

**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 Wednesday, 25<sup>th</sup> April 2017 at 2 p.m.

**PRESENT**

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

**County Borough Councillors**

G. Hopkins, G. Smith and E. Webster

**Officers in Attendance**

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

Mr B. Davies – Director of Financial Services

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

Mrs. S. Davies – The Head of Finance, Education & Financial Reporting

**25 APOLOGY**

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

**26 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).

**27 MINUTES**

**RESOLVED** – To approve as an accurate record the minutes of the meeting of the Pension Fund Committee held on the 18<sup>th</sup> January 2017.

**28 LEARNING AND DEVELOPMENT**

The Head of Pensions, Payroll and Payments presented an overview of the responsibilities with regards to the Discretions Policy along with the Internal Dispute Resolution Procedures.

With regard to the Discretions Policy, it was explained to Members that the document as presented highlights RCT Fund Policy with regard to each area of discretion and highlights where accountability and decision making lies.

The Pension Fund Committee considered the Discretions Policy in depth and asked questions to the Officers. In respect of Admission body agreements it was explained to Members that instances of outsourcing have increased, these becoming admitted bodies the agreement of which is determined by the Group Director Corporate and Frontline Services.

The Head of Pensions, Payroll and Payments also presented the Internal Dispute Resolution Procedure Policy to Members.

Members were given an overview of how the Local Government Pensions Scheme Internal Dispute Resolution Procedure (IDRP) works. Members were informed that throughout the duration of Fund membership, the employer and the Pensions Scheme administering authority are required to make decisions under the Pension Scheme Rules that affect the member (or their dependents). When a decision is made the member is entitled to dispute or appeal it through the IDR Procedure.

The Head of Pensions, Payroll and Payments explained the procedure in detail and invited questions.

Members asked in respect of the appeal process how many does the Local Authority have to deal with. In response, Members were informed that since 2004 there had only been 24 appeals against the authority. Members also asked how many of the appeals had been upheld and on what basis, the Head of Pensions, Payroll and Payment explained that he didn't have that information to hand but would come back to the Committee with the details.

It was explained to Members that the Second Stage would be undertaken by a person that was not invoked in the First Stage Decision, and that the person making the complaint could contact The Pensions Advisory Service (TPAS) if they are require independent support.

It was also explained to Members of the Pension Fund Committee the time limits which has to be met when there is an appeal received.

Following consideration it was **RESOLVED –**

- (1) To note the Discretions Policy;
- (2) To note the Internal Dispute Resolution Procedure Policy,
- (3) To provide Members with information relating to upheld appeals.

## **29. REVIEW OF GOVERNANCE AND STRATEGY DOCUMENTS**

The Director of Financial Services updated Members in relation to the Review of Fund governance and strategy documents.

It was explained to Members that the Pensions Fund Committee has specific roles and functions with regards to the governance and strategy documents, with the advice from the Group Director for Corporate and Frontline Services (in his capacity as s151 Officer) and the Fund's professional advisors.

Members considered the documents in detail and after in depth discussion, it was **RESOLVED –**

- (1) To Approve the Fund Governance and Strategy Documents as contained at Appendix 1 to 5 and as presented at the previous agenda item; and
- (2) To receive any updates though out the year.

### **30. DELEGATED FUNCTIONS UPDATE REPORT**

The Director of Financial Services presented the report of the Group Director Corporate & Frontline Services in respect of key issues being addressed as Delegated Functions, as specified in the Pensions Fund Governance Policy Statement.

Committee was provided with an overview of the delegated responsibility of the Group Director Corporate and Frontline Services in his capacity as S151 Officer who, supported by an Investment and Administration Advisory Panel with appropriate Officers and independent advisors, has delegated responsibility for all day to day operational matters.

Under the heading of Investment Performance the Director of Financial Services reported that during the quarter ended 31st December 2016 , the overall value of the Fund increased to £2,835m.

Members were also informed that the Advisory Panel meets with Fund Managers on a cyclical basis and at the March Meeting met with Baillie Gifford and Newton, the Fund's two Global Equity managers. The Director of Financial Services provided Members with the key issues within the mandates.

In respect of CBRE breaching their mandate maximum limit for holding a single fund of 10% whereby they held 10.3% of a long lease property fund. A letter was sent to CBRE's UK head of Compliance with a response received on the 4<sup>th</sup> January 2017 explaining the reason for the breach with assurance that control processes have been put in place. Members noted that there will be a review in March 2018.

Under the heading Administration Issues, Members were informed that the 2016 Valuation process has now been concluded and the formal Rates and Adjustment Certificate signed off by the fund actuary on the 31<sup>st</sup> March 2017. Members asked in respect of the second phase of Member Self Service which was launched in December 2016, what was being done to encourage the take up. Members were informed that this would be via information leaflets within Annual Benefit Statements and inclusion in Newsletters to encourage take up are being promoted.

Members felt this need to be monitored and reported back at future meeting.

It was also noted that an employer representative has stepped down from the Board and Rhondda Cynon Taf CBC as the Administrating Authority /Scheme Manager are currently in the process of recruiting a replacement.

Members were taken through the rest of the report and after in depth consideration it was **RESOLVED:-**

- (1) To note the issues being addressed
- (2) To Monitor the Members Self Service Registration and Report back to future Committee

### **31. PENSION FUND RISK REGISTER**

The Head of Finance, Education & Financial Reporting provided the Committee with details of the arrangements in place to manage risk within the Pensions Fund.

Members considered the detailed arrangements that have been put in place and it was **RESOLVED** to note the arrangements in place for the management of risk within the fund and the updated risk register

### **32. ALL WALES POOLING**

The Director of Financial Services provided an update to the Committee in respect of the progress made towards the All Wales Investment Pool.

Following discussion it was **RESOLVED** to note the progress made towards the LGPS all Wales Investment Pool.

**M.A.NORRIS  
CHAIRMAN**

The meeting terminated at 3.10 p.m.