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AGENDA

Pwyllgor	PWYLLGOR PENSIYNAU
Dyddiad ac amser y cyfarfod	DYDD LLUN, 7 CHWEFROR 2022, 5.00 PM
Lleoliad	CYFARFOD O BELL TRWY MS TEAMS
Aelodaeth	Cynghorydd Weaver (Cadeirydd) Y Cynghorwyr Dilwar Ali, Howells, Lay a/ac Graham Thomas

Tua
Amser.

1 Ymddiheuriadau am Absenoldeb

Derbyn ymddiheuriadau am absenoldeb.

2 Datgan Buddiannau

I'w gwneud ar ddechrau'r eitem agenda dan sylw, yn unol â Chod Ymddygiad yr Aelodau.

3 Cofnodion *(Tudalennau 5 - 8)*

Cymeradwyo cofnodion y cyfarfod a gynhaliwyd ar 29 Tachwedd 2021 fel gwir gofnod.

4 Partneriaeth Pensiwn Cymru *(Tudalennau 9 - 12)*

Cael diweddariad ar Bartneriaeth Pensiwn Cymru

5 Y Gofrestr Risgiau *(Tudalennau 13 - 20)*

Ystyried Cofrestr Risg y Gronfa Bensiwn

6 Adolygu Datganiad Cydymffurfiaeth Llywodraethu *(Tudalennau 21 - 30)*

Ystyried Datganiad Cydymffurfio Llywodraethu diwygiedig

7 Adolygu Polisiâu Cyfathrebu a Chwynion (*Tudalennau 31 - 48*)

Ystyried diwygiadau i Bolisi Cyfathrebu a Chwynion y Gronfa Bensiwn.

8 Cofnodion y Bwrdd Pensiwn Lleol (*Tudalennau 49 - 54*)

Nodi cofnodion cyfarfod y Bwrdd Pensiynau Lleol a gynhaliwyd ar 6 Gorffennaf 2021.

Eithrio'r wasg a'r cyhoedd

Mae Eitem 9 yn gyfrinachol ac ni chaiff ei chyhoeddi yn rhinwedd Paragraff 14 Rhan a pharagraff 21 Rhan 5 Atodlen 12A Deddf Llywodraeth Leol 1972. Gwaherddir y cyhoedd o'r cyfarfod i gyflwyno'r eitem hon yn unol â'r un ddeddfwriaeth.

9 Cofnodion y Panel Cyngori ar Fuddsoddi (*Tudalennau 55 - 58*)

Nodi cofnodion cyfarfod y Panel Cyngori ar Fuddsoddi a gynhaliwyd ar 21 Medi 2021.

10 Eitemau Brys (os oes rhai)

11 Dyddiad y cyfarfod nesaf

Bydd cyfarfod nesaf y Pwyllgor Pensiynau ar 9 Mai 2022 am 5pm.

Davina Fiore

Cyfarwyddwr Llywodraethu a Gwasanaethau Cyfreithiol

Dyddiad: Dydd Mawrth, 1 Chwefror 2022

Cyswllt: Andrea Redmond, 02920 872434, a.redmond@caerdydd.gov.uk

GWE-DARLLEDU

Caiff y cyfarfod hwn ei ffilmio i'w ddarlledu'n fyw a/neu yn olynol trwy wefan y Cyngor. Caiff yr holl gyfarfod ei ffilmio, heblaw am eitemau eithriedig neu gyfrinachol, a bydd y ffilm ar gael ar y wefan am 12 mis. Cedwir copi o'r recordiad yn unol â pholisi cadw data'r Cyngor.

Gall aelodau'r cyhoedd hefyd ffilmio neu recordio'r cyfarfod hwn

Ar ddechrau'r cyfarfod, bydd y Cadeirydd yn cadarnhau a gaiff y cyfarfod cyfan neu ran ohono ei ffilmio. Fel rheol, ni chaiff ardaloedd y cyhoedd eu ffilmio. Fodd bynnag, wrth fynd i'r ystafell gyfarfod a defnyddio'r ardal gyhoeddus, mae aelodau'r cyhoedd yn cydsynio i gael eu ffilmio ac y defnyddir y lluniau a recordiadau sain hynny o bosibl at ddibenion gwe-ddarlledu a/neu hyfforddi.

Os oes gennych gwestiynau ynghylch gwe-ddarlledu cyfarfodydd, cysylltwch â'r Gwasanaethau Pwyllgorau ac Aelodau ar 02920 872020 neu e-bost [Gwasanethau Democraidd](#)

Mae'r dudalen hon yn wag yn fwriadol

PENSIONS COMMITTEE

29 NOVEMBER 2021

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

42 : APOLOGIES FOR ABSENCE

Apologies had been received from Cllr Dilwar Ali

43 : DECLARATIONS OF INTEREST

None received

44 : MINUTES

The minutes of the meetings held on 12 July 2021 and 2 November 2021 were agreed as correct records.

45 : ANNUAL REPORT

Members were advised that the Annual Report for 2020-21 has been completed including the review by Wales Audit.

Officers outlined the key points from the report as follows:

The Auditor has reviewed the contents of the draft Annual Report and issued an Auditor's Statement upon it, confirming that the Annual Report has been reviewed and that the information it contains is consistent with the information in the Statement of Accounts presented to and approved by Full Council on 25 November 2021.

The Auditor's Statement appears on page 19 of the 2020/21 Annual Report with the Annual Report appended as Appendix 1.

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

The Chairperson invited questions from Members;

Members considered that the report was very readable, comprehensive and in a good format.

RESOLVED:

That the Committee received the Auditor's Statement on the Pension Fund Annual Report 2020/21; and approved the Annual Report appended as Appendix 1.

46 : FUNDING STRATEGY STATEMENT

Members were advised that the Funding Strategy Statement (FSS) sets out how the administering authority aims to meet the regulatory requirements to ensure that funds are available to meet pensions liabilities as they fall due whilst keeping employer contributions as constant as possible.

Officers outlined the key points from the report as follows;

The FSS is normally reviewed every three years as part of the Triennial Valuation following consultation with the Fund Actuary although amendments to the FSS within this three year cycle may be necessary. The administering authority must also consult with “such persons as it considers appropriate” and have regard to guidance published by CIPFA, the Chartered Institute of Public Finance and Accountancy and other regulatory bodies such as the Scheme Advisory Board (SAB).

The Fund’s actuaries have prepared the draft FSS (attached as Appendix 1) as a revision of the statement published after the 2019 valuation to incorporate recent updates in the LGPS Regulations in particular those in relation to Employer Flexibilities.

The key parts of the FSS to be amended in relation to Employer Flexibilities are in the new Appendices 4 and 5. Appendix 4 is titled “Policy on reviewing employer contributions between triennial actuarial valuations” and outlines the situation in which the Administering Authority will review employer contributions and the process it will follow to undertake those reviews. Appendix 5 is titled “Policy on spreading of exit payments and deferred debt agreements” and considers the appropriate period for the spreading of exit payments and the process for determining this period. Appendix 5 also covers Deferred Debt Agreements (DDA) whereby exiting employers continue to make contributions at the secondary rate and defer the payment of an exit payment and the process to determine whether it is appropriate to enter into a DDA.

The document includes updates in other areas to ensure that Employer Flexibilities are appropriately reflected in the drafting as well as taking the opportunity to update the document for a number of other small minor changes primarily to reflect any legislative changes since the last review, for example in relation to the payment of Exit Credits.

If the Pension Committee is content to approve the revised FSS document then the next step will be to commence a period of consultation with the draft document to be sent to the Fund’s employers, and to the members of the Local Pension Board.

If there are no material amendments arising from the consultation then the FSS will be approved and published on the Fund’s website. If there are significant amendments arising from the consultation then an amended FSS will be brought back to the Pension Committee for further consideration.

Updates to the FSS will also be included in the March 2022 triannual valuation process.

Members asked when this would come back for revisions and were advised that it would be at the February 2022 meeting.

Members asked if this would also go to the Local Pension Board and were advised that it can go as a briefing item as the Board meets two weeks before the Pensions Committee.

RESOLVED: To approve the revised Funding Strategy Statement.

47 : MINUTES OF THE LOCAL PENSION BOARD

Noted.

48 : EXCLUSION OF THE PUBLIC

The following items were confidential and not for publication by virtue of paragraph 14 of Part 4 and paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972. The public were excluded from the meeting for the presentation of these items in accordance with the same legislation.

49 : MINUTES OF THE INVESTMENT ADVISORY PANEL

RESOLVED: To note the minutes of the Investment Advisory Panel meeting held on 8 June 2021.

50 : WPP UK OPPORTUNITIES FUND

Noted

51 : URGENT ITEMS (IF ANY)

Noted.

52 : DATE OF NEXT MEETING

7th February 2022, 5pm.

The meeting terminated at 5.45 pm

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CARDIFF COUNCIL CYNGOR CAERDYDD



PENSIONS COMMITTEE : 7 FEBRUARY 2022

REPORT OF CORPORATE DIRECTOR RESOURCES

AGENDA ITEM: 4

WALES PENSION PARTNERSHIP

Reason for this Report

1. The Pension Committee Terms of Reference set out the Committee's responsibility for the strategic governance of the Cardiff & Vale of Glamorgan Pension Fund.
2. This report has been prepared to update the Committee on progress towards the establishment of pooled investment arrangements for the eight LGPS funds in Wales under the oversight of the Wales Pensions Partnership.

Background

3. The Committee and Board has received regular updates on the development of the Wales Pension Partnership by the eight LGPS administering authorities in Wales. The proposals for a Wales Investment Pool were approved by the Minister for Local Government in November 2016.
4. A Joint Governance Committee (JGC) has been established by the eight administering authorities to provide oversight of the Pool. The JGC is supported by the Officer Working Group (OWG) comprising the Treasurers (Section 151 Officers) and Investment Officers of the eight funds. Link Fund Solutions have been appointed as the Pool Operator and Russell Investments will provide consultative services including advice on fund design and manager selection. Carmarthenshire Council have been approved as the Host Authority, providing administrative support to the WPP. Hymans Robertson were appointed, in January 2020, as Oversight Advisors to support the WPP in managing its relationship with Link and Russell Investments as well as providing advice on governance and strategic investment strategy.
5. Three Equity Sub Funds had been launched prior to 2020/21 financial year, a UK Equity Fund and two Global Equity Funds, Global Growth and Global Opportunities. During 2020/21 five Fixed Income sub-funds were launched by the WPP with this Fund investing in 3 of the WPP Fixed Income sub-funds in August 2020. The Emerging Markets Equity Fund was launched in October 2021

Issues

6. As at 31 December 2021, the Cardiff and Vale of Glamorgan Pension Fund (the Fund) had invested in seven of the WPP sub-fund's and the value of its holdings in these sub-funds totaled £1,770 million with holdings in the individual Funds as follows :-
 - i. UK Opportunities Equity Fund - £248.1 million.
 - ii. Multi Asset Credit Fund - £156.2 million
 - iii. Global Government Bond Fund - £252.9 million
 - iv. Global Credit Fund - £231.4 million
 - v. Global Opportunities Equity Fund - £537.7 million
 - vi. Global Growth Equity Fund - £222.9 million
 - vii. Emerging Markets Equity Fund - £121.1 million

7. The value of the Funds' assets held in WPP products now represents 65% of the total fund valuation. If the Blackrock Low Carbon Tracker Fund holding is included, then the proportion increases to 87% of the Fund value.

8. Discussions have continued with Russell Investments and Link to introduce a "Decarbonisation overlay" to the UK Equity fund in a similar manner to the overlay that operates with the Global Opportunity Fund. The introduction of the overlay is expected to result in a 25% reduction in the Carbon intensity of this fund. The move to introduce the overlay has also been agreed by Torfaen and as amendments to the prospectus are required will need to be approved by the FCA.

9. The WPP Private Markets Officers Working Group has continued to make progress in providing pooled options for these non-listed asset classes. The procurement process to appoint Allocator(s) for Private Credit and Infrastructure Funds is continuing with the evaluation of a "long list" of potential providers tenders progressing where the WPP is being assisted by bfinance. Early work on the process for Private Equity Allocators has also started and should accelerate following the completion of the Private Credit and Infrastructure procurements. Once the options for WPP Funds in these areas are further developed a report will be submitted to the Investment Advisory Panel and then onto the Pensions Committee to approve any future investment or transition of assets to the Private Market WPP Funds.

10. Following the approval of the Inter-Authority Agreement (IAA) amendments by the Constituent Authorities expressions of interest were requested for the role of the co-opted member representative, and a deputy, for the WPP JGC. The selection process to appoint the JGC representative and deputy is on-going. In advance of the end of October 2021 deadline the WPP submitted its application to become a signatory to the FRC 2020 UK Stewardship code. The result of this application is expected to be received in February 2022.

11. Russell Investments have started to develop a framework for a Sustainable Active Equity Fund. This Fund would have a global Equity benchmark and would aim to deliver returns commensurate with other global equity funds but would have a strong focus on sustainability ESG outcomes. As this framework develops further reports will be taken to future Investment Advisory Panel meetings and then onto Pension Committee.

Legal Implications

12. This report has been prepared to update the Committee on progress in the establishment of pooled investment arrangements for the eight LGPS funds in Wales and as such does not raise any direct legal implications however the general legal advice set out below should be considered.

General Legal Advice

Any decision must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council eg. standing orders and financial regulations; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its tax payers; and (h) be reasonable and proper in all the circumstances and comply with any equalities legislation.

The Council also has to satisfy its public sector duties under the Equality Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties, Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. The Protected characteristics are: age, gender reassignment, sex, race – including ethnic or national origin, colour or nationality, disability, pregnancy and maternity, marriage and civil partnership, sexual orientation, religion or belief – including lack of belief.

The Well-Being of Future Generations (Wales) Act 2015 ("the Act") places a 'well-being duty' on public bodies aimed at achieving 7 national well-being goals for Wales – a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible.

In discharging its duties under the Act, the Council has set and published well-being objectives designed to maximise its contribution to achieving the national well-being goals. The well-being objectives are set out in Cardiff's Corporate Plan 2021-24.

The well-being duty also requires the Council to act in accordance with 'sustainable development principle'. This principle requires the Council to act in a way, which seeks to ensure that the needs of the present are met without comprising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:

- Look to the long term
- Focus on prevention by understanding the root causes of problems
- Deliver an integrates approach to achieving the 7 national well-being goals
- Work in collaboration with others to find shared sustainable solutions
- Involve people from all sections of the community in the decisions which affect them

The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

The Council has to be mindful of the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards when making any policy decisions and consider the impact upon the Welsh language, the report and Equality Impact Assessment deals with all

these obligations. The Council has to consider the Well-being of Future Generations (Wales) Act 2015 and how this strategy may improve the social, economic, environmental and cultural well-being of Wales.

Financial Implications

13. The costs of the WPP will be apportioned between the constituent authorities in accordance with the Inter Authority Agreement. All costs allocated to Cardiff will be charged to the Pension Fund

Recommendations

14. That the Committee notes the recent developments related to the WPP Investment Pool.

CHRISTOPHER LEE
CORPORATE DIRECTOR RESOURCES

**PENSIONS COMMITTEE: 7 FEBRUARY 2022****REPORT OF CORPORATE DIRECTOR RESOURCES****AGENDA ITEM : 5**

PENSION FUND RISK REGISTER**Reason for this Report**

1. To review the current Risk Register for the Pension Fund.

Background

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

Issues

3. The Risk Register is regularly reviewed by Fund officers and is also presented to the Local Pension Board for their review. The Risk Register was considered by the Pension Board at its meeting on 18 January 2022. No changes to the Register were suggested following that review but the Board did agree to a more systematic approach to reviewing the register at future meetings. An in-depth review of a limited number of risks will be undertaken at future Board meetings with the intention of reviewing all the risks over a 2-year cycle. The risks highlighted for review at the next meeting of the Board are Cyber Security and Pension Team Resources.
4. The Register presented to this meeting is unchanged compared to the version previously presented to the joint meeting of the Pension Committee and Local Pension Board on 23 November 2021. The current Risk Register is attached as Appendix 1 with the standard Risk Matrix used for the Corporate Risk Register attached as Appendix 2.

Legal Implications

5. The recommendation does not appear to raise any specific legal implications however the general legal advice set out below should be considered.

General Legal Advice

Any decision must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council eg. standing orders and financial regulations; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its tax payers; and (h) be reasonable and proper in all the circumstances and comply with any equalities legislation.

The Council also has to satisfy its public sector duties under the Equality Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties, Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. The Protected characteristics are: age, gender reassignment, sex, race – including ethnic or national origin, colour or nationality, disability, pregnancy and maternity, marriage and civil partnership, sexual orientation, religion or belief – including lack of belief.

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The well-being duty also requires the Council to act in accordance with 'sustainable development principle'. This principle requires the Council to act in a way, which seeks to ensure that the needs of the present are met without comprising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:

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The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

The Council has to be mindful of the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards when making any policy decisions and consider the impact upon the Welsh language, the report and Equality Impact Assessment deals with all these obligations. The Council has to consider the Well-being of Future Generations (Wales) Act 2015 and how this strategy may improve the social, economic, environmental and cultural well-being of Wales.

Financial Implications

6. There are no financial implications arising directly from this report.

Recommendations

7. That the Committee notes the contents of the Risk Register.

CHRISTOPHER LEE
CORPORATE DIRECTOR RESOURCES

Appendices:

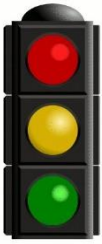
Appendix 1 Risk Register January 2022
Appendix 2 Risk Matrix

Mae'r dudalen hon yn wag yn fwriadol

Ref	Risk Description (Consider Risk Cause & Risk Consequences)	Inherent Risk			Current Controls	Residual Risk			Proposed Improvement Actions	Risk Reduction Target Date	Owner	Status
		Likelihood	Consequence	Priority		Likelihood	Consequence	Priority				
Pensions												
P1	That the Pension Fund's investment strategy is not managed with reference to the long-term growth in the Fund's liabilities	B	1	High - Red	Triennial actuarial valuations provide periodic indications of the growth in assets against liabilities. Employer contributions are set in response to this. An asset-liability study may be commissioned if there is evidence of a clear shift in the balance between assets and liabilities. The Investment Panel considers whether any changes are required to strategic asset allocation. The investment strategy is summarised in the Investment Strategy Statement The liabilities of admitted bodies are monitored to ensure that large deficits do not accrue, which would be unaffordable should the employer leave the Fund	C	2	Medium - Red / Amber	Continuing engagement with Fund actuaries to understand impact of financial and demographic factors on the Fund's liabilities.	31-Mar-22 Ongoing Ongoing	Marc Falconer	
P2	Inadequate medium term performance from selecting inappropriate fund managers or asset allocation	B	2	High - Red	Although the Fund remains responsible for setting its own investment strategy it is increasingly using Wales Pension Partnership (WPP) products to deliver its strategy as all listed fund assets have now transitioned to WPP. For the WPP both Link and Russell have been appointed through open tender and management agreements for the specific funds include clear performance targets. The procurement of Private Market Allocator(s) has commenced. Manager performance is reviewed by both this funds Investment Advisory Panel and the WPP OWG and JGC. The Investment Panel advise target ranges for strategic asset allocations. Although the Fund's main objective is long-term growth, the diversification provided by adopting a range of asset classes and fund managers should help to mitigate the impact of poor performance from any particular account or sub-manager.	C	2	Medium - Red / Amber	Maintain relationships with managers both directly appointed by the fund and WPP Funds especially during period of transition to pooling. Consolidation of WPP Funds into the regular Investment Panel review cycle. Continue to review any impacts of Brexit especially any that will have a long term impact on the investment performance of the Fund	Ongoing	Marc Falconer	
T Galen 17	Additional risks and costs to the Fund from poorly structured investment arrangements including with WPP sub-funds	B	3	Medium - Red / Amber	The Fund attempts to ensure best value in the following ways: • Regular Reports to the Investment Panel on asset valuation and manager performance. • Use of specialist services considered to reduce costs where appropriate (e.g. for transitions and currency transfers). • Custodian arrangements are reviewed or re-tendered when appropriate.	C	3	Medium - Amber / Green	Continue to develop monitoring and review processes including for assets managed by WPP.	Ongoing	Marc Falconer	
P4	Collapse of an Investment Manager involving our portfolio	C	1	Medium - Red / Amber	• All listed Assets are now managed by WPP so the Fund, will consider the due diligence activity undertaken by Link and Russell on behalf of WPP. • All Listed assets are managed through the Fund's custodian to ensure they remain segregated from the manager. • The risk that a manager cannot provide a service during windup will be mitigated by the appointment of a Transition Manager to transfer assets efficiently to a new manager.	C	3	Medium - Amber / Green	The Pool Operator is regulated by FCA and the Pool Custodian will ensure segregation of assets. Transition Managers will be appointed for the Pool, or by the Fund for single transfers e.g. WPP Global Equity funds. Consideration to be given for the custodian role to be extended to cover Property and Private Equity assets EM diversification	Ongoing	Marc Falconer	
P5	MIFID II leads to restrictions on the investment products available to the Fund	A	1	High - Red	Collaboration with investment managers, the Pool Operator, other LGPS funds and the LGA to ensure that the Fund is classified as a Professional Investor by all its managers and the Pool.	C	3	Medium - Amber / Green	Focus on provision of training to Officers, Committee and board members as appropriate and to include training provided by WPP. Appropriate Training Records to be maintained Annual review	Ongoing	Marc Falconer	
P6	Pooling arrangements lead to increased costs, lower performance, misalignment with the Fund's investment strategy or conflicts within the Pool	B	2	High - Red	Attendance at working group meetings and conference calls to ensure Cardiff's views are taken account of. Reporting of WPP progress to Pension Committee, Investment Panel and Local Pension Board.	C	2	Medium - Red / Amber	Continuing engagement and scrutiny of detailed plans for pool structures and transition timetables. Monitoring of pooled investments and engagement with the pool operator.	Ongoing	Marc Falconer	CLOSED
P7	Pension Fund Annual Accounts and Report are not produced in compliance with statutory requirements, in line with accounting standards or in line with audit timetable.	B	2	High - Red	The Fund's Custodian provides assurance on the accuracy of investment records (except for property and private equity). Records of benefits paid, contributions received and other expenses are held on SAP. The Group Accountant liaises with external audit and manages the closure process.	C	4	Low - Green	Regular meetings during the financial year between Accountancy and pensions staff to ensure any issues are identified and resolved before year end.	Ongoing	Marc Falconer	
P8	Failure to adhere to LGPS Regulations	B	2	High - Red	• Investment regulations are considered when setting the ISS • Senior Technical Officer undertakes Altair system checks to ensure compliance with LGPS regulations • Team leaders/supervisors, ensure legislative accuracy of calculations • Network Groups (Altair/Communications/All wales Pensions Officer Group) • Comms & Training Officer – responsible for the update of website and online guides. Inform employers of any changes in regulations.	C	2	Medium - Red / Amber	Engagement with Local Pension Board to develop reporting processes	Ongoing	Marc Falconer / Karen O'Donoghue-Harris	
P9	Failure to communicate with stakeholders	B	3	Medium - Red / Amber	• Contact list for employers updated regularly • Annual Employers' Forum • Annual Trade Union Forum • Annual report and accounts • Member newsletters • Dedicated Communication and Training Officer post established • Look to use all available communication channels	C	3	Medium - Amber / Green	Maintain and update Fund website. Complete roll-out of member self service facilities. Engagement with employers through site visits and promotion of Employers' Forum. Seek regular approval of the Pension Administration Strategy and Communication Policy	Ongoing	Marc Falconer / Karen O'Donoghue-Harris	

P10	Withdrawal/default of an employer	B	2	High - Red	<ul style="list-style-type: none"> Outstanding liabilities will be assessed and recovered from any successor bodies or spread amongst remaining employers. Actuarial valuation aims to balance recovery period with risk of withdrawal Applications for admission to the Fund are considered carefully and guarantees put in place if required 	B	3	Medium - Red / Amber	<ul style="list-style-type: none"> Improve engagement with admitted bodies where withdrawal is a possibility. Refuse new applications for admission except where there is an obligation to protect rights of employees transferred under TUPE New Regulations permit the use of Deferred Debt arrangements where exit from Pension Fund is being considered. This will be incorporated into an amended FSS 	Ongoing	Marc Falconer	
P11	Timeliness and accuracy of pension payments including risks arising from maintaining two separate data recording systems	B	2	High - Red	<ul style="list-style-type: none"> Monthly Pensions are paid by the Council's Pay Centre Payroll deadline procedures in place Authorisation of benefits following calculations Additional checks by Payroll Review of all payroll amendments Ensure all new monthly pension starter listings match amounts on Altair Run monthly SPA reports When someone hits SPA, update Altair and Payroll with GMP details 	C	3	Medium - Amber / Green	<ul style="list-style-type: none"> Review configuration of systems Recommend purchasing Altair Payroll to replace SAP 	Ongoing	Karen O'Donoghue-Harris	
P12	Pensions continue to be paid to deceased pensioners	B	2	High - Red	<ul style="list-style-type: none"> Monthly ATMOS reviews and Tell Us Once data exchanges match pensioner details with national deaths register Pensioners incorporated into National Fraud Initiative Annual life certificates required from pensioners living overseas Tell Us Once database is being updated monthly via the LGPS NI database. Further targeted checks with credit reference agencies as appropriate 	D	4	Low - Green	<ul style="list-style-type: none"> Keep current controls under review and adapt or change as required. 	Ongoing	Karen O'Donoghue-Harris	
P13	Membership data is not recorded accurately	A	2	High - Red	<ul style="list-style-type: none"> Senior Officers liaise closely with employers to ensure timely and accurate submission of data I-Connect ensures that data from employers is identified by a direct transfer from payroll on a monthly basis Data accuracy checks undertaken by the pension section Data validation checks also undertaken by the Fund Actuary at the triennial valuation. 	B	3	Medium - Red / Amber	<ul style="list-style-type: none"> One remaining employer to go live on i-connect 	Ongoing	Karen O'Donoghue-Harris	
P14	Breach of GDPR legislation	A	1	High - Red	<ul style="list-style-type: none"> Information issued to Fund members and published on website; Pensions staff trained on handling personal data; Memo of Understanding issued to Fund employers; contracts with service providers 	B	3	Medium - Red / Amber	<ul style="list-style-type: none"> Monitoring and supervision of staff, regular communications to Fund employers Updated MoU to be sent to employers 	Ongoing	Karen O'Donoghue-Harris	
Tudalen 18	Failure to complete GMP Reconciliation resulting in inaccurate payments to pensioners	A	2	High - Red	<ul style="list-style-type: none"> Regular update meetings with JLT Prompt resolution of cases referred back to Fund Fund decision made on stalemate cases Agreed Action Plan in place Critical task and timelines agreed Target end date 	C	3	Medium - Amber / Green	<ul style="list-style-type: none"> closely monitor the key tasks that need to be completed during 2021 As any GMP adjustments are implemented, ensure there is a reconciliation between Altair and SAP. Mercer have provided a draft Project Plan and as a combined group, taking into account the actions that are required it has been decided to complete the actual rectification calculations following the April 2022 Pensions Increase (because there is not sufficient time between now and March 2022 to complete all the tasks without introducing a higher risk. 	31-Jul-22	Karen O'Donoghue-Harris	
P16	Failure to deliver Annual Benefit Statements by statutory deadline of 31 August	A	2	High - Red	<ul style="list-style-type: none"> Member Self-Service will allow Members to update records and improve compliance. 	C	3	Medium - Amber / Green	<ul style="list-style-type: none"> MSS used to enhance the service provided to Scheme members MSS used to upload statements ensuring higher compliance levels Savings on printing and postage costs 	Ongoing	Karen O'Donoghue-Harris	
P17	Cyber security	A	1	High - Red	<ul style="list-style-type: none"> Access to all systems is password protected, additional password protection for access to Altair all Staff have completed mandatory modules on cyber security 	B	3	Medium - Red / Amber	<ul style="list-style-type: none"> continue to follow advice from ICT and update procedures as required Staff continue to complete relevant new e-learning modules as well as considering relevant information from external organisations such as TPR. 	Ongoing	Karen O'Donoghue-Harris	
P18	Exit Payment Cap	C	3	Medium - Amber / Green	<ul style="list-style-type: none"> Warning still kept on costs estimates for Employers that these are provided under existing regulations and could be subject to change 	C	4	Low - Green	<ul style="list-style-type: none"> If new regulations are tabled consideration will be given at that time to appropriate controls 	Ongoing	Karen O'Donoghue-Harris	
P19	McCloud - huge administrative burden, failure to have correct resources to deal with the additional work	B	2	High - Red	<ul style="list-style-type: none"> Employers warned at Employer forum that they will be required to supply missing data A0N commissioned to run reports to identify affected members LGA templates used to upload missing data Templates issued to all employers Deadline set for return of data 	B	3	Medium - Red / Amber	<ul style="list-style-type: none"> Use third part to assist with project management New staffing structure approval and recruitment process underway continue chase missing data from some of smaller employers 	Ongoing	Karen O'Donoghue-Harris	
P20	Resource Implications - Pension Section has insufficient resources to respond to the multiple workload pressures facing the section e.g. McCloud, Exit Cap, etc. and recruitment and retention of staff	B	3	Medium - Red / Amber	<ul style="list-style-type: none"> Scenario planning to be incorporated into 2022 business Plan to consider mix of additional resources required in particular what activities would require additional internal resources and what activities would be undertaken by external parties. Use of external resources to provide additional short term capacity 	C	3	Medium - Amber / Green	<ul style="list-style-type: none"> continual monitoring of Pension section workload and updates to resource planning including business plan and budgets. recruitment process for 6 additional staff has commenced 	Ongoing	Karen O'Donoghue-Harris	
P21	The Fund fails to adequately account for climate change, climate risk and ESG factors with Financial loss to assets held and potential for "stranded assets".	B	2	High - Red	<ul style="list-style-type: none"> Publication of a Responsible Investment policy and Climate Risk Policy both for the Fund and the WPP Transfer of funds to BlackRock Low Carbon Tracker Fund 	B	3	Medium - Red / Amber	<ul style="list-style-type: none"> Development of WPP sub-funds that allows climate risk and other ESG factors to be managed Continued engagement and challenge to Investment Managers, especially via WPP, on how they manage climate and ESG risks development of suitable climate change and ESG reporting metrics continued training focus including with the WPP Voting and Engagement provider 	Ongoing	Marc Falconer	

Risk Matrix and Definitions



High Priority	Red - Significant management action, control, evaluation or improvements required with continued proactive monitoring.
Medium Priority	Red / Amber - Seek cost effective management action, control, evaluation or improvements with continued proactive monitoring.
Medium Priority	Amber / Green - Seek cost effective control improvements if possible and/or monitor and review regularly.
Low Priority	Green - Seek control improvements if possible and/or monitor and review.

		IMPACT				
		1	2	3	4	
LIKELIHOOD	A	A1	A2	A3	A4	Likelihood: A. Very Likely B. Likely C. Possible D. Unlikely E. Very Unlikely Impact: 1. Major 2. Significant 3. Moderate 4. Minor
	B	B1	B2	B3	B4	
	C	C1	C2	C3	C4	
	D	D1	D2	D3	D4	
	E	E1	E2	E3	E4	

The '**LIKELIHOOD**' table below provides a framework by which you can use to score the likelihood of your risk occurring giving a score of A being very likely to E being very unlikely.

Description	Probability	Criteria
A. Very Likely	75% + chance of occurrence	<ul style="list-style-type: none"> Expected to occur in most circumstances Circumstances and near misses frequently encountered (e.g. daily / weekly / monthly / quarterly)
B. Likely	50% - 74% chance of occurrence	<ul style="list-style-type: none"> Will probably occur in most circumstances Circumstances frequently encountered Near misses regularly encountered (e.g. once or twice a year)
C. Possible	30% - 49% chance of occurrence	<ul style="list-style-type: none"> Not likely to occur but a distinct possibility Circumstances regularly encountered Near misses occasionally experienced (e.g. every 1 - 3 years)
D. Unlikely	10% - 29% chance of occurrence	<ul style="list-style-type: none"> Not expected to happen but there is the potential Circumstances occasionally encountered Any near misses are infrequent (e.g. 3 years +)
E. Very Unlikely	Less than 10% chance of occurrence	<ul style="list-style-type: none"> May only happen in exceptional circumstances Has rarely / never happened before.

The **'IMPACT'** table:

Description	1 - Major	2 - Significant	3 - Moderate	4 - Minor
Implications for Service and / or Achievement of Key Targets / Objectives	<p>Major loss of service, including several important areas of service and / or protracted period</p> <p>Service Disruption 5+ Days</p> <p>Major impact on achievement of several key targets / objectives</p>	<p>Complete loss of an important service for a short period</p> <p>Significant effect to services in one or more areas for a period of weeks</p> <p>Service Disruption 3-5 Days</p> <p>Significant impact on achievement of a key target / objective or some impact on several</p>	<p>Moderate effect to an important service for a short period</p> <p>Adverse effect to services in one or more areas for a period of weeks</p> <p>Service Disruption 2-3 Days</p> <p>Moderate impact on achievement of one or more targets / objectives</p>	<p>Brief disruption of service</p> <p>Minor effect to non-crucial service</p> <p>Service Disruption 1 Day</p> <p>Minor impact on achievement of targets and objectives</p>
Reputation	<p>Adverse and persistent national media coverage</p> <p>Adverse central government response, involving (threat of) removal of delegated powers</p> <p>Officer(s) and / or Members forced to resign</p>	<p>Adverse publicity in professional / municipal press, affecting perception / standing in professional / local government community</p> <p>Adverse local publicity of a significant and persistent nature</p>	<p>Adverse local publicity / local public opinion</p> <p>Statutory prosecution of a non-serious nature</p>	<p>Contained within Directorate</p> <p>Complaint from individual / small group, of arguable merit</p>
Health & Safety	<p>Fatality (ies)</p>	<p>Incidents reportable to the HSE (i.e. specified injuries to workers, over seven days lost from work accidents, specified non-fatal accidents to non-workers, specified occupational diseases / dangerous occurrences / gas incidents). Cases of other injury's (not reportable to HSE).</p>	<p>Minor injuries</p> <p>No time lost from work</p>	<p>No injuries but incident has occurred</p>
Failure to provide statutory duties / meet Legal Obligations	<p>Multiple Litigation</p>	<p>Litigation</p>	<p>Ombudsman</p>	<p>Individual claims</p>
Financial	<p>Corporate Budget re-alignment</p>	<p>Budget adjustment across Directorates</p>	<p>Contained within Directorate</p>	<p>Contained within Section / Team</p>
Implications for Partnership (e.g. objectives / deadlines)	<p>Complete failure / breakdown of partnership</p>	<p>Significant impact on partnership or most of expected benefits fail</p>	<p>Adverse effect on partnering arrangements</p>	<p>Minimal impact on partnership</p>
Implications for the Community or the Environment	<p>Extensive, long-term impact</p> <p>Major public health / environmental incident or loss of significant community facility</p>	<p>Long-term environmental or social impact such as a chronic and / or significant discharge of pollutant</p>	<p>Short-term, local environmental or social impact such as a major fire</p>	<p>No lasting detrimental effect on the environment or the community e.g. noise, fumes, dust etc.</p>
Stakeholders	<p>Stakeholders would be unable to pursue their rights and entitlement and may face life threatening consequences</p>	<p>Stakeholders would experience considerable difficulty in pursuing rights and entitlements</p>	<p>Some minor effects on ability of stakeholders to pursue rights and entitlements, e.g. other sources or avenues would be available to stakeholders</p>	<p>The interests of stakeholders would not be affected</p>

REVIEW OF PENSION FUND GOVERNANCE COMPLIANCE STATEMENT**Reason for this Report**

1. To complete the review of the Governance Compliance Statement for the Pension Fund.

Background

2. The Fund's Governance Compliance Statement is included in its Annual Report (Appendix 5) and this statement sets out how the Administering Authority has delivered the governance responsibilities of the Fund. This includes an assessment of how the Fund has performed against the nine principles of good governance practice.
3. The revised Governance Compliance Statement was considered by the Local Pension Board at its meeting on 18 January 2022.

Issues

4. The Governance Compliance Statement included in the Fund's 2020/21 Annual Report is dated September 2016. Although it is still largely relevant for the current governance responsibilities of the Fund the opportunity has been taken to update the statement. The updates focus on the increasing role of the Wales Pension Partnership (WPP) since 2016 as well as increasing the prominence of the Local Pension Board role in the Statement.
5. A copy of the revised Statement is appended to this Report as Appendix 1. If this Statement is approved by the Pension Committee the revised version would be included in the Fund's 2021/22 Annual Report.

Legal Implications

6. The governance compliance statement appended to this report has been prepared in compliance with regulation 55 of the Local Government Pension Scheme Regulations 2013 (as amended) (the "LGPS Regulations").
7. The statement sets out how the administering authority discharges its functions in accordance with the LGPS Regulations and this statement must be revised following material changes to its Governance arrangements and as such does not raise any direct legal implications however the general legal advice set out below should be considered.

8. General Legal Advice

Any decision must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council eg. standing orders and financial regulations; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its tax payers; and (h) be reasonable and proper in all the circumstances and comply with any equalities legislation.

The Council also has to satisfy its public sector duties under the Equality Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties, Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. The Protected characteristics are: age, gender reassignment, sex, race – including ethnic or national origin, colour or nationality, disability, pregnancy and maternity, marriage and civil partnership, sexual orientation, religion or belief – including lack of belief.

The Well-Being of Future Generations (Wales) Act 2015 (“the Act”) places a ‘well-being duty’ on public bodies aimed at achieving 7 national well-being goals for Wales – a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible.

In discharging its duties under the Act, the Council has set and published well-being objectives designed to maximise its contribution to achieving the national well-being goals. The well-being objectives are set out in Cardiff's Corporate Plan 2021-24.

The well-being duty also requires the Council to act in accordance with ‘sustainable development principle’. This principle requires the Council to act in a way, which seeks to ensure that the needs of the present are met without comprising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:

- Look to the long term
- Focus on prevention by understanding the root causes of problems
- Deliver an integrates approach to achieving the 7 national well-being goals
- Work in collaboration with others to find shared sustainable solutions
- Involve people from all sections of the community in the decisions which affect them

The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

The Council has to be mindful of the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards when making any policy decisions and consider the impact upon the Welsh language, the report and Equality Impact Assessment deals with all these obligations. The Council has to consider the Well-being of Future Guidance (Wales) Act 2015 and how this strategy may improve the social, economic, environmental and cultural well-being of Wales.

Financial Implications

9. There are no financial implications arising directly from this report.

Recommendations

10. That the Committee approves the Governance Compliance Statement appended as Appendix 1.

CHRISTOPHER LEE
CORPORATE DIRECTOR RESOURCES

Appendix 1 Governance Compliance Statement (February 2022)

Mae'r dudalen hon yn wag yn fwriadol

Local Pension Board : 18 January 2022

Item 8 Appendix 1 : Review of Governance Compliance Statement

GOVERNANCE COMPLIANCE STATEMENT

This Statement has been prepared and published by the City of Cardiff Council as Administering Authority of the Cardiff & Vale of Glamorgan Pension Fund, in compliance with regulation 55 of the Local Government Pension Scheme Regulations 2013 (as amended) (the “LGPS Regulations”).

Delegation of Functions

City of Cardiff Council has established a Pensions Committee to discharge its functions under the LGPS Regulations and has delegated operational management of the Pension Fund to the Corporate Director Resources. The relevant sections in the Council’s Constitution are:

Terms of Reference for Committees:

Pensions Committee

To discharge the functions of the authority as Administering Authority of the Cardiff & Vale of Glamorgan Pension Fund (‘the Fund’) as described in the Local Government Pension Scheme (LGPS) Regulations made under the Superannuation Act 1972 (sections 7,12 or 24) and Section 18(3A) of the Local Government and Housing Act 1989; and

To discharge the following specific strategic functions with regards to the Fund, taking account of advice from the Corporate Director Resources and the Fund’s professional advisers:-

- a) Determining the Fund’s aims and objectives, strategies, statutory compliance statements, policies and procedures for the overall management of the Fund, including in relation to the following areas:
 - i) Governance – approving the Governance Policy and Compliance Statement for the Fund;
 - ii) Funding Strategy – approving the Fund’s Funding Strategy Statement including ongoing monitoring and management of the liabilities, giving due consideration to the results and impact of the triennial actuarial valuation and interim reports;
 - iii) Investment strategy - approving the Fund’s Investment Strategy Statement (previously the Statement of Investment Principles (SIP)) and Myners Compliance Statement including setting investment targets and ensuring these are aligned with the Fund’s specific liability profile and risk appetite;
 - iv) Communications Strategy – approving the Fund’s Communication Strategy;
 - v) Discretions – determining how the various administering authority discretions are operated for the Fund; and
 - vi) Internal Dispute Resolution Procedure – determining how the Scheme Member disputes are administered.
- b) Monitoring the implementation of these policies and strategies as outlined in a) above on an ongoing basis.
- c) Considering the Fund’s financial statements as part of the approval process and agreeing the Fund’s Annual Report. Receive internal and external audit reports on the same.

- d) Receiving ongoing reports from the Corporate Director Resources in relation to the delegated operational functions.
- e) To provide independent assurance to members of the Fund of the adequacy of the risk management and associated control environment, responsible for the Fund's financial and non-financial performance.
- f) To adhere to the principles set out in the Pensions Regulator Code of Practice and undertake its duties in compliance with the obligations imposed on it.
- g) To receive regular training to enable Committee Members to make effective decisions and be fully aware of their statutory and fiduciary responsibilities and their stewardship role.
- h) Consider any pension compliance matters raised by the Fund's Local Pension Board.
- i) All Members of the Committee will be required to undertake relevant training to enable them to properly discharge their duties.

Local Pension Board

The terms of reference of the Local Pension Board have now been added to the Council's Constitution and are as follows :-

To assist Cardiff Council as Scheme Manager and Administering Authority to:

- (i) secure compliance with the LGPS regulations and any other legislation relating to the governance and administration of the scheme;
- (ii) secure compliance with any requirements imposed by the Pensions Regulator in relation to the LGPS; and
- (iii) ensure the effective and efficient governance and administration of the scheme (pursuant to sections 5(1) and (2) of the Public Services Pensions Act 2013 and regulation 106(1) of the LGPS Regulations

Specific Delegations to Statutory Officers: Corporate Director Resources FS28

In accordance with any policy or strategy decided by the Pensions Committee to approve decisions relating to the operational management of the Cardiff & Vale of Glamorgan Pension Fund ('the Fund') and the administration of pension benefits.

The administration of the Pension Fund is carried out by the Pensions Section based in County Hall. All significant decisions e.g. the exercise of discretions granted to the administering authority under the LGPS regulations, are made and recorded in accordance with the Council's scheme for delegated decision making. As part of the Resources Directorate, the Section is subject to the Council's policies, procedures and internal controls.

The Pension Committee and Corporate Director Resources are advised on investment matters by an Investment Advisory Panel. The role of the panel is detailed in the Fund's Investment Strategy Statement (ISS) .

The panel comprises:

- Corporate Director Resources
- Three elected members of City of Cardiff Council
- One elected member of Vale of Glamorgan Council (observer status)
- Two independent advisers

The panel normally meets four times a year to review the performance of the Fund's investments and to advise on investment strategy. The panel also considers other aspects of the administration of the LGPS which may have implications for investments e.g. the triennial actuarial valuation. The panel receives presentations from each active investment manager annually and also interviews shortlisted managers when new mandates are awarded.

An Employers' Forum is held annually to which all contributing employers of the Fund are invited. The Forum considers the Fund's Annual Report and Accounts and receives presentations on matters such as changes in regulations and actuarial valuations.

A Trade Union Forum is also held annually and considers similar issues with trade union representatives of the main employers.

Compliance with Statutory Guidance

Compliance Standard	Arrangements in Place/Action Taken	Action Complies with Principle? Yes/No/Partial	Reason for non-Compliance (if applicable)
Principle A – Structure			
The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council.	The Committee's Terms of Reference and Officer Delegations are clearly set out in the Council's Constitution	Yes	
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.	The two main employers are represented on the Investment Advisory Panel. Other employers are represented on the Local Pension Board and attend the annual Employers' Forum Scheme members are not represented on the Committee or Panel but are represented on the Local Pension Board and attend the Trade Union Forum.	Partial	
That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	Yes	Yes	
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	No – the Committee is a committee of the administering authority.		

secondary committee or panel.			
Principle B – Representation			
<p>That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure.</p> <p>These include :-</p> <p>i) employing authorities (including non-scheme employers, e.g., admitted bodies);</p> <p>ii) scheme members (including deferred and pensioner scheme members);</p> <p>iii) independent professional observers; and</p> <p>iv) expert advisors (on an ad-hoc basis).</p> <p>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.</p>	<p>The Committee is a committee of the administering authority.</p> <p>The two unitary authorities employ over 85% of active members and are represented on the Panel. Other employers are not represented on the Panel but are represented on the Pension Board</p> <p>Scheme members are not represented on the Committee or Panel but are represented on the Pension Board</p> <p>Two independent advisors attend every Panel meeting</p> <p>All Committee, Panel and Board members have the same access to papers and training opportunities.</p>	<p>Partial</p> <p>Yes</p>	
Principle C - Selection and Role of Lay Members			
<p>That Committee, Board 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.</p>	<p>The functions of the Committee and the Board are set out in the Council's Constitution.</p> <p>The role of the Investment Advisory Panel is clearly set out in the ISS and other key documents</p>	<p>Yes</p>	
Principle D – Voting			
The policy of individual	Voting Rights for this Fund	Partial	

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	are largely exercised through the WPP, in line with the other Welsh LGPS Funds. The WPP has appointed Robeco as its voting and engagement advisor and WPP undertakes regular reviews of its voting policy.		
Principle E – Training/Facility Time/Expenses			
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.	Committee, Board and Panel members are advised of training opportunities.	Yes	
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	Yes	Yes	
Principle F - Meetings (frequency/quorum)			
That an administering authority's main committee or committees meet at least quarterly.	The Committee meets at least quarterly.	Yes	
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.	The Investment Advisory Panel and Pension Board meets quarterly in advance of Pension Committee dates. One of the Board meetings is a joint meeting with the Committee	Yes	
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.	Employers' Forum and Trade Union Forum are held annually	Yes	
Principle G - Access			
That subject to any rules in the	Papers are circulated to all	Yes	

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.	Committee, Board and Panel members in advance of meetings.		
Principle H - Scope			
That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangement	<p>The Committee's role is to consider all strategic issues.</p> <p>The Investment Advisory Panel considers all issues relevant to investment matters whilst the Board has a focus on pension administration issues. Wider issues are also discussed at the Employers' and TU Forums.</p>	Yes	
Principle I - Publicity			
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.	All governance documents are published on the Council's website	Yes	

Local Pension Board

Further information on the Local Pension Board, including the Board's Terms of Reference for have been published on the Fund's website:

[Pensions Committee and Board - Cardiff and Vale Pension Fund](#)

Wales Pension Partnership (WPP)

Details of the governance arrangements for the WPP can be found on the WPP website

[Wales Pension Fund | Governance \(walespensionpartnership.org\)](http://walespensionpartnership.org)

CHRISTOPHER LEE
CORPORATE DIRECTOR RESOURCES
February 2022

**CARDIFF COUNCIL
CYNGOR CAERDYDD****PENSIONS COMMITTEE: 7 FEBRUARY 2022****REPORT OF CORPORATE DIRECTOR RESOURCES****AGENDA ITEM: 7**

PENSION FUND COMMUNICATION AND COMPLAINTS POLICY**Reason for this Report**

1. To complete the review of the Communication and Complaints Policies for the Pension Fund.

Background

2. Regulation 61 of the LGPS Regulations 2013 states that Administering Authorities must prepare and publish a Communication Policy. The Pension Regulator had previously recommended that the Cardiff and Vale of Glamorgan Pension Fund develop and implement a Communication Policy.
3. The Communication Policy was approved by the Pension Committee at its meeting on 8 February 2021 with the Complaints Policy being approved by the Committee at its meeting on 30 May 2019. The meeting of the Local Pension Board on 18 January 2022 considered both the updated Communications Policy and an updated Complaints Policy.

Issues

4. With the Communications Policy a paragraph has been inserted to reference the Pension Administration Strategy, which was also approved by the Pension Committee in 2021. The document has also been amended to include text to incorporate communication via Member Self Service (MSS), which is now up and running for Active members and will become an increasingly important communications tool for the fund moving forward.
5. With the Complaints Policy changes to some contact numbers and organisational names have been updated in particular The Pension Advisory Service (TPAS) changing to the Money and Pension Service (MaPS). In the Policy the opportunity has also been taken to delete the telephone number for the Council's Freedom of Information team as their preferred method of contact is now through email to reflect the current working from home arrangements.
6. The updated Communication Policy for the Fund is appended as Appendix 1 with the revised Complaints Policy appended as Appendix 2.

Legal Implications

7. This report does not raise any direct legal implications however the general legal advice set out below should be considered.
8. General Legal Advice

Any decision must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council eg. standing orders and financial regulations; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its tax payers; and (h) be reasonable and proper in all the circumstances and comply with any equalities legislation.

The Council also has to satisfy its public sector duties under the Equality Act 2010 (including specific Welsh public sector duties). Pursuant to these legal duties, Councils must in making decisions have due regard to the need to (1) eliminate unlawful discrimination, (2) advance equality of opportunity and (3) foster good relations on the basis of protected characteristics. The Protected characteristics are: age, gender reassignment, sex, race – including ethnic or national origin, colour or nationality, disability, pregnancy and maternity, marriage and civil partnership, sexual orientation, religion or belief – including lack of belief.

The Well-Being of Future Generations (Wales) Act 2015 (“the Act”) places a ‘well-being duty’ on public bodies aimed at achieving 7 national well-being goals for Wales – a Wales that is prosperous, resilient, healthier, more equal, has cohesive communities, a vibrant culture and thriving Welsh language, and is globally responsible.

In discharging its duties under the Act, the Council has set and published well-being objectives designed to maximise its contribution to achieving the national well-being goals. The well-being objectives are set out in Cardiff's Corporate Plan 2021-24.

The well-being duty also requires the Council to act in accordance with ‘sustainable development principle’. This principle requires the Council to act in a way, which seeks to ensure that the needs of the present are met without comprising the ability of future generations to meet their own needs. Put simply, this means that Council decision makers must take account of the impact of their decisions on people living their lives in Wales in the future. In doing so, the Council must:

- Look to the long term
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- Deliver an integrates approach to achieving the 7 national well-being goals
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- Involve people from all sections of the community in the decisions which affect them

The decision maker must be satisfied that the proposed decision accords with the principles above; and due regard must be given to the Statutory Guidance issued by the Welsh Ministers, which is accessible using the link below: <http://gov.wales/topics/people-and-communities/people/future-generations-act/statutory-guidance/?lang=en>

The Council has to be mindful of the Welsh Language (Wales) Measure 2011 and the Welsh Language Standards when making any policy decisions and consider the impact

upon the Welsh language, the report and Equality Impact Assessment deals with all these obligations. The Council has to consider the Well-being of Future Guidance (Wales) Act 2015 and how this strategy may improve the social, economic, environmental and cultural well-being of Wales.

Financial Implications

9. There are no financial implications arising directly from this report.

Recommendations

10. That the Committee approves the updated Communications Policy and Complaints Policy.

CHRISTOPHER LEE CORPORATE DIRECTOR RESOURCES

Appendix 1 Communications Policy (February 2022)

Appendix 2 Complaints Policy (February 2022)

Mae'r dudalen hon yn wag yn fwriadol



Cardiff & Vale of Glamorgan
Pension Fund

Communication Policy Statement

Tudalen 35

Communications Policy Statement

Introduction

The Cardiff and Vale of Glamorgan Pension Fund strives to provide a high quality and consistent service to our customers in the most efficient and effective way possible, in this ever changing pension environment.

This Policy Document has been prepared and published, by Cardiff Council as Administering Authority of the Cardiff and Vale of Glamorgan Pension Fund. This Policy document has been written in compliance with regulation 61 of the Local Government Pension Regulations 2013 (the LGPS Regulations).

The Objectives of the Fund's Communication Strategy are:

- improve awareness and appreciation of the benefits provided by the pension scheme
- encourage take up of the scheme amongst new and existing employees
- answer all LGPS member pension entitlement questions promptly
- develop the partnership between the Pension Fund's administration team and the employing bodies
- liaise with a range of other groups who have an interest in the scheme

Within the pension fund there are five groups of members with whom the Fund needs to communicate with:

1. Scheme Members
2. Prospective Scheme Members
3. Scheme Employers
4. Representatives of Members
5. Other Bodies

This Policy document sets out how we plan to communication with all five groups.

The Cardiff and Vale Pension Fund aims to use the most appropriate channel of communication for the audience receiving the information. In some circumstances this may mean using more than one channel.

Scheme Members

Scheme members include:

- **Active members** - currently contributing into the Fund
- **Deferred members** - benefits in scheme but not contributing
- **Pensioners** - receiving a pension

Fund Website

The Fund has developed an extensive website which sets out Scheme rules and regulations in a simple and easy to read format. Information updates and news items are quickly added to notify members of any Scheme changes. Electronic copies of the Fund's leaflets, forms, booklets, policy documents and reports are also readily available. The Fund's Annual Report and Accounts are available, plus all key governance documents.

Annual Report and Accounts

An electronic copy of the Fund's Annual Report and Accounts is available to all Scheme members on the website. Hard copies are also available on request.

Newsletter

The Fund will issue a newsletter to active Scheme members of the Fund on an ad hoc basis, which will cover current pension topics within the Local Government Pension Scheme and wider pensions industry.

We send an annual newsletter to all pensioners every April, giving them details of their annual pension increase, the payment dates for the new financial year, plus any other relevant pension information.

Annual Benefits Statement

Annual Benefits Statements will be produced for all Active members' showing them the current value of their pension at 31 March. Plus, a projection figure to Normal Pension Age (NPA) and current value of death benefit.

We also send Annual Benefit Statements to our deferred members' which gives them the current value of their pension at every April (the date the pension was last increased in line with the appropriate cost of living index).

Supplementary notes are provide with both Annual benefits Statements and Notes for Guidance are published on our website for additional support.

Scheme Literature

Cardiff and Vale of Glamorgan Pension Fund produce an extensive range of Scheme literature, which are available to all Employers and Scheme Members in both English and Welsh. All literature is updated regularly, to keep up to date with regulation changes and available on the Pension Fund's website.

Pension Increase Statements

Annual Pension Increase statements are made available to all pensioners informing them of the percentage rate their pension will increase, and also the new pension payment for the new financial year.

Retirement Figures

Deferred members contact us 6 weeks before their retirement date and retirement figures are sent to their home address.

Statutory Notifications

In Compliance with Scheme Regulations, members are notified when any change occurs to their pension record which will affect their pension benefits.

Correspondence

The Fund uses both surface mail, electronic mail and member self-service portal to receive and send correspondence. Response will be sent in the individuals preferred language of choice.

Payment Advice/P60

All Pensioners are issued with payment advice pay slips every April (together with their Pension Increase newsletter). Payslips are only sent throughout the year if their net pension changes by £10 or more.

P60 notifications are sent out annually (usually in April or May), and provide members with a breakdown of the payments they have received over the last complete financial year.

Prospective scheme members

Scheme Leaflet

All prospective Scheme members are provided with a Scheme brochure, which explains the benefits of joining the LGPS. This brochure is sent by the Human Resources Team when their employment contract is sent to new employees.

Pension Website

The Fund's website has a dedicated section for non-members, where it highlights the benefits of the Scheme and the importance of planning for retirement. Giving all non-members the information they need to make an informed decision.

Scheme Employers

The Fund communicates with its participating employers in several ways to help them meet their responsibilities as Scheme Employers.

Annual Employer Forum

We hold an Employer Forum meeting every year for all Scheme Employers, where Fund Managers discuss:

- Detailed investment update
- Financial and administrative reports
- Any relevant procedural/legislative changes
- Triennial valuation
- Guest speakers who will be able to upskill our Employers

The Communications and Training Officer will make periodic visits to the Employers address to discuss issues as and when they arise.

All Employers need to supply pay and contribution data to the pension scheme, within deadlines and in the format specified by the Pensions Team.

All Employers within the Scheme, and their Human Resources functions, play a key role in informing the pension team of the new starters, leavers, retirements etc. Employers are also responsible for providing information on the pension scheme to their employees.

Annual Report and Accounts

The audited accounts of the Cardiff and Vale of Glamorgan Pension Fund are prepared as at 31 March each year and a copy is posted on the Fund website.

Pension Administration Strategy

The Administration Strategy defines the responsibilities of both the Fund and all Scheme employers in the administration of the Scheme.

The Strategy sets out the level of performance expected from the Cardiff and Vale Pension Fund and all employers, as well as the consequence of not meeting statutory deadline.

Website

The Fund website has a dedicated employer area to provide employers with the guidance needed to effectively discharge their administrative responsibilities, and will include updates and forms which can be downloaded.

Updates

Regulatory and administrative updates are frequently issued to all employers by email.

Training

Bespoke training sessions can be delivered, on request by the dedicated Communication & Training Officer to resolve any administrative issues identified by the employer.

Member Representatives

Trade Unions

Trade Unions in South Wales are valuable ambassadors for the Pension Scheme. They deliver details of the Local Government Pension Scheme's to their members by local representative. They also assist in negotiation under TUPE transfers in order to ensure, whenever possible, continued access to the Local Government Pension Scheme.

A Trade Union Forum is held annually. Representatives of the local trade union branches receive presentations on the Fund's Annual Report, the performance of its investments and other current issues.

Pension Board

The Fund's Local Pension Board was established on 1st April 2015. The Board includes three scheme member representatives who participate in the Board's role of assisting the Scheme Manager. Each Board member has received appropriate induction and training and will be kept up to date with national and local developments in the LGPS. The names and contact details of the scheme member representatives are available on the Cardiff and Vale Pension Fund website.

Other Bodies

The Pensions Administration Team are also actively involved with other various groups who have an interest in the LGPS.

Ministry of Housing, Communities and Local Government (MHCLG)

This Government Department are responsible for amending the Scheme regulations following consultation with all local authorities, and some employers. The Fund takes part in these exercises as and when necessary.

We also have involvement with the **Local Government Association (LGA)** and **National Association of Pension Funds (NAPF)**. The Fund is also a member of the **Local Authority Pension Fund Forum (LAPFF)**.

All Wales Pensions Officer's Group

Pension Officers from all of the Welsh administering authorities meet regularly to discuss and share information. This ensures uniform interpretation of the LGPS and other prevailing regulations.

Wales Pension Partnership Group

The Fund works closely with other Welsh Pension Funds to evaluate specific partnership arrangements, particularly within the All Wales Pension Funds Communication Working Group. Aiming where possible to deliver the same communications across all 8 Welsh Pension Funds.

Seminars

Fund Officers regularly participate at seminars and conferences held by LGPS related bodies.

General Information

Data Protection

To protect any personal information held on computer, the Cardiff and Vale of Glamorgan Pension Fund, is registered under the Data Protection Act 2018. This allows members to check that their details held are accurate. The Fund's Privacy Notices are published on the Pension Fund website.

National Fraud Initiative

The Authority are under a duty to protect the public funds it administers, and may use information for the prevention and detection of fraud.

General

Whilst this Policy Statement outlines the communication approaches adopted by the Cardiff and Vale of Glamorgan Pension Fund there are roles and responsibilities which fall on Scheme members, perspective scheme members and participating Scheme employers in ensuring that information necessary to maintain an accurate membership base is provided in a timely manner.

Policy Review

This statement will be revised if there are any material changes in Cardiff and Vale of Glamorgan Pension Fund's Communication Policy but will be reviewed on an annual basis.

How to get in contact with us

If you have a question or would like some more information about The Cardiff and Vale of Glamorgan Pension Fund please contact us.

By email: pensions@cardiff.gov.uk

By phone: [029 2087 2334](tel:02920872334)
open Monday to Friday 8.30am to 4.30pm

By Post: Pensions Team
Room 252
County Hall
Atlantic Wharf
Cardiff
CF10 4UW

Mae'r dudalen hon yn wag yn fwriadol



Cardiff & Vale of Glamorgan
Pension Fund



Pensions Complaints and Compliments Policy

Comments, Complaints and Compliments

We are committed to dealing effectively with any complaints you have about our services. If we have made a mistake we will apologise and try to put things right as soon as possible.

We review complaints regularly and include in the Funds annual report with information about the number and type of complaints we have received. Wherever, possible, we use this information to improve the way we do things. We also welcome comments and compliments about the services we have provided.

How to make a comment, complaint or compliment

We want it to be a simple and convenient for you to complain, make a comment or pay us a compliment. We welcome complaints in both English and Welsh, and we will respond to you in the same language.

You can send your comments, complaints or compliments to pensions@cardiff.gov.uk or you can write to Pensions Team, Room 252, County Hall, Atlantic Wharf, Cardiff, CF10 4UW

How we will respond

If we receive a complaint from you, we will:

- Acknowledge your complaint within 5 working days, from date of receipt of the letter or email
- Aim to resolve the complaint within 20 working days, from date of receipt of the letter or email. If your complaint is complex we may need more time to resolve.
- If we do need more than 20 working days to resolve your complaint, we will contact you within the 20 working days and tell you how long we expect it to take, and continue to give you regular updates in this period.

We will respect your right to confidentiality and privacy and we will treat you fairly and in accordance with our commitment to equality.

The person who is investigating your concerns will firstly aim to establish the facts. In some instances we may ask to meet you to discuss your concerns.

How we will communicate the outcome

If we formally investigate your complaint, we will let you know what we have found and we will use your preferred form of communication, such as letter or email, when we contact you,

if necessary, we will produce a longer report. We will explain how and why we came to our conclusions.

If we find we have done something wrong, we will tell you this, explain what happened and apologise. If we find there is a fault in our systems or the way we do things, we will tell you what it is and how we plan to make changes to prevent the same thing happening again.

What we expect from you

We believe that all complaints have the right to be heard, understood and respected. However, our employees have the same rights and we will not tolerate unacceptable behaviour such as aggressive or abusive behaviour or unreasonable demands.

Who else can help me with my complaint?

You have the right to refer your complaint to **The Pensions Ombudsman (TPO)** free of charge.

The Pensions Ombudsman deals with complaints and disputes which concern the administration and /or management of occupational pension schemes.

Contact with The Pensions Ombudsman about a complaint needs to be made within three years of when the event(s) you are complaining about happened – or, if after, within three years of when you first knew about it (or ought to have known about it). There is discretion for those time limits to be extended.

The Pensions Ombudsman can be contacted at:

Address: 10 South Colonnade, Canary Wharf, London E14 4PU
Tel: 0800 917 4487
Email: enquiries@pensions-ombudsman.org.uk
Website: www.pensions-ombudsman.org.uk

If you have any general requests for information or guidance concerning your pension arrangements you can contact the **Money and Pension Service (MaPS)**.

The Money and Pension Service can be contacted at:

Address: Holborn Centre, 120 Holborn, London EC1N 2TD
Tel: 0800 917 4487 / 0800 011 3797
Website: www.moneyandpensionservice.org.uk/

The **Pension Regulator (TPR)** is a pension's watchdog which makes sure schemes are run properly and protects members against fraud. Anyone who is worried about a scheme can report to The Pensions Regulator.

The Pension Regulator can be contacted at:

Tel: 0345 600 0707
Website: www.thepensionregulator.gov.uk/

Frequently Asked Questions (FAQs)

1. Are there any time limits I should be aware of?

Normally, we will only be able to look at your complaint if you tell us about it within 6 months of the date that you first became aware of the problem. However, we may still consider your complaint if you provide strong reasons for taking longer than six months to tell us about the problem. In any event, regardless of the circumstances, we will not consider any concerns about matters that took place more than twelve months ago.

2. What if my complaint involves more than one organisation or department?

If your complaint involves more than one department, we will ask each department to prepare a response and, where possible, we will incorporate these into one letter.

If your complaint involves more than one organisation, we will work with these organisations to address your complaint and to decide who will take the lead in dealing with and responding to your concerns.

3. Are there any complaints that are not covered by this policy?

This policy does not apply if the complaint relates to a Freedom of Information or Data Protection request because there is a separate process for making complaints about this service. You can register these complaints by:

- Emailing: FOI@cardiff.gov.uk
- Visiting the Council website at www.cardiff.gov.uk
- Writing to improvement & Information, Cardiff Council, County Hall, Atlantic Wharf, Cardiff, CF10 4UW

If you disagree with a decision made by your Employer or the Pension Fund in relation to your benefits from the Local Government Pensions Scheme (LGPS), then there is a two stage complaints process in place known as the Internal Disputes Resolution Procedure (IDRP).

You are able to make a complaint under the IDRP if you are:

- ✓ A **Prospective Member**, who is thinking of joining the Scheme
- ✓ An **Active Member**, who is currently contributing to the Scheme
- ✓ A **Deferred Member**, who has left the Scheme, but your benefits remain in the Pension Fund
- ✓ A **Pension Member**, who is currently in receipt of a pension benefit from the Pension Fund

When making your complaint you can choose someone else to represent your case – a friend, solicitor or union representative for example.

If you wish to make a complaint under IDRP, you should complain in writing to whoever you think is at fault, either your employer or Pension Fund, by completing the [IDRP application forms](#), within 6 months of the problem arising.

Mae'r dudalen hon yn wag yn fwriadol



**CARDIFF & VALE OF GLAMORGAN PENSION FUND
LOCAL PENSION BOARD
6 JULY 2021**

Present: Mr Michael Prior (Independent Chair)

Employers Representatives:
David Llewellyn (Finance Director, Cardiff Met)

Scheme Member Representatives:
Ms H Williams (Unison Nominee)
Ms Sheelagh Doolan-Pitt (GMD Nominee)

In Attendance: Chris Lee, Corporate Director Resources
Marc Falconer, Pensions Manager
Karen O'Donoghue-Harris, Principal Pensions Officer
Jayne Newton, Communications and Training Officer
Andrea Redmond, Democratic Services Officer

1: Apologies and Declarations of Interest

Apologies had been received from Carys Lord and Mark Simms. There were no declarations of interest.

2: Minutes of previous meeting and Matters arising

The minutes of the meeting held on 27 April 2021 were agreed as a correct record, subject to the inclusion of Sheelagh Doolan-Pitt's apologies being noted.

Matters arising: All matters arising were included on the Agenda for the meeting.

3: Administration Update

This report updated the Board on work being carried out by the Pensions Section. The report was outlined in detail by Officers after which the Chairperson invited questions and comments from Board Members.

Officers outlined the report to Board Members after which the Chairperson invited questions and comments.

Members asked if the opt-outs were linked to auto or re-enrolment. Officers explained that they were not, they were old opt-outs whereby a scheme member had not requested a refund.

Members were interested to know Cardiff Council's position on homeworking going forward. Officers explained that it was unlikely that all people would be back in the office full time and that Hybrid working would be the normal in the future.

Members were pleased to see the additional six full time posts in the pension section and were assured that there would still be enough work for them when Member Self Service was fully rolled out.

Member asked that a report on GMP reconciliation be brought to the next meeting.

A discussion took place around scams and Members this considered this could be picked up as training and also in the employer/employee forums.

Member asked about the Transfer Guidance and were advised that a link to the guidance could be sent to them and it was also available on the LGPS regulations page on the LGA website.

Officers advised TU representatives that they would be advised in advance of the MSS roll-out so that they could communicate with their members.

A discussion took place around Cyber Security and it was noted that this posed a significant risk to all businesses. Members were assured that all Cardiff Council staff have to complete mandatory Cyber Security training modules, in addition Pensions staff have additional training on pension specific cyber security; Cyber Security is also on the Corporate Risk Register with strong governance around it and there was also Annual compliance.

Members noted that CIPFA had asked if Boards were receiving reports on attacks/alerts. Officers stated that there had not been any in relation to Pensions but the Board would be kept updated.

RESOLVED:

1. To note the work being undertaken by the Pension Administration Section and the progress in the areas covered by the report.
2. To request that a report on GMP reconciliation be brought to the next Local Pension Board meeting.

4. Pension Resolution Project Historical Over and Under Payments

To update the Board on project work undertaken and progress made to correct historical cases of over and under payments of pensions. In addition, as part of this project to detail additional measures introduced to ensure current processes are robust and ensure any risks are properly mitigated.

The Chairperson stressed the sensitive and confidential nature of this item.

Officers outlined the report to Board Members after which the Chairperson invited questions and comments.

Members noted the amount, although large, is material in the context of the fund. Officers explained that there was no significance or impact in terms of the valuation of the fund.

It was noted that all over and under payments had been corrected and these were all historical payments.

Members discussed the Risk Register and Officers explained that one of the key risks was the accuracy of payments so this would be identified.

It was noted that all scheme members had been contacted and the majority had been dealt with.

The importance of having a robust system in place going forward was noted and the Board requested that updates are reported in the future.

Members discussed audit and Officers explained that internal audit have reviewed the controls and were satisfied. Officers have spoken to the Audit Manager and suggested building this into the fundamental audit going forward and reporting back to the Board, as well as programming in an Annual Review.

Members referred to the Medium -Term timescale for reconciliation and asked how long this would take. Officers explained that they don't have a definite timescale a yet as it would depend on new IT systems etc, but it would be over the next 2/3 years.

RESOLVED: To

1. Note the report and consider any further requirements;
2. Receive an update annually on the reconciliation between systems to ensure that controls are in place to mitigate the potential for errors, and any exceptions are reported to the Board.

5. Climate Change Policy update

This item was to present to the Board an update on recent and future developments for the Fund's Investments with regard to mitigating Climate Change Risk and a reduction in the Carbon footprint of the assets the Fund holds.

Officers outlined the report to Board Members after which the Chairperson invited questions and comments.

The Chairperson considered that the report was a useful update on policies and investment switches.

Members asked if there were opportunities for training and Officers advised that training was available for Local Pension Board members and Pension Committee Members, they were usually held in the afternoons and lasted 2 hours.

Members discussed the companies that remain in fossil fuels and asked if the LPB ad Investment Panel recognise the initiatives being taken by the companies to move

away from Fossil fuels. Officers explained that Robeco are advocates of the engagement and voter process it was an emotive subject but there needed to be a move to divestment. It was noted that some large fossil fuel companies are also the biggest investors in alternatives and that more and more providers are now Carbon Neutral, there is a balance to be struck. Officers explained that research has shown that companies that take ESG seriously, deliver better returns in the longer term.

Board members stated that while they are concerned with Policy and Implementation, they are pleased to see the direction of travel.

RESOLVED: To note the Funds initiatives in mitigating Climate Change risk and reducing its Carbon footprint and to receiving periodic updates on progress in tackling these issues.

6: 2020/21 Statement of Accounts – for information

This item was to present to the Board for their information the Fund's draft Unaudited Statement of Accounts for 2021/22.

Officers outlined the report to Board Members after which the Chairperson invited questions and comments.

Members were pleased to receive the report, they considered it contained detailed information which was good in terms of training and knowledge.

RESOLVED: To note the report.

7: 2021/22 Business Plan

This item was to present to the Board, for their information, the Fund's final Business Plan for 2021/22 following its approval by the Pension Committee at its meeting on 17 May 2021.

Officers outlined the report to Board Members after which the Chairperson invited questions and comments.

Board members spotted a typographical error on page 4 and Officers were asked to amend this.

Board members asked that items suggested for reconciliation be included in the business plan, including Cyber Security, GMP.

RESOLVED: That the Board note the additional resources for the Pension Section following the approval of the Business Plan for 2021/22 by the Pension Committee.

8: Review of Risk Register

This item enabled Local Pension Board to review the current Risk Register for the Pension Fund before it is submitted to the Pension Committee.

Officers outlined the report to Board Members after which the Chairperson invited questions and comments.

Board members were pleased to see this item being reported regularly to the Board and suggested that once or twice per year the Board could review each Risk individually and the ratings. Officers would discuss when it would be appropriate to do so and to bring back to the Board and Pensions Committee.

It was noted that all risks previously discussed were included on the register as well as ESG which had been added in since the last meeting.

RESOLVED: To note the Risk Register and keep under review.

9: Wales Pension Partnership and Investment Update

This item was to update the Board concerning recent Wales Pension Partnership (WPP) and investment matters for the Cardiff & Vale of Glamorgan Pension Fund (Fund).

Officers outlined the report to Board Members after which the Chairperson invited questions and comments.

It was noted that by the end of the year a significant proportion of the fund would be with the WPP. Officers agreed and explained that less than 15% would remain.

The Chairperson referenced training from Partner funds and Officers stated that work was on going with Hymens Robertson on this.

RESOLVED:

1. That the Board note the developments with the WPP and the Fund's Investments;
2. To note the switch to overseas investments that are inherent and are pleased with the direction of travel.

10: Any Other Business

The Chair reminded Board Members of a number of training opportunities that were available and if they wished to take these up they should contact Jayne Newton.

Date of next meeting

Joint Meeting with LPB and Pensions Committee 23rd November 2021.

Mae'r dudalen hon yn wag yn fwriadol

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o Ddeddf Llywodraeth Leol 1972.

Mynediad Cyfyngedig i'r Ddogfen

Mae'r dudalen hon yn wag yn fwriadol