. Agree to the appointment of the preferred bidder as Operator for the Wales Pension Partnership.

**M.A.NORRIS
CHAIRMAN**

The meeting terminated at 3.30pm