

PENSIONS COMMITTEE

4 NOVEMBER 2019

Present: Councillor Weaver (Chairperson), Councillors Dilwar Ali, Howells, Lay and Graham Thomas

24 : APOLOGIES FOR ABSENCE

There were no apologies for absence received for this meeting.

25 : DECLARATIONS OF INTEREST

No declarations of interest were received.

26 : MINUTES

The minutes of the meeting held on the 11 July 2019 were agreed as a correct record and signed by the Chairperson.

27 : WALES PENSION PARTNERSHIP

This report updated the Committee on the progress towards the establishment of pooled investment arrangements for the eight LGPS funds in Wales under the oversight of the Wales Pensions Partnership.

The WPP UK Opportunities Fund was launched on 23 September 2019 with assets totalling £638m including £218m from the Cardiff & Vale of Glamorgan Pension Fund. The Fund was fully operational from 11 October. A review of the transition of assets into the Fund will be reported to the Investment Advisory Panel in December. The Panel will also receive regular performance reports for the Fund. The minutes of those meetings will be provided to this committee.

Five fixed income sub funds have been approved by the JGC and will be launched before the end of the 2019/20 financial year. Cardiff currently holds assets totalling £604m in fixed income.

Work is ongoing to develop pooling solutions for further asset classes. A sub-group of the OWG has been established to explore options for Private Markets including property, private equities and infrastructure.

The WPP website was launched in September and contains information about the WPP, its governance structure, its policies and the investment funds being established.

The JGC at its meeting on 20 September approved the WPP's Responsible Investment Policy. That policy has been published on the WPP website.

RESOLVED:

- To note the recent developments in the establishment of the WPP Investment Pool.

This document is available in Welsh / Mae'r ddogfen hon ar gael yn Gymraeg.

28 : ANNUAL REPORT 2018-19

The Terms of Reference of the Committee include consideration of the Fund's financial statements and agreeing the Annual Report.

Draft accounts for the Cardiff & Vale of Glamorgan Pension Fund for the financial year ending 31 March 2019 were submitted to the Wales Audit Office in June 2019 and presented to the Audit Committee on 25 June 2019.

The audited accounts were approved by Full Council at the meeting on 12 September 2019.

The Annual Report includes:

- The names of the members of the Pensions Committee, the Investment Advisory Panel and the Local Pension Board
- Details of the Fund's Investment Managers and Professional Advisers
- A summary of the administration arrangements for the Fund
- An Investment Management and Performance Report
- A statement from the Fund Actuaries
- An Appendix containing statistical data, a glossary and contact details for further information
- The Fund's key governance statements which were in force during the financial year.

The Annual Report will be published in English and Welsh on the Council's website by the statutory deadline of 1 December.

Members were advised that the report is submitted for information at this time as the Wales Audit Office are required to carry out a review of the Annual Report which has not yet been completed.

RESOLVED:

- To defer approval of the Annual Report for the Fund for 2018-19 until the review by the Wales Audit Office has been completed.

29 : RISK REGISTER

The Risk Register for the Pension Fund is maintained as part of the Corporate Risk Management process. It covers all aspects of management of the Fund including Investments, Funding, Governance and Administration.

The Register, described as a living document, is regularly reviewed by Fund officers and the Local Pension Board. It was also reviewed by the Pensions Regulator during the recent engagement exercise.

The next meeting of the Local Pension Board is on 5 November and they will receive the updated position going forward. There have been some minor incremental amendments only.

Members noted that that Cyber Security has been added to the Risk Register.

Members discussed a recent change to the Risk Register relating to the accuracy and timeliness of payments to pensioners. An external company has been engaged to carry out a review.

Members discussed the risk around pooling of investments, in particular the risk that the pool is not aligned with Cardiff's own needs and pension liabilities. This will be kept under review.

30 : EXCLUSION OF THE PUBLIC

RESOLVED:

- That the following items are confidential and exempt from publication as they contain exempt information of the description contained in paragraphs 14 and 21 of Parts 4 and 5 of Schedule 12A, Local Government Act 1972;
- That the public be excluded from the meeting pursuant to Section 100A (4), Local Government Act 1972 during discussion of these items.

31 : INVESTMENT STRATEGY

RESOLVED:

- To note and approve the recommendations.

32 : MINUTES OF THE INVESTMENT ADVISORY PANEL

RESOLVED:

- To note the minutes of the Investment Advisory Panel

33 : URGENT ITEMS (IF ANY)

No urgent items were received.

34 : DATE OF NEXT MEETING

The date of the next meeting is on Thursday 28 November 2019 at a time and venue to be confirmed.

The meeting terminated at 5.30 pm

This document is available in Welsh / Mae'r ddogfen hon ar gael yn Gymraeg.