



**CARDIFF & VALE OF GLAMORGAN PENSION FUND
LOCAL PENSION BOARD
27 APRIL 2021**

Present: Mr Michael Prior (Independent Chair)

Employers Representatives:
Carys Lord (Vale of Glamorgan)
David Llewellyn (Finance Director, Cardiff Met)

Scheme Member Representatives:
Mr Peter King (Unison Nominee)
Ms H Williams (Unison Nominee)

In Attendance: Chris Lee, Corporate Director Resources
Gary Watkins (OM Revenues)
Marc Falconer, Pensions Manager
Karen O'Donoghue-Harris, Principal Pensions Officer

1: Apologies and Declarations of Interest

No apologies had been received. There were no declarations of interest.

2: Minutes of previous meeting and Matters arising

The minutes of the meeting held on 19 January 2021 were agreed as a correct record.

Matters arising:

Members asked for a verbal update on at the next meeting.

The Chairperson asked that a review of the Climate Change Policy be put as an agenda item for the next LPB meeting.

Members sent their well wishes to Jayne Newton for a speedy recovery.

3: Pension Board Conflict of Interest Form

The recording of conflicts of interests, both actual and potential, are an important element in demonstrating that good governance principles are followed by the Pension Board. A conflict of interest is a financial or other interest likely to prejudice the way in which someone carries out their role as a member of a pension board. It doesn't include

a financial or other interest arising merely from them being a member of the scheme or any connected scheme.

Although the Pension Board performs an advisory, rather than a decision making, role the disclosure of conflicts of interest would represent a demonstration of best governance practise. The setting-up of a process to identify, monitor and manage potential conflicts of interest of pension board members is recommended by The Pension Regulator.

Members were presented with draft Form and advised that this would be completed annually unless there were any in-year changes; nil returns would be required and completion of the form would be a prerequisite for new members.

Following a brief discussion on status of membership of the LGPS, changes were recommended to the form in that a box be included to these.

Members asked whether the form would be published/public. It was considered that the form should be kept in the Pension Administration Office.

Members asked about the process for annually renewing the forms and were advised that the Pension Admin section would manage this and remind members.

RESOLVED: To approve the conflict of interest pro-forma, subject to the inclusion of a box to indicate status and LGPS membership and that the Board members complete the form for 2021/22 and subsequent financial years.

4. Review of 2021 TPR survey

TPR asks LGPS Funds to complete an annual survey. Following discussions with the Chair of the Board the completed survey was submitted on 1st March 2021 and was appended to the report.

As this is a survey from TPR the questions are primarily focused on the administration services provided by the Fund. The survey was divided into a number of sections as follows:-

- a. Governance
- b. Managing Risks
- c. Administration and Record-Keeping processes
- d. Cyber Security
- e. Annual Benefit Statements
- f. Resolving Issues
- g. Reporting Breaches
- h. Governance and Administration
- i. Covid-19 Pandemic
- j. Pensions Dashboards
- k. Climate Change (LGPS only)
- l. Perception of TPR
- m. Attribution

Members asked about feedback from the survey and were advised that feedback should come back from the Regulator, which would hopefully show how the fund compares with other funds and could identify some areas for focus in the future.

Members discussed the questions and answers and asked what would be done with the information. A discussion took place around the questions and some areas that the Board had already focussed on such as Communications Policy. Officers noted that some things are dynamic such as Climate Change.

A discussion took place around succession planning and the risk of members' tenures ending at the same time. Officers explained that originally all members were appointed on a 4 year term but there had been movement in membership which meant that going forward there should be around 1 or 2 leaving per year. The Chair considered a review of membership should take place before 4 year tenures end and this could be considered next year.

RESOLVED: To note the Funds response to the annual TPR survey for 2020.

5. Administration Update

The Board received a report providing an update on the work being undertaken by the Pension Section. Officers outlined each key point from the report and the Chairperson invited questions and comments from LPB members.

Members noted the issues with workload on retirement estimates, with a member of staff off on sickness absence and asked if the section were able to deal with the workload. Officers advised that they are looking at different options for distributing the work and may look to bring in a temporary member of staff to help.

Members received additional information with regard to McCloud and noted that there was a Ministerial announcement from UK Government on the when the legislation would be implemented, the announcement was due in May 2022. Officers have discussed the possible need for third party resources to undertake the amount of work and backdating that was required. The Chair considered that the Board should keep this under review.

In relation to Exit Payment/Cap Reform, Members asked if there would be another consultation document issued. Officers expected that there would be as if they are looking to change the regulations, they would have to consult on the impact of any changes.

With reference to GMP reconciliation, the Chair asked that a more detailed report be brought to the next meeting of the Board in July to have a better idea of the numbers of people impacted. Officers explained there may be limited additional information by July but there would be more detail going forward.

Members asked about Over/Under Payments, and whether these were separate from the GMP reconciliations. Officers advised that it was a separate piece of work but some reasons may be the same.

Members asked if other funds were having the same issues and Officers advised they were aware of other fund having similar issues. The Chair asked that more details be brought to the Board meeting in July.

In relation to Self Service, Members were advised about the positive feedback received from users who found it very quick to obtain info and how helpful to was to get answers to different scenarios.

Members asked if Trade Unions could help in encouraging take up and Officers welcomed this help when the time was right for Cardiff to roll out, noting that they were starting with smaller employers initially. Members noted that the increased take up would help members and also help administration staff.

6: Review of 2021/22 Business Plan

The purpose of the Business Plan is to set out the key action points for the administration of the Fund over the next financial year in the context of the Fund's goals and objectives over the longer term. The Plan also includes membership statistics for the current and previous three years.

The Plan outlines the key work priorities for the Fund over the next twelve months as well as the achievements over the last financial year; The Plan includes a summary budget for 2021/22.

Members noted the significant increase in numbers of deferred pensioners. Officers explained that previously Status 2 members (someone has left but their benefits have not yet been processed) would not have been included in the figures previously but they are now.

Members made a number of suggestions for inclusion in the Plan going forward including; To include the Climate Change Policy; In the investment summary, illustrate the proportion dealt with by WPP and the Fund; Include the previous years' final survey as well as the current year to see the direction of travel.

Members also asked in relation to management fees, to see a split between WPP and the Fund – this could be kept at an aggregate level in the Plan but more detail given in a report to Board Members.

Members discussed training and the benefits of online training being more accessible, efficient and flexible, noting that going forward some training should still be offered online.

RESOLVED: To note the draft Business Plan for 2021/22 and agree its submission to the Pension Committee for approval.

7: Review Risk Register

The Risk Register was previously presented to the Pension Board meeting on 19 January 2021 so the update focuses on changes to the register compared to the version presented to the previous Board meeting:

Risk P18 has been updated to reflect the withdrawal of the proposed Exit Payment Cap regulations but as further regulations for this area are expected in the future this risk has not been closed.

A new risk, P21, for Climate Change and Environmental, Social and Governance (ESG) risk has been added to the Risk Register.

The Chairperson asked that numbers and categories matrix is included in the report going forward.

Members referred to P13 and sought clarification on the one employer not yet to join iConnect and whether all new employers have joined iConnect. Officers clarified that GLL are the employer yet to join but they hoped they would be joining very soon. All new employers have joined.

RESOLVED: To note the Risk Register and agree its submission to Pension Committee.

8: Wales Pension Partnership and Investment Update

Officers updated the Board concerning recent Wales Pension Partnership (WPP) and investment matters for the Cardiff & Vale of Glamorgan Pension Fund (Fund).

The Chairperson considered it was assuring to see the recovery over the 12 month period.

Whilst it was considered that the Fund was in a strong positive position going into the Valuation next year, Officers noted that there was lots of work to be done before the valuation including liabilities and scheme changes and that investments was only one aspect.

RESOLVED: To note the developments with the WPP and the Fund's Investments

9: Any Other Business

The Chairperson advised that he was unable to attend a Chairs Engagement Forum and asked if any member was interested to take his place to contact him directly for the details.

The Chairperson thanked all those in attendance for their attention and contribution to the meeting.

Date of next meetings

LPB 6th July 2021.

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