

DRAFT STATEMENT OF ACCOUNTS FOR 2020-21

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

Background

3. As Administering Authority, Cardiff Council is responsible for producing the annual Statement of Accounts for the Fund. The draft unaudited 2020/21 Statement of Accounts for the Cardiff and Vale of Glamorgan Pension Fund is now available to view on the Council website. The Pension Fund Statement of Accounts, along with those for the Council and for the Joint Committees where Cardiff is the Accountable body, will be available for public inspection for a period of 20 working days from Thursday 8 July to Wednesday 4 August 2021.
4. Following the completion of the public inspection, the audit of the accounts by Audit Wales will commence. Audited Accounts will be presented to the Governance and Audit Committee and then to Full Council for approval during the autumn. The Pension Fund Statement of Accounts form a significant element of the Fund's Annual Report which is due to be approved at the November 2021 meeting of the Pension Committee prior to the statutory publication date of 1 December.

Issues

5. A copy of the draft unaudited 2021/22 Pension Fund Statement of Accounts can be found here ([Managing the Council's Finances \(cardiff.gov.uk\)](http://www.cardiff.gov.uk/Managing-the-Councils-Finances)) and a copy is also attached as Appendix 1.
1. The Statement of Accounts includes the following sections:
 - a. Narrative Report
 - b. Actuarial Statement
 - c. Statement of Responsibilities
 - d. Audit Report – currently blank, updated after the completion of the audit
 - e. Fund Account

- f. Net Assets Statement
- g. Notes to the Accounts
- h. Glossary

6. The draft Statement of Accounts show that the value of the Fund increased by £490,532,000 during 2020/21 with a closing Net Asset value of £2,518,137,000. The market value of the Fund's investments increased by £483 million and £10 million was received as income (and reinvested). There was a net cost of c£2m for the Fund from benefits and other payments, including fund management expenses, less contributions received.

Legal Implications

7. The Statement of Accounts is a technical document, the contents of which Legal Services are unable to comment upon. It is noted that the document is still in draft form and will be subject to scrutiny by Audit Committee in the Autumn. The body of the report confirms that the approved accounts will be included in the Funds Annual Report and these will be reported to Committee in November 2021.
8. 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 e.g. 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/peopleand-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. No direct financial implications arise from this report.

Recommendations

10. That the Committee notes the draft Statement of Accounts for the 2021-20 Financial Year.

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CORPORATE DIRECTOR RESOURCES

Appendices:

Appendix 1 – Pension Fund Statement of Accounts 2020-21