

PENSIONS COMMITTEE

27 JANUARY 2020

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

41 : APOLOGIES FOR ABSENCE

No apologies for absence were received.

42 : DECLARATIONS OF INTEREST

There were no declarations of interest in accordance with the Members' Code of Conduct

43 : MINUTES

The minutes of the meeting held on 28 November 2019 were agreed as a correct record and signed by the Chairperson.

44 : WALES PENSION PARTNERSHIP

This report updated 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.

Members were advised that 5 fixed income sub funds have been approved and it was anticipated that they would be launched during the first half of this year, however, there has been a delay in the due diligence and that process is unlikely to conclude before May. Cardiff currently holds assets totalling £601 million in fixed income. It was noted that Rhondda Cynon Taff County Borough Council hold slightly more.

A group of the OWG has been established to explore options for Private Markets including UK property.

Members noted that currently the allocation to the Low Carbon Tracker fund has resulted in a 70% reduction in carbon exposure.

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

45 : FUNDING STRATEGY STATEMENT

This report sets out how the administering authority aims to meet the regulatory requirements to ensure that funds are available to meet pensions liabilities as the fall due whilst keeping employer contributions a constant as possible.

The FSS has been updated to reflect a number of technical changes as advised by the actuaries. The most significant changes are an additional section covering Exit Credits and an expanded Regulatory Risk section addressing the ongoing uncertainties associated with the LGPS benefit structure i.e. GMP equalization, the

McCloud/Sargent cases regarding age discrimination in transitional protections in public sector schemes, and the cost management process. To comply with MHCLG guidance the FSS sets out the allowance made in the 2019 valuation for these uncertainties.

The FSS is to be approved and published before the completion of the actuarial valuation. The Actuary's report and certificate of contribution rates must be signed by 31 March 2020.

RESOLVED: To approve the revised Funding Strategy Statement.

46 : INVESTMENT STRATEGY STATEMENT

The Investment Regulations require each LGPS administering authority to publish an investment strategy by 1 April 2017; the Fund's initial Investment Strategy Statement (ISS) was approved by the Committee on 15 March 2017. Those regulations also require an administering authority to review its ISS at least every three years.

RESOLVED: To approve the revised Invest Strategy Statement.

47 : OVERPAYMENT AND UNDERPAYMENT POLICY

The Committee has responsibility for the strategic governance of the Cardiff & Vale of Glamorgan Pension Fund. The fund makes monthly payments to nearly 12,000 pensioners and dependents, which equates to approximately £5.9 million.

The Pensions Regulator has advised that it is a matter for the Pensions Committee to decide upon its own Overpayment and Underpayment Policy which clear sets out how overpayments and underpayments are managed once identified.

RESOLVED:

- (i) To approve the Overpayment and Underpayment Policy; and
- (ii) To note that the policy is effective immediately and applies to any cases currently under review.

48 : MINUTES OF THE LOCAL PENSION BOARD

The Committee were asked to note the minutes of the Local Pension Board which took place on 18 June 2019.

RESOLVED: To note the minutes.

49 : EXCLUSION OF THE PUBLIC

RESOLVED: That the following item is confidential and exempt from publication as it contains exempt information of the description contained in 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 during the discussion of the next item.

50 : MINUTES OF THE INVESTMENT ADVISORY PANEL

RESOLVED: To note the minutes of the Investment Advisory Panel

51 : URGENT ITEMS (IF ANY)

No urgent items were received.

52 : DATE OF NEXT MEETING

It was noted that there is an informal Joint Meeting with the Local Pension Board to be held in Syndicate Room A, City Hall on 28 April 2020 and that the next formal meeting of the Pensions Committee is on 18 May 2020 at 5.00 pm.

The meeting terminated at 5.26 pm

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