



**CARDIFF & VALE OF GLAMORGAN PENSION FUND
LOCAL PENSION BOARD
18 APRIL 2023
COMMITTEE ROOM 1, COUNTY HALL, CARDIFF**

Present: Mr Michael Prior (Independent Chair)

Employers Representatives:
Laithe Bonni (Vale of Glamorgan)
David Llewellyn (Cardiff Met)

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

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

1: Apologies and Declarations of Interest

Apologies had been received from Mark Sims (Barry Town Council). There were no declarations of interest.

2: Minutes of previous meeting and Matters arising

The minutes of the meeting held on 24 January 2023 were agreed as a correct record, subject to the inclusion of 'Teams Meeting' on the agenda and the correction on a typographical error on page 2.

Matters arising:

A board member asked if there had been any difference in the number of enquiries around 50/50 since the cost of living crisis had hit. Officers explained that the LGA had conducted a survey on this, and the outcome was that there was no difference, this survey will be repeated every 6 months. Officers further added that the Governments change to the Lifetime Allowance may have an impact going forward.

3: Administration Update

This report was to update the Board concerning 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 advised that of the imminent change in office location due to the footprint of County Hall being reduced.

LPB Members discussed staff coming into the office for 1-2 days per week and asked if staff needed to request if they wanted to come in more often. Officers advised that they do accommodate peoples requests however most people still prefer to work from home. There is no formal hybrid working agreement in place yet, this will be linked to the Core Office Accommodation Strategy which is due to go to Cabinet in the summer. This will also include the categorisation of staff.

LPB Members discussed staff working full time from home and considered this may help with recruitment challenges. Officers agreed and stated that they also have staff working full time from home, some are even in different countries.

The Chairperson asked which approach works best in terms of addressing the backlog of work. Officers advised that from experience, working from home has proved to be more productive.

Members discussed alternative recruitment and officers explained that other local authorities are facing the same recruitment challenges. Two English authorities have used the alternative approach to recruitment with success too.

The Chairperson asked about the size of the team currently, officers advised that there were 17 permanent staff and a further 6 were being appointed. Over the next 6 months officers will look at how best to clear the backlog of work and hit key targets.

The Chairperson referred to the statistics chart and asked if it would be helpful to prioritise into key areas. Officers advised that they are already in order.

HW asked if the comment on the member self-serve website directing members to the Pension Team had been taken down. Officers advised that they understood it had been.

Referring to GMP reconciliation, PK asked if there was a risk of getting cost consequences from the pension regulator. Officers advised that they were not aware of any risk/consequence or even deadline, which was frustrating as they had wanted to complete it in one financial year. Other local authorities were in the same position.

The Chairperson asked if fund members know this is happening and if there is any impact on them. Officers stated they would not know.

HW asked if interest had to be paid on underpayments. Officers advised that yes, there was a delay cost to us, but this has been allowed for by the actuaries.

Referring to the delay in gathering data for the Pension Dashboard, the Chairperson asked if officers would prefer to delay the presentations on this. Officers said they would.

Discussing the Terms of Reference, LPB Board Members were encouraged to speak to GW before the July meeting, in relation to renewing for a third term, clarifying Members Terms and including remote meetings in the Terms of Reference.

RESOLVED: To note the work being undertaken by the Pensions Administration Section and the progress in the areas covered by the report.

4. Wales Pension Partnership (WPP) Update

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

The report was outlined in detail by Officers after which the Chairperson invited questions and comments from Board Members.

LPB Members considered it to be very positive to have achieved 88% of investments being pooled since by 2016.

In relation to the FRC, Board Members asked if it is mentioned on the website that the fund is part of the stewardship code, as this could be a positive statement to show. Officers advised there is a link to WPP, where this is a specific page on this.

LPB Members discussed this further as they had experienced greater interest and awareness in disinvestment in carbon. Carbon neutral etc, over the last 10 years. Officers explained about the work already underway on setting targets and dates for carbon neutral and that the Board will be interested to see this work prior to it going to Pensions Committee. Officers further advised that some funds have already committed to a date, but it was important to have a detailed roadmap in place and they are looking to commission external help with this to ensure the date set is realistic. They are keen to make rapid progress and a report will be brought back to the Board.

ACTION - The Chairperson considered this could be item to be considered at the joint meeting with the Pensions Committee.

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

5. Review of the Risk Register

This report was for the Board to review the current Risk Register for the Pension Fund before it is submitted to the Pension Committee.

The report was outlined in detail by Officers after which the Chairperson invited questions and comments from Board Members.

LPB Members were advised that the changes to the Risk Register since the last meeting, were highlighted in paragraph 5 of the report for ease of reference.

The Chairperson noted that there were still two employers not on iConnect, namely GLL and Cardiff Met, and asked for the reasons behind this. LPB Members were advised that in the case of Cardiff Met, the issues were around a new Payroll Manager, Systems and Consultants, however it was hoped that the move to iConnect would be finalised in this financial year. DL offered to help expedite things if needed.

The Chairperson referred to a review of Link fund solutions and considered that if a change in provider happens in the next 18 months, this should be reflected in the Risk Register. Officers stated that the top priority is that assets are safe, they have been assured by the WPP, that the Link takeover would have a minimum impact on the fund. A further report will be presented to the Board when there is an update.

RESOLVED: to note the Risk register.

6. Draft Pension Fund Business Plan 2023/24

This report was to present to the Board the Fund's draft Business Plan for 2023/24 for their review prior to the updated Business Plan being presented to the Pension Committee for approval.

The report was outlined in detail by Officers after which the Chairperson invited questions and comments from Board Members.

The Chairperson suggested a change in wording from 'Deferred Pensioners' to 'Deferred Members'.

The Chairperson asked in relation to expenses and proportion of expenses, if there was a line for the Invest Managers fee. Officers advised that there is and that other fees are included in the Governance section, when the draft is finalised ready for submitting to Pensions Committee, it will be circulated to LPB Members.

ACTION – circulate final version of the Business Plan 23/24 to LPB Members.

The Chairperson asked if there is a record of all the training attended by Board Members. Officers advised there was and that this could possibly be added to the website.

RESOLVED: That the draft Business Plan for 2023/24, amended as per suggestions above, is submitted to the Pension Committee for approval.

7. Any Other Business

The Pension Regulator Survey – this has been circulated to LPB Members. A summary of the survey detail will be provided by the regulator later in the summer and this will then be shared with LPB Members.

LPB Members were asked to give advance thought for items they may want to consider at the joint meeting with the Pensions Committee. Some ideas suggested in the first instance were training, the carbon agenda, a review of the business plan and checking to see if the single funding code applies. LPB Members suggested that the papers for the meeting are open and not confidential and that the meeting is held in person.

Date of next meeting

Joint meeting with the Pension Committee on 3 July 2023 at 4pm. (In Person - Venue TBC)