

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 Thursday, 4th January 2018 at 2 p.m.

PRESENT

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

County Borough Councillors

R.W. Smith, L. Hooper, 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

Also in Attendance

Mr K. Bray – Forum Officer, Local Authority Pension Fund Forum

Professor H. Coombs – Chair, RCT Pension Board

21. WELCOME

The Chair extended a welcome to Professor H. Coombs, Chair of the RCT Pension Board, Mr K. Bray from the Local Authority Pension Fund Forum and County Borough Councillor L. Hooper to this, his first meeting of the Pension Fund Committee.

22. APOLOGY

An apology of absence was received from County Borough Councillor G. Caple.

23. 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).

24. MINUTES

RESLOVED – To approve as an accurate record the minutes of the meeting of the Pension Fund Committee held on the 13th November 2017.

25. SOCIALLY RESPONSIBLE INVESTING

The Group Director, Corporate & Frontline Services introduced Mr K. Bray, Senior Forum Officer, Local Authority Pension Fund Forum who was in attendance to

outline the current developments in socially responsible investing in the context of the Local Government Pension Scheme (LGPS).

Mr Bray presented his power point presentation in respect of Responsible Investing – The role of the LAPFF, under the following headings:-

- Responsible Investing
- Corporate Governance and Corporate Social Responsibility
- The role of the Local Authority Pension Fund Forum
- Approaches to activism
- Some engagement results
- The future with LGPS Pools

Following the presentation made by Mr Bray, where many queries of Members were duly responded to, it was **RESOLVED** – to acknowledge the information contained within the presentation.

26. LEARNING AND DEVELOPMENT

The Director, Financial Services advised Committee that they would receive an introduction to the Shareholder Management System as requested at the previous meeting of the Pension Fund Committee held on the 13th November 2017.

The Senior Accountant, Pension Fund & Treasury Management led Committee through a detailed demonstration of the system by means of a Power Point presentation and thereon Members commented on its effectiveness in assessing the performance of the Fund Managers.

RESOLVED to note the demonstration of the Shareholder Management System.

27. 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.

Members received an update in respect of the performance relative to the Fund which demonstrated that the rolling 3 year performance is positive as compared to benchmark. The Director advised that at the November meeting the Advisory Panel met with Newton (Global Equities) and Invesco (UK Equity) and an update was provided in respect of the Panel continuing to closely monitor the ongoing performance of Newton.

It was reported that the Advisory Panel would be formally pursuing a number of enquiries with Invesco relating to its investment in Provident Financial. Committee requested that AON attend the next appropriate Pension Fund Committee in view of its overall Fund investment strategy review which would be concluded in January 2018.

The Head of Pensions, Payroll and Payments reported on Administration issues such as the Annual Allowance 2016/17 exercise having been completed. He added that early expressions have been made to the Director of HR and Director of Legal & Democratic Services in respect of the forthcoming vacancy following confirmation that Professor Hugh Coombs would step down from his position as Chair of the RCT Pension Board following the next meeting on 7th March 2018. The Chair of the Pension Fund Committee formally thanked Professor Coombs for his work and commitment to the Board. In response Professor Coombs thanked Cllr Norris for the invitation to attend the Pension Fund Committee and alluded to the good working relationship between the RCT Pension Board and other Committees.

In conclusion, Committee **RESOLVED-**

1. To note the issues addressed within the report; and
2. That an invitation is extended to AON to attend the next appropriate meeting of the Pension Fund Committee.

28. PENSION FUND RISK REGISTER

The Director of Financial Services presented the arrangements in place for the management of risk by the Pension Fund. Members of the Committee reviewed the Risk Register and following discussion it was **RESOLVED** to note the arrangements in place for the management of risk.

29. WALES PENSION PARTNERSHIP – PROGRESS UPDATE

The Group Director, Corporate & Frontline Services provided a verbal update to Committee in respect of progress being made towards developing LGPS investment pooling arrangements on an all Wales basis.

The Group Director announced that the Third Party Operator had been successfully appointed following approval at local level by the individual Authorities. He confirmed that details of the appointment would be emailed to members of the Pension Fund Committee as well as the Chair of the RCT Pension Board by the 8th January 2018.

The Director reported that further progress would be made through the course of the next implementation stage to establish the Pool by the timescales set by the Financial Conduct Authority (FCA) of the 1st April 2018.

Following consideration of the report, it was **RESOLVED-**

1. To note the appointment of the Third Party Operator;
2. That a flowchart depicting the interface of the Pension Fund Committee is circulated to all members of the Committee;

3. That the inter-authority agreement is circulated to all members of the Pension Fund Committee; and
4. That the Chair of the RCT Pension Board is invited to a future Pension Fund Committee to receive the Third Party Operator.

**M.A.NORRIS
CHAIRMAN**

The meeting terminated at 3.35pm