

APPENDIX 2

RHONDDA CYNON TAF PENSION FUND

PENSION FUND COMPLIANCE STATEMENT

Updated March 2022



Rhondda Cynon Taf Pension Fund – Compliance Statement

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1. Part II/A Structure

- a) The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.
- b) That representatives of participating LGPS employers, admitted bodies and scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.
- c) That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.
- d) That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.

| | Not Compliant | Partly Compliant | Mostly Compliant | Fully Compliant |
|----|---------------|------------------|------------------|-----------------|
| a) | | | | ✓ |
| b) | | | | ✓ |
| c) | | | | ✓ |
| d) | | | | ✓ |

Reason for non-compliance (Regulation 55(1)(c) 2014 Regulations):

Comments on ratings given above:

The Local Pension Board has two member representatives who represent all categories of members, i.e. active, deferred and pensioner and two Employer representatives

2. Part II/B Representation

- a) That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include:
- i. employing authorities (including non-scheme employers, e.g. admitted bodies);
 - ii. scheme members (including deferred and pensioner scheme members),
 - iii. independent professional observers, and
 - iv. expert advisors (on an ad-hoc basis).
- b) That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights.

| | Not Compliant | Partly Compliant | Mostly Compliant | Fully Compliant |
|----|---------------|------------------|------------------|-----------------|
| a) | | | | ✓ |
| b) | | | | ✓ |

Reason for non-compliance (Regulation 55(1)(c) 2014 Regulations):

Comments on ratings given above:

The Local Pension Board has two member representatives who represent all categories of members, i.e. active, deferred and pensioner and two Employer representatives

3. Part II/C Selection and Role of Lay Members

- a) That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.

| | Not Compliant | Partly Compliant | Mostly Compliant | Fully Compliant |
|----|---------------|------------------|------------------|-----------------|
| a) | | | | ✓ |

Reason for non-compliance (Regulation 55(1)(c) 2014 Regulations):

Comments on ratings given above:

The role of each committee is set out in the Governance Policy Statement. Continuous training and awareness sessions are provided to Committee, Board and Panel Members, as documented in the Fund's 'Knowledge and Skills Framework' Training log.

A separate 'Knowledge and Skills Framework' Training log is maintained for Pension Committee and the Investment and Administration Advisory Panel, with a similar requirement maintained in respect of the Local Pension Board members.

4. Part II/D Voting

- a) The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.

| | Not Compliant | Partly Compliant | Mostly Compliant | Fully Compliant |
|----|---------------|------------------|------------------|-----------------|
| a) | | | | ✓ |

Reason for non-compliance (Regulation 55(1)(c) 2014 Regulations):

Comments on ratings given above:

Voting rights are extended to the Pension Fund Committee which is politically balanced, and is responsible for the strategic management of the Fund. All operational functions are delegated to the Director of Finance and Digital Services (as the Section 151 Officer or in his absence the Deputy Section 151 Officer).

All Pension Board members are deemed to have equal voting rights with the Chair having the casting vote if a majority decision cannot be reached

5. Part II/E Training, Facility Time and Expenses

- a) That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process.
- b) That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum.

| | Not Compliant | Partly Compliant | Mostly Compliant | Fully Compliant |
|----|---------------|------------------|------------------|-----------------|
| a) | | | | ✓ |
| b) | | | | ✓ |

Reason for non-compliance (Regulation 55(1)(c) 2014 Regulations):

Comments on ratings given above:

Policy on training and expenses are covered by the relevant authority policies. Appropriate LGA 'Trustee Training' is provided to all new Committee, Board and Panel Members.

A training plan is maintained for key pension personnel, together with a 'Knowledge and Skills Framework'.

A separate Knowledge and Skills Framework and Training Plan is maintained for RCT Local Pension Board members.

The Local Pension Board Terms of Reference outlines the policy on reimbursement of expenses for member representatives.

6. Part II/F Meetings

- a) That an administering authority’s main committee or committees meet at least quarterly.
- b) That an administering authority’s secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.
- c) That administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.

| | Not Compliant | Partly Compliant | Mostly Compliant | Fully Compliant |
|----|---------------|------------------|------------------|-----------------|
| a) | | | | ✓ |
| b) | | | | ✓ |
| c) | | | | ✓ |

Reason for non-compliance (Regulation 55(1)(c) 2014 Regulations):

Comments on ratings given above:

AGM is held annually (virtual meeting in 2020) where questions can be addressed to members of the main committee,
 Communication Forum is held quarterly with representatives from Scheme Employers (including Admitted Bodies), Unions and Scheme Members.
 RCT Local Pension Board is made up of two employer and two member representatives. The member representatives represent all categories of members, i.e. active, deferred and pensioner.
 RCT Pension Committee meet quarterly.
 Wales Pensions Partnership (WPP) Joint Governance Committee meet at least quarterly.
 WPP Pension Board Chair engagement days are held with officers of the WPP twice yearly. Minutes are shared and discussed with the RCT Pension Board.

7. Part II/G Access

- a) That subject to any rules in the council’s constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.

| | Not Compliant | Partly Compliant | Mostly Compliant | Fully Compliant |
|----|---------------|------------------|------------------|-----------------|
| a) | | | | ✓ |

Reason for non-compliance (Regulation 55(1)(c) 2014 Regulations):

Comments on ratings given above:

All members of the Investment and Administration Advisory Panel have equal access to all papers for meetings.
 Communication Forum minutes / documentation is circulated to all other ‘Employers’ not in attendance.
 All members of the RCT Local Pension Board have equal access to all papers for meetings.
 All members of the RCT Pension Committee have equal access to all papers for meetings.
 WPP Joint Governance Committee meeting papers and minutes are circulated to the Fund’s Pension Committee and Pension Board.

8. Part II/H Scope

- a) That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.

| | Not Compliant | Partly Compliant | Mostly Compliant | Fully Compliant |
|----|---------------|------------------|------------------|-----------------|
| a) | | | | ✓ |

Reason for non-compliance (Regulation 55(1)(c) 2014 Regulations):

Comments on ratings given above:

The Pension Fund Governance Policy Statement sets out the governance structure, which includes a Discretions Panel that deals with matters concerning the exercise of discretions. Additionally, the Pension Fund Working Group review the wider pension scheme issues.

9. Part II/I – Publicity

- a) That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.

| | Not Compliant | Partly Compliant | Mostly Compliant | Fully Compliant |
|----|---------------|------------------|------------------|-----------------|
| a) | | | | ✓ |

Reason for non-compliance (Regulation 55(1)(c) 2014 Regulations):

Comments on ratings given above:

The Pension Fund Governance Policy Statement is on the Fund web-site or can be provided in hard copy if requested. ‘Employer’ Stakeholders are formally invited to participate in the Communications Forum meetings. The Local Pension Board has two member representatives who represent all categories of members, i.e. active, deferred and pensioner. Pension Committee representation and minutes are published on the RCT website. Pension Board representation and minutes are published on the RCT Fund website. WPP Joint Governance Committee minutes and relevant governance documents are published on the host authority website.