



RHONDDA CYNON TAF COUNCIL PENSION FUND COMMITTEE

Minutes of the virtual meeting of the Pension Fund Committee held on Monday, 9 October 2023 at 2.00 pm at the Virtual.

County Borough Councillors in attendance:-

Councillor M Norris (Chair)
Councillor M Ashford Councillor G Jones
Councillor N Morgan Councillor D Wood

Officers in attendance:-

Mr P Griffiths, Service Director – Finance & Improvement Services
Mr I Traylor, Service Director – Pensions, Procurement & Transactional Services

External Officers in attendance (Blackrock):

Mr S. Wright Mr. K. Mangan
Mr F. Spoorenberg Mr. V.Grewal

42 DECLARATION OF INTEREST

In accordance with the Council's Code of Conduct, there were no declarations made pertaining to the agenda.

43 WELCOME

The Chairman welcomed Officers from Blackrock to the meeting.

44 MINUTES

It was **RESOLVED** to approve the minutes of the 18th July 2023 as an accurate reflection of the meeting.

45 EXEMPTION OF THE PRESS AND PUBLIC

It was **RESOLVED** that the press and public be excluded from the meeting under Section 100A(4) of the Local Government Act 1972 (as amended) for the following 2 items of business (minute 46 and 47 refer) on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 14 of Part 4 of Schedule 12A of the Act.

46 LEARNING AND DEVELOPMENT

Officers from Blackrock provided Members with a PowerPoint presentation containing exempt information in respect of arrangements available to support Responsible Investing and Infrastructure by the Pension Fund.

Following discussions on the presentation, Members **RESOLVED** to note the

contents of the presentation.

47 WALES PENSION PARTNERSHIP

The Service Director, Finance and Improvement Services provided Members with an overview of the exempt report which set out for the Committee the recommended evaluation criteria for the Wales Pension Partnership (WPP) operator procurement.

Following Members consideration, it was **RESOLVED**:

- i. To note the update contained within the report;
- ii. To endorse the recommended evaluation criteria for the WPP operator procurement, as attached in Appendix 1 to the report.

48 DELEGATED FUNCTIONS REPORT

The Service Director Pensions, Procurement & Transactional Services provided Members with details of the Delegated Functions report, which set out the key issues being addressed as delegated functions, as specified in the Pension Fund Governance Policy Statement, by the Deputy Chief Executive and Group Director – Finance, Digital and Frontline Services.

Members were provided with details of the Investment Performance and were advised that during the quarter ending the 30th June 2023, the overall value of the Fund increased from £4,256 million to £4,263 million. The Service Director referenced the rolling 3-year performance of the Fund, which was 2.9% positive as compared to a benchmark of 4.5%. He explained that although this was not in line with the benchmark performance it was still a positive return during a period where markets had been impacted by very challenging economic conditions and emphasised that the Fund's Investment Strategy is delivering strong performance returns over the long term, underpinned by a diversified portfolio.

The Service Director referred Members to the progress being made by the Fund, in line with its approved Asset Allocation Strategy, to infrastructure and renewable products, and also the local impact opportunity in the form of a wind farm investment that will support the availability of cleaner sources of energy.

The Service Director continued his presentation of the report with an administration update. Members were advised that the Fund's key administrative activity during the period included the successful publication of Annual Benefit Statements to all 'Active' and 'Deferred' Pension Scheme Members prior to the statutory deadline, and also a further statutory requirement in respect of the production of the 2023 'Annual Allowance' pension saving statements, which is currently underway.

The Service Director informed Members that 'The Pensions Regulator' (TPR) is expected to publish its new General Code of Practice by the end of the year, setting out proposed new governance standards for pension schemes. The Service Director added that as soon as the Code becomes available, Officers and the Pension Board would review the requirements against existing practices within the Rhondda Cynon Taf Pension Fund.

Further updates were provided in relation to the Department for Levelling Up, Housing and Communities (DLUHC) regulatory update on the 'McCloud Remedy', this taking effect from 1st October 2023, and the positive progress

being made by the Fund's McCloud Working Group to date that is delivering the necessary work on Employer data collection and sign-off. The Service Director added that a successful recruitment exercise was finalised earlier in the year and the Fund continues to monitor its resources as a result of this significant project.

Before concluding his update, the Service Director updated the Committee on the work of the Pension Board, advising that there were no formal items raised by the Pension Board requiring feedback to Committee.

The Chair thanked the Service Director for the report and commented on the recent Scheme Advisory Board (SAB) meeting and the attendance of the Fund's Pension Board Members, illustrating the positive working relationship with the Pension Board.

Following discussions, it was **RESOLVED**:

- i. To note the issues addressed within the report.

49 PENSION FUND RISK REGISTER - RISK REGISTER OVERVIEW

The Service Director, Pensions, Procurement & Transactional Services provided Committee with details of the arrangements in place to manage risk within the Pension Fund.

The Service Director advised Members that the Fund maintains a Risk Register which is reviewed and updated on a quarterly basis and referred Members to the Risk Register attached at Appendix 1 for their consideration. Members were informed that the latest review process had not identified any updates required to the Risk Register to that reported to the July 2023 Pension Fund Committee. The Service Director confirmed that the Fund's Pension Board continue to monitor and support the Fund's compliance around current and emerging risks.

It was **RESOLVED**:

- i. To note the arrangements in place for the management of risk within the Fund

50 WALES PENSION PARTNERSHIP - UPDATE

The Service Director, Finance and Improvement Services referred Members to the report which provided an update on the work and progress with regard to the Wales Pension Partnership (WPP) and Joint Governance Committee (JGC).

Members were advised that the latest meeting of the JGC took place on the 20th September 2023 and details of the agenda and discussions were provided.

The next steps and priorities for the JGC were also provided, which detailed development of the Private Markets Sub-Funds, Operator contract procurement process, Task Force on Climate-Related Financial Disclosures (TCFD) reporting and responding to the LGPS Investments Consultation, with the Service Director concluding his update with reference to the submission of the 2022/23 Stewardship Code Report by 31st October 2023.

The Chairman commented on the meeting of the JGC and the discussions in respect of data gathering to improve the knowledge base for future investments.

It was **RESOLVED**:

- i. To note the update.

This meeting closed at 3.31 pm

**CLLR M. NORRIS
CHAIR.**