

## PENSIONS COMMITTEE

20 SEPTEMBER 2018

Present: County Councillor Weaver(Chairperson)  
County Councillors Dilwar Ali and Howells

### 1 : APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Graham Thomas. The Chairperson advised Committee that Councillor Sattar was no longer on the Committee so the vacancy would need to be filled.

### 2 : DECLARATIONS OF INTEREST

A declaration of interest was received from Councillor Nigel Howells. Councillor Howells declared a personal interest as a member of the Cardiff and Vale Pension Scheme.

### 3 : MINUTES

The minutes of the meeting held on 12 March 2018 were agreed as a correct record and signed by the Chairperson.

### 4 : STATEMENT OF ACCOUNTS AND ANNUAL REPORT 2017-18

Members were advised that the Pension Committee Terms of Reference set out the Committee's responsibility for the strategic governance of the Cardiff & Vale of Glamorgan Pension Fund.

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

With regard to the Financial Statement, Officers advised that there were no comments to report, they were a good set of accounts and the Auditors had agreed that there were no mis-statements that haven't been corrected. The Accounts will go to Council next week to be approved.

With regard to the Annual Report, Officers advised that these follow on from the statement of accounts which form the core of the report. The Council reports on the investment of the fund, and the report contains a glossary and contacts. The report is available to all the Fund's stakeholders, the general public and the various registered bodies. There was an obligation to publish the Annual Report by 1 December 2018; there would be a few parts to complete after it had been to Council but it was near final. Once approved the report would be translated into Welsh and published on the Council's webpages.

Officers advised that the fund had seen consistent growth, in the long-term it is keeping up with its peers, keeping solvent and the aim is for full funding in the long term.

Members noted that Audit Committee had seen the report and there were no issues raised.

RESOLVED:

- i. That the Committee notes the Auditor's Report.
- ii. That the Committee approves the Annual Report for the Fund for 2017-18

## 5 : TRIENNIAL ACTUARIAL VALUATION 2019

Members were advised that the next Triennial Actuarial Valuation of the Cardiff & Vale of Glamorgan Pension Fund will be as at 31 March 2019. Members were provided with an overview of the valuation process and timetable.

It was noted that this was the first time the Committee had been involved in the process. There was a requirement every three years to engage with the Actuaries and do a triennial valuation. The valuation looks backwards and forwards, to assess what the Council needs to put in place to prepare to pay its pensioners in the future. It will be a very technical exercise and engagement takes place between Cardiff, the Vale of Glamorgan and admitted scheduled bodies, and the individual and group contribution rates are determined.

Members noted that it was a long process and the sign off would not be until 2020.

Officers advised that they were currently in a procurement process as they want to test the market for the actuary position as the Council have worked with the current Actuaries for a while.

The Chairperson invited questions and comments from Members.

Members asked how long the Actuary appointment would be for and were advised 5 years with a possible extension. This allowed for 2 valuation cycles and time to prepare for a third.

Members asked what percentage the fund was funded at the last valuation and were advised it was 85% and this has since increased.

Members asked if there was anything that has changed since the last valuation that officers were aware of. Officers explained the increase in longevity and its peak in 2016 and Postcode analysis and demographic differences that inform liability.

Members asked if looking at postcode analysis was something that the new actuaries would be expected to do and were advised that it would be, it's an extra cost but it's valuable information to inform liability calculations. Officers added that the Council also had to consider the demographic of its employees.

Members noted that interest rates and inflation were starting to increase after a period of being low.

RESOLVED: to note the report.

6 : STRATEGIC ASSET ALLOCATION

RESOLVED: to note the advice of the Investment Advisory Panel not to make any changes to the Strategic Asset Allocation at this point in time but to consider a further review in March 2019.

7 : WALES PENSION PARTNERSHIP

Members received a progress report on the development of the Wales Pension Partnership.

Members were advised that the Pool's formal submission to the FCA had been approved so there was now an authorised pool vehicle.

RESOLVED: that the Committee notes the recent developments in the establishment of the WPP Investment Pool.

8 : EXCLUSION OF THE PUBLIC

**The Committee agreed that the press and public be excluded from the meeting during the consideration of Items 9 & 10 as consideration of the items in public would disclose information which falls within paragraph 14 of Part 4 and paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972.**

9 : WALES PENSION PARTNERSHIP - PROPOSED SUB FUNDS

**The Committee agreed that the press and public be excluded from the meeting during the consideration of Items 9 & 10 as consideration of the items in public would disclose information which falls within paragraph 14 of Part 4 and paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972.**

RESOLVED: to note the recommendations in the report.

10 : MINUTES OF THE INVESTMENT ADVISORY PANEL

The minutes of the Investment Advisory Panel meetings held on 6 March and 12 June 2018 were noted.

11 : URGENT ITEMS (IF ANY)

None.

12 : DATE OF NEXT MEETING

26 November 2018 at 5.00pm in Committee Room 2, County Hall, Cardiff.

The meeting terminated at 6.10 pm

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