

R H O N D D A C Y N O N T A F

# PENSIONS

# ANNUAL REPORT

WATCH YOUR MONEY GROW



**2025**

**lgps**

Local Government  
Pension Scheme

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# Chairman's Foreword

**It is my pleasure, as Chairman of the RCT Pension Fund Committee, to present this year's Pension Fund Annual Report. I would firstly like to extend my thanks to the Committee, Pension Board and Officers who have been involved across the Fund's comprehensive governance and financial stewardship arrangements, including most importantly the staff who have continued to ensure that Fund Members receive an excellent service throughout the year. As the outgoing Chair, I also wish my successor Cllr Leyshon well in continuing to lead the Committee and Fund going forward.**

The Pension Committee and Board once again effectively discharged their respective responsibilities through the year, providing appropriate assurance with regard to the continued high standards of Fund governance and compliance. Members continue to engage in appropriate training, national forums, discussion on risk and mitigation, and the opportunity to help inform the Fund's strategy and policy requirements.

It was another volatile year for investment performance, financial markets were impacted by uncertainty around inflation expectations, slowdown in growth, tariff threats and global tensions due to international conflicts. Despite this, the Fund has continued to meet its objectives, with an improved overall funding level at the end of March '25 of 113.7%.

The Committee remain resolute in continuing to ensure that 'Responsible Investment', including climate risk, is factored into all our investment decisions. The Fund is also a member of the Local Authority Pension Fund Forum (LAPFF) and, via the Wales Pension Partnership (WPP), have appointed a Voting and Engagement Provider, both of which engage with companies on our behalf to drive improvements in practices and reporting, and help us reduce risks in our investments.

The Pension Fund Committee have been closely monitoring the additional workloads associated with the implementation of the McCloud remedy, the Pensions Dashboards programme and wider Fund Administration challenges and continue to receive regular updates in this regard.

The Pensions Team continue to develop and encourage use of the Fund's online membership portal, enhancing the self-service tools and self-help videos to support pension understanding. I would encourage colleagues to ensure that messaging continues to urge members to take maximum advantage of this valuable functionality.

**Thank you for taking the time to read this report.**

**Councillor Mark Norris**  
Chair of the RCT Pension Fund Committee

During the year, the Government published its 'Fit for the Future' consultation, which proposed significant reforms to the way in which Local Government Pension Scheme investments are pooled. The Fund responded to this consultation, and in collaboration with the WPP submitted a business plan on how the WPP Pool would implement the proposed changes. The WPP business case proposal was approved by the WPP Joint Governance Committee on 12th March 2025 and accepted by Government.

The WPP collaboration continues to make good progress against key milestones. Since I reported last year the 'Pooled Investments' delivered by solutions offered through WPP on behalf of the 8 Welsh LGPS funds has grown to 75%. In November 2024, the WPP was delighted to be awarded the Environmental, Social Governance (ESG) Innovation award at the Local Government Chronicle (LGC) Investment Awards ceremony. Regular training sessions arranged by WPP have been provided throughout 2024/25 to those charged with the Fund's governance responsibilities.

The Fund's 'active' participating membership remained consistent in overall numbers during the year, with over 23,000 pensioner members/dependants now benefiting from this much valued scheme, with a total of £189m of pension benefits paid out during the year.

In conclusion, whilst it has been a difficult year for investment performance against the Fund's benchmark, the overall funding level has continued to improve and we remain committed to the long-term nature of the Fund which our strategies fully reflect. The Pensions Team continue to deliver excellence against an increasingly challenging backdrop and their efforts and performance are duly recognised and appreciated.



# Introduction

## Welcome to this year's Pension Fund Annual Report, which provides an overview of the Fund's performance and key activities during 2024/25.

Despite the backdrop of uncertainty in financial markets and tightened monetary policy, the Fund achieved a positive, yet modest return of 2.0% for the year 2024/25. This was behind our fund specific custom benchmark of 4.3%, with inflation remaining a significant challenge. Equity markets struggled with US tariff proposals creating trade tensions, alongside broader geopolitical concerns in the final quarter of the year.

During the year, the market value of the Fund increased from £4.712bn to £4.783bn at the 31st March 2025. A disciplined approach to long term investment stability and maintaining our strong overall 'funding position' remain the priority objectives for the Fund. Longer term returns are comfortably ahead of benchmark over 10, 20 and 30 year periods ranking in 12th, 6th and 22nd percentile respectively.

The Wales Pension Partnership (WPP) continues to evolve and by the end of the financial year had assets under management amounting to £25.8bn, which represents 75% of the aggregate investment assets of the 8 LGPS Funds in Wales. The RCT Fund had 83% of its assets invested collaboratively on an all Wales basis. Significant work continues with regard to Responsible Investment. Further details on the work, governance arrangements, policies, annual report and business plan of the WPP can be found at the website [www.walespensionpartnership.org](http://www.walespensionpartnership.org).

### Looking ahead...

The Government launched its LGPS 'Fit for The Future' Consultation\* on 14th November 2024, outlining a range of proposals to strengthen the management of Local Government Pension Scheme investments in 3 key areas:

1. Reforming the LGPS asset pools,
2. Boosting LGPS investment in their localities and regions in the UK, and
3. Strengthening the governance of both LGPS Administering Authorities and LGPS pools.

\*[Local Government Pension Scheme (England and Wales):  
Fit for the future - GOV.UK]

In parallel with the consultation, the Government required each of the eight LGPS pools to submit a business case stating how it would implement the consultation proposals. The WPP initiated 'Project Snowdon' to formulate its Business Case to address the fundamental question raised by the consultation.

Following thorough consideration, WPP concluded that it was in the best interests of all direct and wider stakeholders in Wales that WPP proposed to build its own Investment Management Company and retain its independence as a Pool with all 8 Welsh LGPS Administering Authorities as sole shareholders and clients.

In early April 2025, WPP received the welcome news that Government have approved the WPP business case submission. The Fund is currently working with our WPP partner funds to implement the changes contained in the reforms, specifically the creation of a stand-alone Financial Conduct

Authority ("FCA") authorised investment management company (WPP "IM Co"), as the Pensions Bill progresses through the Parliamentary process.

The 2025 Actuarial Valuation is currently underway, which will set revised Employer contributions over the period from 1st April 2026 to 31st March 2029. I will ensure that we maintain effective dialogue through the forthcoming period and I look forward to reporting on the results in due course.

In parallel to the Valuation, we will review and consult upon the Fund's 'Funding Strategy Statement' (FSS) which sets out the approach to meeting pension liabilities over time in conjunction with the Fund's Investment Strategy. Post valuation, as in previous triennial cycles, we will review the Fund's 'Strategic Asset Allocation' to ensure that our long term risk/return and investment diversification objectives remain appropriate.

The McCloud remedy regulations to remove the scheme discrimination, came into force from October 2023. As reported previously, the Pension Administration Team and Fund Employers continue to work extensively to implement appropriate remedies across the membership. During the year, Fund officers undertook preparation to ensure that the implications of remedies were reflected within the 2024/25 Annual Benefit Statements where appropriate.

Implementation of the Government's Pensions Dashboards programme, which aims to allow individuals to view their consolidated pension benefits in a single online account, is progressing. LGPS Funds have been provided with updated 'data standards' and following a period of significant testing, the Fund successfully connected to the live dashboard environment during September 2025. A national 'Go-live' date, when the Dashboard will be made accessible to the public, is yet to be set.

The Fund continues to promote the use of My Pensions Portal to all Scheme members, and this has resulted in a steady increase in registration over a number of years. The Service successfully migrated to an improved member portal during July 2025, and through further targeted communications aims to increase membership take up moving forward.

I am pleased to report that as part of our workforce planning arrangements, the Fund has continued to benefit from apprenticeship and graduate schemes, with a further apprentice appointment made during 2025. The ongoing commitment to develop the Fund's Administration Team, grow our own and to invest in new technologies, has helped the Service maintain business continuity and continuous improvement.

The delivery of the Local Government Pension Scheme truly is a partnership and I would extend my sincere thanks to everyone who plays their part in providing scheme members with a first-class service and benefits from this excellent scheme.

I hope that you find the information presented in this report helpful; if you feel it could be improved in any way, we would welcome your suggestions.

**Barrie Davies, C.P.F.A**

CPFA, Deputy Chief Executive / Group Director – Corporate Resources (Section 151 Officer)

# Summary

## Participating Employers

### ■ ADMINISTERING AUTHORITY

Rhondda Cynon Taf County Borough Council

### ■ ADMITTED BODIES

- › Abacaredig Holdings Ltd
- › Agored Cymru
- › Atlas FM Ltd
- › Awen Cultural Trust
- › Care Cymru Services
- › Careers Wales Association
- › Careers Wales - Mid Glamorgan and Powys Ltd
- › Cartrefi Cymru Co-Operative Ltd
- › CCR Energy Ltd
- › Compass Cymoedd Contract Services (Cymoedd) Ltd
- › Cynefin Care Ltd
- › DBW FM Ltd Formerly Finance Wales Investment Ltd
- › Development Bank of Wales Plc Formerly Finance Wales Plc
- › Drive Ltd
- › Drive Ltd (RCT)
- › GP Homecare Ltd T/a Radis
- › Halo Leisure
- › Halo Leisure Ltd (Merthyr)
- › Innovate Trust Ltd
- › Little Inspirations Ltd
- › Local Government Data Unit
- › Merthyr Tydfil Institute for the Blind
- › Merthyr Tydfil Leisure Trust Exited during 2024/25
- › Merthyr Valley Homes
- › Mrs Bucket Commercial Cleaning
- › Plan B Management Solutions Ltd
- › Q Care Ltd
- › Social Care Wales Formerly Care Council for Wales
- › The Fern Partnership
- › Trivallis
- › Valleys to Coast Housing Exited during 2024/25
- › Welsh Government Former Welsh Development Agency
- › Welsh Joint Education Committee (WJEC)
- › WSP Glamorgan Consultancy Ltd Formerly Capita Glamorgan Consultancy

#### □ Admitted Bodies:

Admitted Bodies can participate in the scheme by means of an admission agreement. These Admitted Bodies may state whether all or some of their employees can join the Scheme.

### ■ SCHEDULED & DESIGNATED BODIES

- › Amgen Cymru
- › Bedlinog Community Council
- › Brackla Community Council
- › Bridgend College
- › Bridgend County Borough Council
- › Bridgend Town Council  
No active members at present
- › Central South Consortium
- › Chief Constable South Wales
- › Coleg Y Cymoedd
- › Coity Higher Community Council
- › Cornelly Community Council
- › Coychurch Crematorium Joint Committee
- › Garw Valley Community Council
- › Gelligaer Community Council
- › Hirwaun & Penderyn Community Council
- › Laleston Community Council
- › Llanbradach Community Council  
No active members at present
- › Llangynwyd Middle Community Council
- › Llanharan Community Council
- › Llanharry Community Council  
No active members at present
- › Llantrisant Community Council
- › Llantwit Fardre Community Council
- › Llwydcoed Crematorium Joint Committee
- › Maesteg Town Council
- › Merthyr Tydfil College
- › Merthyr Tydfil County Borough Council
- › Police and Crime Commissioner for South Wales
- › Pontyclun Community Council
- › Pontypridd Town Council
- › Pyle Community Council
- › Royal Welsh College of Music & Drama
- › South East Wales Corporate Joint Committee
- › South Wales Fire Authority
- › South Wales Valuation Tribunal
- › St Brides Minor Community Council
- › Tonyrefail Community Council
- › University of South Wales
- › Ynysawdre Community Council

#### □ Scheduled Bodies:

These include County Councils, Police Authorities and the Environment Agency among many others.

#### □ Designated Bodies:

Designated bodies, such as Community Councils are required to pass a resolution stating whom within their employment can join the scheme.

# Contributors Page

## Who's Who

### Service Director: Pensions, Procurement and Transactional Services



**Ian Traylor**

**Ian joined Local Government in 1990 with the former Mid Glamorgan County Council and transferred to Rhondda Cynon Taf during the 1996 re-organisation.**

Ian has a well-established background in financial control / risk management with a primary career spent in Internal Audit. Ian joined the Pensions Service in 2006 and is an active member of the Pension Investment and Administration Advisory Panel.

### Principal Accountant: Treasury Management and Pension Fund



**Yvonne Keitch**

**With over 30 years experience within local government, Yvonne is responsible for the administration of the pension fund investments.**

Yvonne has been the fund's Investment Manager since 1995.

### Accountant: Treasury and Pension Fund



**Vanessa Thomas**

**Vanessa joined local government in 1989 with Rhondda Borough Council and transferred to Rhondda Cynon Taf in 1996 during re-organisation.**

She has worked in the Investment Team since 2005 and is currently the officer responsible for the maintenance and closure of the Pension Fund accounts.

### Senior Team Manager: Digital, Communications and Governance



**Tim Jenkins**

**Tim joined Local Government in 2007 and since then has held various roles across a number of sections before joining the Pension Section in 2011 as a Systems Administrator.**

During his time in the Pension Section he has been responsible for rolling out several key projects including the introduction of the employer I-Connect monthly file submissions and launching our My Pension Online Service. He currently represents the Rhondda Cynon Taf Pension Fund at several national usergroups and currently Chairs a national I-Connect Usergroup.

# Pension Fund Committee Members

## Chairman Pension Fund Committee:



### Councillor Mark Norris

Councillor Norris is the Cabinet Member for Prosperity and Development, a member of Capita Glamorgan Joint Committee, Climate Change Cabinet Sub Committee, Major Incident Recovery Board, Welsh Language Cabinet Sub Committee, Vice-Chair of Eisteddfod Cabinet Sub-Committee and is Local Member representing Cwm Clydach ward.

Councillor Norris has been Chairman of the Pension Fund Committee since its inaugural meeting on 5th July 2016.

## Vice-Chair Pension Fund Committee:



### Councillor Martin Douglas Ashford

Councillor Ashford is a member of the Capita Glamorgan Joint Committee, Education and Inclusion Scrutiny Committee, Overview and Scrutiny 2022 -2027 Committee, Cwm Taf Morgannwg Public Services Board Joint Overview and Scrutiny Committee and a Local Member representing Pontyclun Central ward.

Councillor Ashford has been a member of the Pension Fund Committee since May 2022.

# Pension Fund Committee Members (Continued)

## Pension Committee Members:



### Councillor Christina Leyshon

Councillor Leyshon is Cabinet Member for Corporate Services, Youth Participation and Climate Change, Chair of the Climate Change Cabinet Sub Committee, a member of the Corporate Parenting Board, the Ynysangharad War Memorial Park Cabinet Sub-Committee, the Consortium Local Authority Wales (C.L.A.W.), the Joint Council for Wales, the Welsh Local Government Association and the local Member representing the Graig and Pontypridd West.

Cllr. Leyshon has been a member of the Pension Fund Committee since June 2024.



### Councillor Karl Johnson

Councillor Johnson is a member of the Democratic Services Committee and is Local Member representing the Llantwit Fardre ward.

Councillor Johnson was a member of the Pension Fund Committee from December 2023 and left in November 2024.



### Councillor Gareth Jones

Councillor Jones is a member of the Climate Change, Frontline Services & Prosperity Scrutiny Committee, Glamorgan Archives Joint Committee, Llwydcoed Crematorium Joint Committee and a Local Member representing Aberdare West / Llwydcoed ward.

Councillor Jones was a member of the Pension Fund Committee from October 2022 and left in June 2024.



### Councillor Norman Howell Morgan

Councillor Morgan is a member of the Community Services Scrutiny Committee, Community Services Scrutiny Committee (Crime & Disorder) and is Local Member representing the Pentre ward.

Councillor Morgan has been a member of the Pension Fund Committee since November 2022.



### Councillor Sam Trask

Councillor Trask is the Local Member representing the ward of Llantwit Fardre.

Councillor Trask has been a member of the Pension Fund Committee since November 2024.

# Pension Advisory Panel Members

## Deputy Chief Executive / Group Director: Corporate Resources (Section 151 Officer)



### Barrie Davies C.P.F.A

Barrie joined Local Government with Mid Glamorgan County Council in 1985, moving to Rhondda Cynon Taf with re-organisation in 1996.

Barrie is an active member of the Investment and Administration Advisory Panel and was appointed to his current role in March 2019.

## Director: Financial Services, Transformation & Asset Management (Deputy Section 151)



### Paul Griffiths C.P.F.A

Paul joined local government in 1989 with the former Mid Glamorgan County Council and transferred to Rhondda Cynon Taf during the 1996 reorganisation.

Paul has a background in financial management, Internal Audit and corporate performance management, and is currently Director Financial Services, Transformation and Asset Management. Paul also became a member of the Investment and Administration Advisory Panel in March 2019.

## Service Director: Pensions, Procurement and Transactional Services



### Ian Traylor

Ian joined Local Government in 1990 with the former Mid Glamorgan County Council and transferred to Rhondda Cynon Taf during the 1996 re-organisation.

Ian has a well-established background in financial control/risk management with a primary career spent in Internal Audit. Ian joined the Pensions Service in 2006 and is an active member of the Pensions Investment and Administration Advisory Panel.

## Service Director: Finance Services – Education, Finance and Financial Reporting



### Stephanie Davies F.C.C.A.

Following a career in the private sector, Stephanie joined Rhondda Cynon Taf in 2000 as a Principal Accountant responsible for the production of the Council's statutory accounts.

In her current role, one of Stephanie's responsibilities is the management of the Pension Fund Investment team and became a member of the Pension Fund Investment and Administration Advisory Panel during 2014.

# Pension Advisory Panel Members (Continued)

## Principal Accountant: Treasury Management and Pension Fund



### Yvonne Keitch

**With over 30 years experience within local government, Yvonne is responsible for the administration of the pension fund investments.**

Yvonne has been the fund's Investment Manager since 1995.

## Accountant: Treasury and Pension Fund



### Vanessa Thomas

**Vanessa joined local government in 1989 with Rhondda Borough Council and transferred to Rhondda Cynon Taf in 1996 during re-organisation.**

She has worked in the Investment Team since 2005 and is currently the officer responsible for the maintenance and closure of the Pension Fund accounts.

## Independent Investment Adviser:



### Carolan Dobson

**Carolan Dobson is an Independent Investment Adviser for a number of LGPS funds including the Environment Agency, Staffordshire County Council, Buckinghamshire County Council and the London Borough of Enfield.**

She was a Director of Abbey National Asset Management and Murray Johnstone and has had over thirty years experience as a fund manager and investment adviser.

## Independent Investment Adviser:



### David Cullinan

**David has been an Independent Investment Adviser to the Fund for over ten years. He is now self-employed, having worked for over thirty years for State Street (formerly the WM Company), managing relationships with a large variety of clients - pension funds, asset management companies, insurance companies, charities and foundations.**

From a background in investment accounting, fund valuation and unit pricing, David focussed his career on engagement, measurement and performance of funds in the public sector and in particular, the collation of long term statistics and trends on behalf of the collective LGPS – formerly the sector WM Universe and latterly, PIRC's LAPP service.

# Pension Board Members

## Employer Representative: Chair



**Professor Hugh Coombs**

University of South Wales

## Employer Representative:



**Mr David Francis**

Coleg Y Cymoedd

## Member Representative:



**Mr Rob Whiles**

Pensioner of the RCT Pension Fund

## Member Representative:



**Mr Darren Griffiths**

Member of the RCT Pension Fund and Trade Union (Unison) representative



# Administration Report

## Introduction

**There were a number of key activities progressed during 2024/25 which relied on the collection, validation, and cleansing of membership data. I thank the Fund Employers for their continued engagement and support, which enables the Team to provide accurate data for items such as the Annual Benefits Statements, the Triennial Valuation, McCloud remedy and the National Dashboard Programme.**

Implementation of the complex McCloud Remedy exercise continues to represent a significant and additional challenge for the Fund's Pension Team. Whilst the appropriate corrections are underway, to date the financial variance is generally small for individual members impacted.

Maintaining appropriate communication channels with all stakeholder groups remains a key priority for the Pension Service. "My Pension Online" provides Scheme Members with a self-serve portal with calculator functionality and depository for document sharing. During July 2025, the Fund transitioned to an improved portal which delivers multi factor authentication security as well as functionality and display improvements for our Scheme Members. Engaging with Scheme Members via "My Pension On-line" is the Fund's preferred method of communication.

To ensure that the Service is adequately resourced to meet existing and future challenges, we continue to support, invest and develop the Pension Team. Targeted internal and external technical training is facilitated where necessary and the Fund's longer-term workforce planning arrangements continue to help underpin our business resilience. I am pleased to report that the Fund has supported a further apprenticeship opportunity from September 2025.

## Actuarial Valuation

**The Fund is required to obtain an actuarial valuation report on its assets and liabilities every third year. The next Triennial Valuation of the Fund is scheduled for 31st March 2025 and the exercise has progressed in accordance with the agreed timetable. In determining the Valuation, the Fund will consider its strategic and long-term financial objectives, having due regard to the statutory requirement that Employer contributions should be set so as "to ensure the long-term cost efficiency of the scheme".**

The Valuation will provide a revised 'Rates and Adjustment Certificate' setting out the Employers contributions for the following 3 years, with initial rates taking effect from 1st April 2026.

The Fund's current Funding Strategy Statement (FSS) will be reviewed as part of the 2025 actuarial Valuation exercise. In January 2025, the LGPS Scheme Advisory Board (SAB) issued new Guidance for preparing and maintaining a FSS which replaces the 2016 version.

The FSS will be subject to consultation with participating Employers and other key stakeholders. Responses to the consultation and the resulting FSS will be reported to the joint annual meeting of the Pension Committee and Pension Board in March 2026.

Further to the FSS guidance, and given the expectations that many LGPS funds will report a surplus in their funding position at 31st March 2025, the SAB issued a statement on the 2025 Actuarial Valuation in May 2025 with the aim of:

- assisting administering authorities and fund actuaries to manage the valuation process;
- balancing the expectations that different stakeholders will have;
- improving consistency of the risks considered in setting funding strategies; and
- increasing the transparency of decision making and how this affects outcomes.

The overall funding level of the RCT Fund at 31st March 2025 was 113.7%. As the Fund continues to mature, the cashflow position will continue to be monitored closely.

## Data Quality

The Fund's membership data scores provided to The Pensions Regulator (TPR) in the Annual Scheme Return provide a high level of assurance, nevertheless, during 2024/25 the Team successfully worked closely with the Fund Actuary and Employers to undertake further data cleansing in the lead up to the Valuation.

## Governance

**The Fund's governance forums continued to operate effectively on behalf of all stakeholders. Throughout the year, officers worked closely with the RCT Pension Board to jointly consider any emerging and existing items of risk and compliance, and, during this period, the Fund's Breach Policy was updated to include 'cyber' related items.**

Meetings of the Chairs of Welsh Pension Boards are facilitated through the Wales Pension Partnership (WPP), which include an update from the 'host' authority in respect of WPP activity and updates from the Operator and the Investment Management Solutions Provider. The WPP Joint Governance Committee arrangements also includes Scheme Member Representation.

In March 2024, TPR implemented its long-awaited 'General' Code of Practice. This replaced the Code of Practice 14 for public service pension schemes and brings together 10 of TPR's existing Codes of Practice and some associated guidance. The new general code details the Regulator's expectations of the conduct and practice which governing bodies should meet to comply with their duties as set out in pension legislation.

During 2024/25 the Fund undertook a 'gap analysis', with support from its Pension Board, and documented its compliance activity. The exercise provided a high level of assurance of the Fund's compliance against the Code expectations.

The LGPS Scheme Advisory Board published its inaugural Annual Review paper in January 2025. The review provided an overview of the work undertaken by SAB through its workstreams during 2024 and highlighted the priority work planned for 2025.

The LGPS remains one of the largest defined benefit pension schemes in the world and the SAB annual report summarised the Scheme's high-level membership and valuation totals at the end of 31st March 2024:

- 6.7 million members
- 15,049 participating employers
- £390 billion of total assets

## Regulatory

### The Pension Schemes Bill 2025

The Local Government Pension Scheme (LGPS) 'Fit for the Future' consultation was initiated on the 14th November 2024.

The Government's detailed response following the 'Fit for the Future' consultation was published in May 2025. The consultation covered a wide range of issues on investment pooling and included several reforms relating to the 'good governance' of the scheme. The legislation underpinning these requirements are included in the Pension Schemes Bill 2025, which is progressing its way through the parliamentary processes.

### Further Scheme Consultation

The LGPS 'Access and Fairness' consultation contained a number of proposals to improve access to, and fairness in, the LGPS, including changes to incorporate outcomes from legal cases which remove discrimination.

The key proposals in the consultation were:

- Survivor Pensions and Death Grants – including proposals to address discrimination issues and ensure equal access to the scheme regardless of the gender of the scheme member and their surviving spouse or partner;
- Gender Pension Gap – including proposals which focus on access to scheme benefits for women with the aim of addressing the gender pension gap;
- Opting Out – including proposals for capturing improved data on how many individuals who are eligible for the scheme, decide to opt out, and why; and
- Forfeiture - including proposals for addressing issues with regulations relating to employers' ability to recover financial losses or remove pension entitlements for employees who have been convicted of offences which bring the public service into disrepute.

The consultation closed on 7th August 2025, and subject to the consideration of responses, the Government has indicated that it intends to introduce legislation to implement changes to the LGPS regulations before the end of the year.

## McCloud

On 8th September 2023, the Government laid the revisions to the LGPS regulations which make retrospective provision to rectify the unlawful discrimination identified by the McCloud judgement and which came into force on 1st October 2023.

As updated previously, the Pension Administration Team and Fund Employers continue to work extensively to implement the remedies across the membership. During the year, Fund officers completed work to ensure that remedy implications were reflected within the 2024/25 Annual Benefit Statements, where appropriate.

## HMRC Pension Tax Changes

### Lifetime Allowance ('Replaced')

The Lifetime Allowance (LTA) provided a limit on the amount of pension savings that you could build up over your lifetime that benefit from tax relief. From the 6th April 2024, the LTA was abolished and replaced with two lump sum tax-free limits.

- The lump sum allowance is £268,275. It limits the amount of tax-free cash you can take from your pension.
- The lump sum and death benefit allowance is £1,073,100.

▣ Further information and details around the Transitional Protection and the LTA protection can be found on the LGPS Member site [www.lgpsmember.org/your-pension/the-essentials/tax](http://www.lgpsmember.org/your-pension/the-essentials/tax)

## Annual Allowance

In March 2023, the Department for Levelling Up, Housing and Communities (DLUHC) laid regulations to move the annual revaluation date, which is the date that active and deferred member benefits are increased in line with inflation, from 1st April to 6th April. This urgent technical change was made to address the unintended impact of the high inflation within the existing methodology of revaluing pension growth to determine whether the annual allowance has been exceeded.

From 6th April 2023, the standard annual allowance increased from £40,000 to £60,000. The annual allowance is the amount your pension savings can increase by in a year without you having to pay extra tax. If your savings increase by more than the annual allowance, you will have to pay tax on the excess.

Furthermore, the annual allowance taper provision limits changed from 6th April 2023. Effective from 2023/24, a member's pension growth is measured against a tapered annual allowance if their Threshold income is more than £200,000 and their Adjusted income is more than £260,000, with a minimum tapered annual allowance of £10,000.

HM Revenue & Customs (HMRC) provide an online calculator to help members determine how much annual allowance they have used:

→ [www.tax.service.gov.uk/pension-annual-allowance-calculator](http://www.tax.service.gov.uk/pension-annual-allowance-calculator)

The Fund's Communication Team issued a statement and factsheet during October, within six months of the end of the tax year, to individual members that are impacted by the Annual Allowance. Any members who exceed the annual allowance in a year, must report this to HMRC via the HMRC self-assessment tax processes.

## Inheritance Tax

**HM Treasury published its response to a consultation on inheritance tax (IHT) changes in July 2025. At the Autumn Budget 2024, the Government announced that for deaths after 5th April 2027:**

- most unused pension funds and death benefits will be included in the value of a person's estate for IHT purposes; and
- Pension Scheme Administrators (PSA) will be responsible for reporting and paying any IHT due on pensions to HMRC.

Following a period of consultation in which significant concerns were raised by the pensions industry, HM Treasury has amended its proposals.

The following key changes are included in the draft Finance Bill 2025-26:

- all death-in-service benefits from registered pension schemes will be excluded from the value of an individual's estate for IHT purposes, regardless of whether the scheme is discretionary or non-discretionary – currently non-discretionary death-in-service benefits are included in the value of an individual's estate for IHT purposes;
- Personal Representatives (PRs), and not PSAs, will be responsible for reporting and paying any IHT due on pension benefits;
- PSAs will have new duties to support PRs in paying IHT on pension benefits; and
- to support PRs and beneficiaries who may struggle to pay IHT on pensions, the Government will offer multiple payment options. These include allowing pension beneficiaries to instruct PSAs to pay IHT in respect of pensions on their behalf, although the pension beneficiaries would remain liable for the IHT

## Freedom of Choice / Transfer Scams

**Whilst these freedoms are not applicable to the LGPS, the Fund continues to experience interest in the possibility of transferring benefits out to Defined Contribution arrangements. Along with such freedoms there have unfortunately been a national increase in pension transfer scams.**

### Pension Liberation

Some companies are approaching pension scheme members and claiming that they can help cash in your pension early, this could be by text, adverts on the internet or by post. In most cases the earliest age that you can bring your pension into payment is 55, any earlier and you may be liable to high tax charges. These companies also tend to charge high fees for dealing with the transfer. The people transferring are generally not made aware of these tax charges or fee.

The Pensions Regulator (TPR) continues its work to strengthen the due diligence expectations on Pension Funds and their Trustees in respect of transfer requests, which can now result in the Fund refusing the transfer. Both the Fund's Pension Committee and Pension Board are updated on these responsibilities.

**The TPR has published a strategy to combat pension scams. It will tackle the threat from scammers by:**

- educating savers about the threat that scams present;
- encouraging higher standards and preventing practices that lead to saver harm; and
- fight fraud through the prevention, disruption and punishment of criminality.

▣ You can find useful guidance from TPR on how to avoid and report pension scams.  
[www.thepensionsregulator.gov.uk/en/pension-scams](http://www.thepensionsregulator.gov.uk/en/pension-scams)

The Pensions Regulator (TPR) continues to provide alerts via its pension scam blog, which shares intelligence on the methods being used by scammers and advice in respect of this dynamic threat. The RCT Pension Fund has signed up to the TPR 'Pledge to Combat Pension Scams' together with the associated awareness activity and reporting.

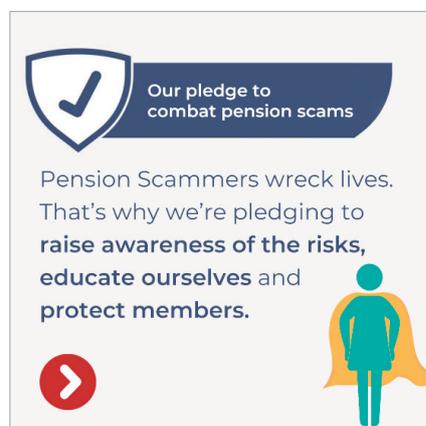
→ [www.rctpensions.org.uk/en](http://www.rctpensions.org.uk/en)

The Financial Conduct Authority (FCA) issued a press release warning that the cost-of-living crisis could cause an increase in pension scams. The warning follows FCA research that a quarter of consumers would consider withdrawing money from their pension earlier than planned to cover the cost of living, making them vulnerable to pension scammers.

→ [www.fca.org.uk/publication/documents/pension-scams-leaflet.pdf](http://www.fca.org.uk/publication/documents/pension-scams-leaflet.pdf)

In October 2024, as part of 'Scams Awareness Week 2024' a new video was released by the Pension Regulator (TPR) in association with the Pensions Scam Action Group (PSAG).

→ [www.thepensionsregulator.gov.uk/en/pension-scams/pension-scams-video-case-study](http://www.thepensionsregulator.gov.uk/en/pension-scams/pension-scams-video-case-study)



## Prevention and Detection of Fraud

**The Fund participates in the National Fraud Initiative which is designed to target and prevent fraud and corruption. As part of the initiative public agencies are allowed to share this information for cross matching purposes, with any anomalies investigated.**

The national 'tell-us-once' service and mortality tracing services are in place to minimise the risk of overpayments and potential fraudulent pension claims. Annual life certification is in place for overseas pensioners, utilising digital facial recognition technology, supported by appropriate authentication arrangements.

The Pensions Service also works with the Council's Corporate Fraud Team to support the pursuit and prosecution where necessary of any potential pension irregularity.

The Council's Internal Audit Service in accordance with its annual delivery plan, undertake a regular independent review of the Fund's internal control environment, with the actual scope and risk focus agreed at each review. At the latest Pension Fund review 2024/25, Internal Audit were able to provide 'substantial assurance' that a sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives.

## Forward Look

### UK Pensions Dashboards Programme

The Government is progressing its Pensions Dashboards implementation which will enable individuals to digitally access their various pensions all in a single, secure online location, thereby supporting better planning for retirement. Dashboards will provide clear and simple information about an individual's multiple pension savings, including their State Pension.

The connection date for LGPS Funds has been confirmed as 31st October 2025. The Fund's 'Data Readiness' project and testing activity was completed during the year and the Fund successfully connected to the 'live' environment in September 2025. Dashboards are not currently available to the general public; a suitable launch date will be advised in due course by the Government. The Fund will closely monitor the ongoing resource implication as the public dashboard is activated.

→ [www.pensionsdashboardsprogramme.org.uk](http://www.pensionsdashboardsprogramme.org.uk)

## September 2025 CPI rate announced

**On 22nd October 2025, the Office for National Statistics announced the Consumer Prices Index (CPI) rate of inflation for September 2025 as 3.8%.**

Government policy in recent years has been to base increases on the rate of CPI in September of the previous year. The LGPS Pension Increase is formally confirmed by HM Treasury in January and paid from the first Monday of each new tax year.

## Increase in Minimum Pension Age

**The present minimum pension age of 55 (the earliest age when most people can access their workplace pension) was introduced in 2010. Following a change made by the Finance Act 2022, the minimum pension age is due to increase to 57 from 6 April 2028.**

However, protections may apply for some members to still be eligible to access their pension from age 55. Changes will need to be applied to LGPS regulations by the Ministry of Housing, Communities and Local Government on or before 6th April 2028 in order to align scheme rules with the new minimum pension age and any related protections.

## State Pension Age

**The Normal Pension Age in the LGPS for pension benefits built up from April 2014 when the scheme's Career Average Revalued Earnings (CARE) arrangements were introduced, is linked to a member's State Pension age.**

The Normal Pension Age is when members are able to access their pension benefits on retirement without an actuarial adjustment being applied due to drawing their pension early. The State Pension age for people born on or after 6th April 1960 is scheduled to increase progressively to age 67 between 2026 and 2028 with a further increase to 68 expected to be introduced between 2044 and 2046. The Pensions Act 2014 requires the Government to regularly review the State Pension age, and a further review was launched in July 2025 to consider factors on which pensionable age is based, including life expectancy.

## Performance Information

The results of key performance indicators identified and agreed by the Pension Panel for the period up to 31st March 2025 are listed in the tables below:

| REF | Casework KPI   | 2024/25   |  |       |           |      | 2023/24*                  |   |
|-----|--|---|--|-------|-----------|------|---------------------------|---|
|     |  | Open Cases<br>As of<br>31st March 2024<br>Starting position | New Cases<br>Created<br>1st April 2024 to<br>30th March 2025 | TOTAL | Completed | %    | Completed                 | % |
| A1  | Deaths recorded of active, deferred, pensioner and dependent members | KPI not previously measured                                 | 805  | 805   | 566       | 70.3 | KPI introduced April 2024 |   |
| A2  | New dependent member benefits  | KPI not previously measured                                 | 237  | 237   | 234       | 98.7 |                           |   |
| A3  | Deferred member retirements  | 201   | 1,630  | 1,831 | 1,629     | 89.0 |                           |   |
| A4  | Active member retirements  | 168   | 944  | 1112  | 933       | 83.9 |                           |   |
| A5  | Deferred benefits  | 930   | 2,482  | 3412  | 1757      | 51.5 |                           |   |
| A6  | Transfers in<br>Including interfunds in, club transfers              | 96  | 452  | 548   | 218       | 39.8 |                           |   |
| A7  | Transfers out<br>Including interfunds out, club transfers            | 527   | 588  | 1115  | 547       | 49.1 |                           |   |
| A8  | Refunds  | 9   | 326  | 335   | 315       | 94.0 |                           |   |
| A9  | Divorce quotations issued  | 9   | 241  | 250   | 239       | 95.6 |                           |   |
| A10 | Actual divorce cases   | 2   | 9  | 11    | 5         | 45.5 |                           |   |
| A11 | Member estimates requested either by scheme member and employer      | 9   | 707  | 716   | 701       | 97.9 |                           |   |
| A12 | New joiner notifications   | KPI not previously measured                                 | 4,962  | 4962  | 4,768     | 96.1 |                           |   |
| A13 | Aggregation cases  | 2,194   | 2,667  | 4861  | 2,064     | 42.5 |                           |   |
| A14 | Optants out received after 3 months membership                       | Not reportable  |  |       |           |      |                           |   |

| REF | Casework KPI   | 2024/25          |             | 2023/24*                  |
|-----|--|------------------|-------------|---------------------------|
|     |  | Fund Target Days | Completed % | Completed %               |
| B1  | Communication issued with acknowledgement of death of active, deferred, pensioner and dependent member | 5                | 99.47       | KPI introduced April 2024 |
| B2  | Communication issued confirming the amount of dependents pension                                       | 10               | 97.89       |                           |
| B3  | Communication issued to deferred member with pension and lump sum options (quotation)                  | 10               | 99.85       |                           |
| B4  | Communication issued to active member with pension and lump sum options (quotation)                    | 10               | 99.00       |                           |
| B5  | Communication issued to deferred member with confirmation of pension and lump sum options (actual)     | 5                | 96.43       |                           |
| B6  | Communication issued to active member with confirmation of pension and lump sum options (actual)       | 5                | 98.87       |                           |
| B7  | Payment of lump sum (both actives and deferreds)   | 5                | 100.00      |                           |
| B8  | Communication issued with deferred benefit options   | 10               | 99.49       |                           |
| B9  | Communication issued to scheme member with completion of transfer in                                   | 10               | 67.48       |                           |

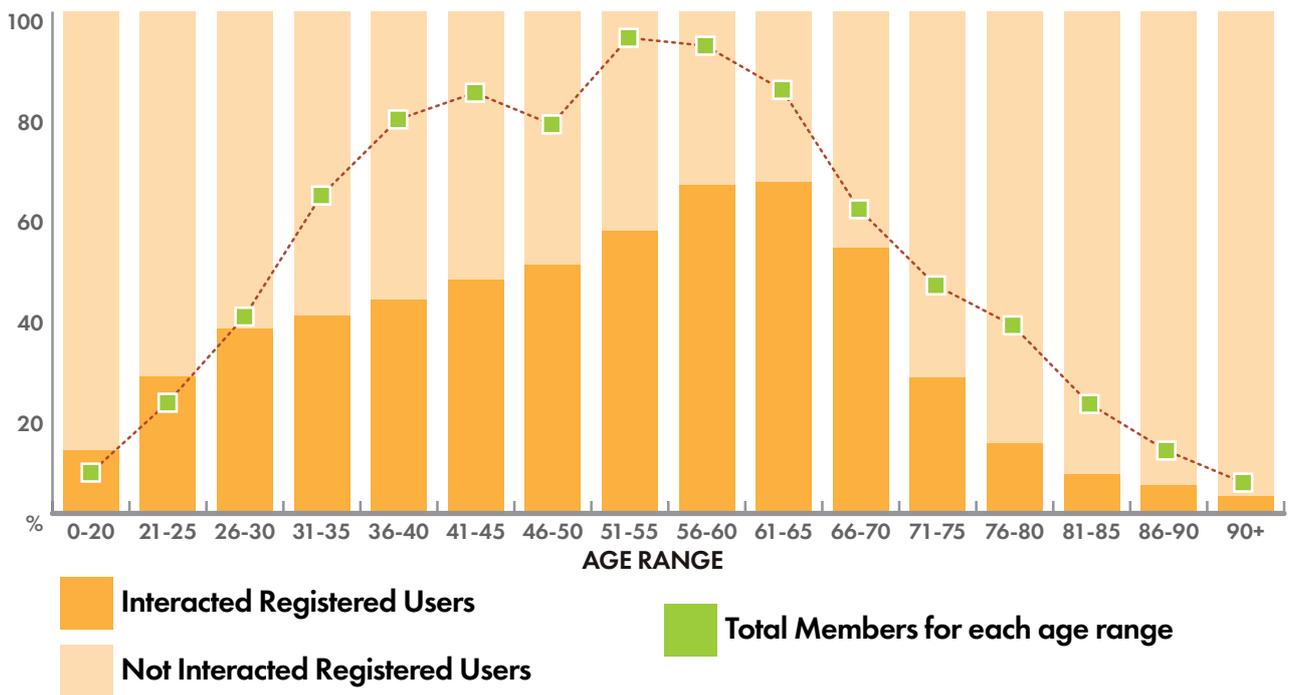
\*New measure introduced in April 2024, not reportable for 2023/24

| REF   | Casework KPI   | 2024/25          |             | 2023/24                   |
|-------|--|------------------|-------------|---------------------------|
|       |  | Fund Target Days | Completed % | Completed %               |
| B10   | Communication issued to scheme member with completion of transfer out                                | 10               | 88.41       | KPI introduced April 2024 |
| B11   | Payment of refund  | 10               | 93.92       |                           |
| B12   | Divorce quotation  | 10               | 100.00      |                           |
| B13   | Communication issued following actual divorce proceedings i.e application of a Pension Sharing Order | 15               | 100.00      |                           |
| B14   | Communication issued to new starters   | 40               | 100.00      |                           |
| B15.1 | Member estimates requested by employer   | 5                | 99.28       |                           |
| B15.2 | Member estimates requested by scheme member  | 15               | 100.00      |                           |

| REF | Engagement with online Portal   | 2025             |
|-----|---|------------------|
|     |   | As at 31st March |
| C1  | % of active members registered  | 55.86%           |
| C2  | % of deferred members registered  | 44.77%           |
| C3  | % of pensioner members registered   | 36.86%           |
| C4  | % total of all scheme members registered for self-service                         | 44.04%           |
| C5  | Number of registered users by age   | See table C5     |
| C6  | % of all registered users that have logged onto the service in the last 12 months | N/A              |
| C7  | Total number of telephone calls received in year                                  | 18,942           |
| C8  | Total Number of emails and online channel queries received                        | 26,130           |
| C9  | Number of scheme member events held in year (total of in person and online)       | 0                |
| C10 | Number of employer engagement events held in year (in person and online)          | 4                |
| C11 | Number of active members who received a one to one (in person and online)         | N/A              |
| C12 | Number of times a communication (i.e newsletter) issued to:                       |                  |
| a)  | Active members  | 1                |
| b)  | Deferred members  | 1                |
| c)  | Pensioners  | 1                |

**C5: Number of Registered Users by age**

| Age Range                    | Interacted | %    | Not Interacted | %    | TOTAL MEMBERS | %     | Age Range | Interacted | %    | Not Interacted | %    | TOTAL MEMBERS | %          |
|------------------------------|------------|------|----------------|------|---------------|-------|-----------|------------|------|----------------|------|---------------|------------|
| 0-20                         | 107        | 12.7 | 729            | 87.3 | 835           | 0.99  | 56-60     | 6,242      | 65.4 | 3,297          | 34.6 | 9,539         | 11.24      |
| 21-25                        | 619        | 27.4 | 1,640          | 72.6 | 2,259         | 2.66  | 61-65     | 5,709      | 66.1 | 2,928          | 33.9 | 8,637         | 10.18      |
| 26-30                        | 1,477      | 36.8 | 2,536          | 63.2 | 4,013         | 4.73  | 66-70     | 3,285      | 52.9 | 2,920          | 47.1 | 6,205         | 7.31       |
| 31-35                        | 2,556      | 39.4 | 3,925          | 60.6 | 6,481         | 7.64  | 71-75     | 1,262      | 27.2 | 3,386          | 72.8 | 4,648         | 5.48       |
| 36-40                        | 3,427      | 42.6 | 4,611          | 57.4 | 8,038         | 9.47  | 76-80     | 540        | 14.1 | 3,296          | 85.9 | 3,836         | 4.52       |
| 41-45                        | 4,006      | 46.7 | 4,573          | 53.3 | 8,578         | 10.11 | 81-85     | 173        | 7.8  | 2,057          | 92.2 | 2,230         | 2.63       |
| 46-50                        | 3,924      | 49.5 | 4,007          | 50.5 | 7,931         | 9.35  | 86-90     | 73         | 5.7  | 1,204          | 94.3 | 1,277         | 1.51       |
| 51-55                        | 5,465      | 56.3 | 4,235          | 43.7 | 9,699         | 11.43 | Over 90   | 22         | 3.5  | 610            | 96.5 | 632           | 0.75       |
| <b>OVERALL TOTAL MEMBERS</b> |            |      |                |      |               |       |           |            |      |                |      | <b>84,841</b> | <b>100</b> |



| REF | Resources  | 2025                         |
|-----|--|------------------------------|
|     |  | As at 31 <sup>st</sup> March |
| D1  | Total number of all administration staff (FTE)   | 28.2                         |
| D2  | Average service length of all administration staff   | 12.04 years                  |
| D3  | Staff vacancy rate as %  | 9.38%                        |
| D4  | Ratio of all administration staff to total number of scheme members (all staff including management) | 1:6707                       |
| D5  | Ratio of administration staff (excluding management) to total number of scheme members               | 1:8792                       |

| REF | Annual Benefits Statements  | As at 31 <sup>st</sup> March |
|-----|---|------------------------------|
|     |   |                              |
| E1  | Percentage of annual benefit statements issued as at 31 August  | 100%                         |
|     | Short commentary if less than 100%  |                              |
| E2  | Common data score   | 97%                          |
| E4  | Scheme specific data score  | 98%                          |
| E5  | Percentage members recorded as 'gone away' with no home address held, or address is known to be out of date |                              |
| a)  | Active members  | 0.40%                        |
| b)  | Deferred members  | 10.12%                       |
| c)  | Pensioners  | 0.77%                        |
| E6  | Percentage of members with an email address held on file  |                              |
| a)  | Active members  | 86.27%                       |
| b)  | Deferred members  | 61.16%                       |
| c)  | Pensioners  | 53.19%                       |
| E7  | Percentage of employers set up to make monthly data submissions   | 98.57%                       |
| E8  | Percentage of employers who submitted monthly data on time during the reporting year                        | 69.76%                       |

## Service Standards

Many Fund employers have undertaken some rationalisation and internal restructuring over the last year and this has increased our workload for producing early retirement costs for employers, along with pension illustrations and retirement packs to members.

Providing this complex information in a timely and accurate manner has proved challenging but the demand has been met with no significant reduction in our published performance standards or to the detriment of other priority work.

This has been achieved by actively reallocating and targeting resources in line with our key objectives.

## Disputes

In line with legislation the Pension Fund has an Internal Disputes Resolution Procedure (IDRP) which deals with formal complaints against the Scheme.

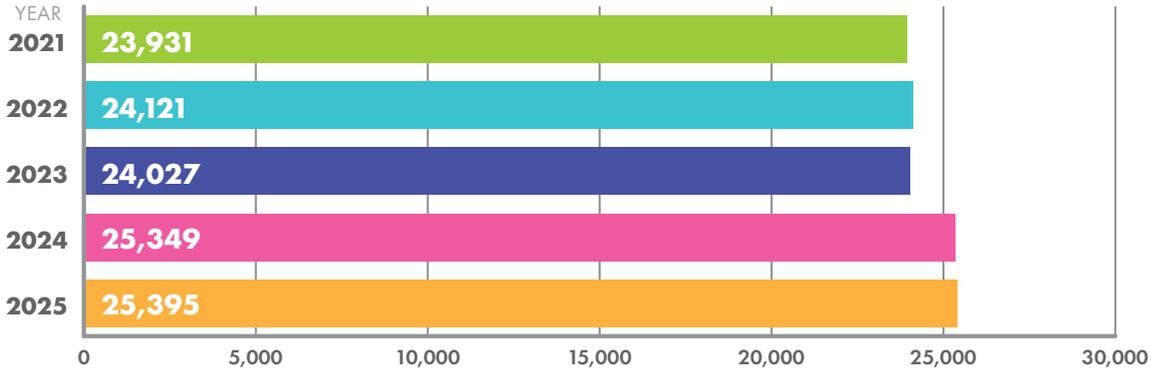
During 2024/25, 3 complaints were received under the procedure.

| Number of Employers | Number of Employers |           |            |
|---------------------|---------------------|-----------|------------|
|                     | Active              | Ceased    | Total      |
| Scheduled Body      | 36                  | 23        | 59         |
| Admitted Body       | 34                  | 14        | 48         |
| <b>TOTAL</b>        | <b>70</b>           | <b>37</b> | <b>107</b> |

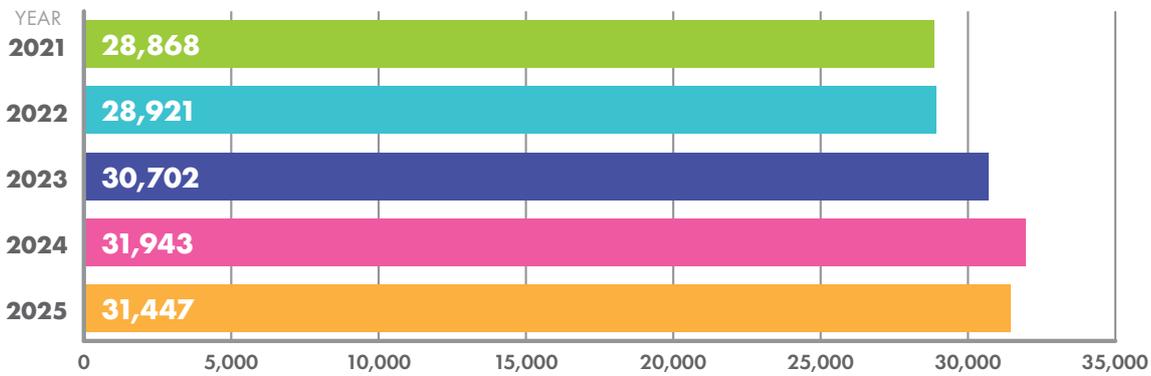
## Membership Numbers

Fund membership at 31st March is as follows:

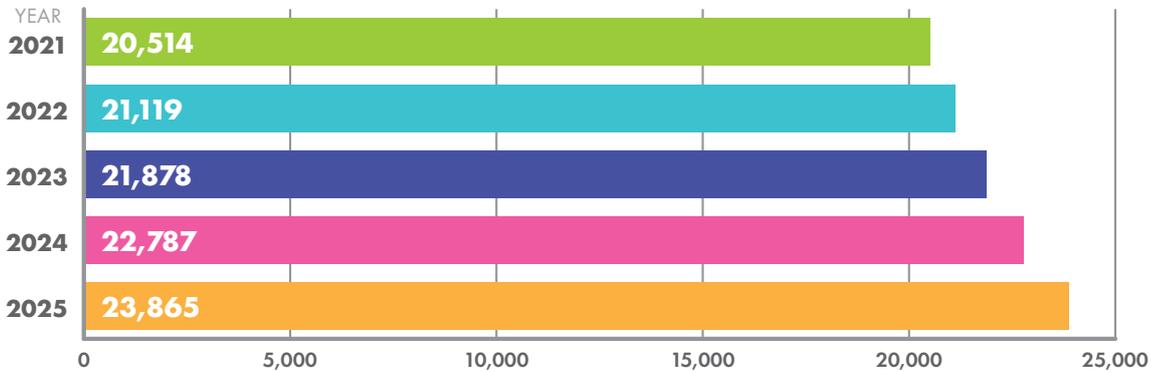
### Number of Contributing Members



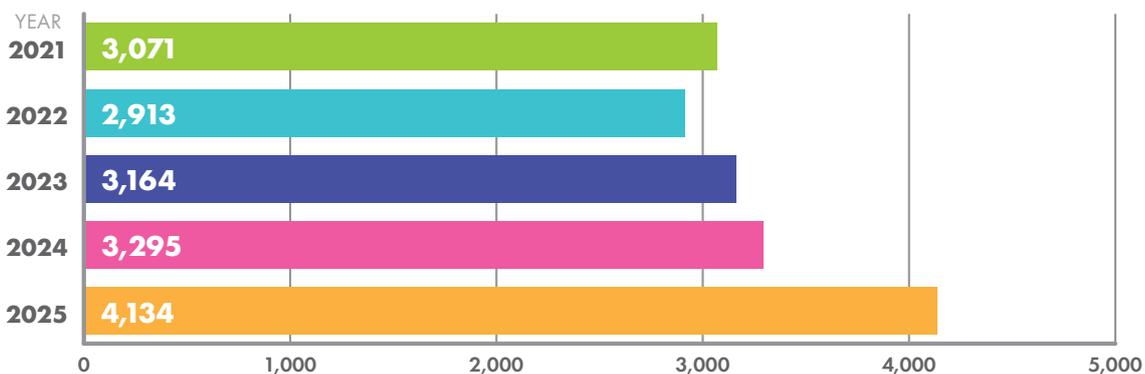
### Number of Deferred Members



### Number of Pensioner and Dependants



### Number of Undecided Withdrawals



| Membership Trends      | 2020/21          | 2021/22 | 2022/23 | 2023/24 | 2024/25 | % Increase / Decrease from 2023/24 |
|------------------------|------------------|---------|---------|---------|---------|------------------------------------|
|                        | Active Employers | 51      | 52      | 54      | 59      |                                    |
| Contributors           | 23,931           | 24,121  | 24,027  | 25,349  | 25,395  | 0.18%                              |
| Pensioners             | 17,728           | 18,220  | 18,860  | 19,640  | 20,656  | 5.17%                              |
| Dependants             | 2,786            | 2,899   | 3,018   | 3,147   | 3,209   | 1.97%                              |
| Deferred Beneficiaries | 28,868           | 28,921  | 30,702  | 31,943  | 31,447  | -1.55%                             |

| Fund Costs per Member          | Cost per member |                |
|--------------------------------|-----------------|----------------|
|                                | 2023/24         | 2024/25        |
| Administration Costs           | £32.25          | £32.99         |
| Investment Management Expenses | £138.48         | £208.41        |
| Oversight and Governance Costs | £4.92           | £6.62          |
| <b>TOTAL</b>                   | <b>£175.65</b>  | <b>£248.02</b> |

### The Pension Fund currently employs:

- 28.2 full time equivalent staff in administration
- 2 in Pension Fund Investments and Accounts

## Membership Analysis

| Leavers from Active Status          | 2023         | 2024         | 2025         |
|-------------------------------------|--------------|--------------|--------------|
| Refund of contributions             | 272          | 257          | 135          |
| Transfers to other schemes          | 0            | 0            | 0            |
| Death in Service                    | 27           | 32           | 27           |
| Ill Health Retirements              | 70           | 76           | 64           |
| Early / Normal Retirements          | 313          | 363          | 297          |
| Redundancy / Efficiency Retirements | 68           | 533          | 230          |
| Flexible Retirement                 | 28           | 47           | 40           |
| Late Retirement                     | 139          | 193          | 177          |
| Opt Outs                            | 132          | 131          | 92           |
| Preserved Benefits                  | 2,929        | 1,435        | 1392         |
| Other Leavers                       | 415          | 533          | 476          |
| <b>TOTAL</b>                        | <b>4,393</b> | <b>3,600</b> | <b>2,930</b> |

| Deferred Benefits - Exits                         | 2023         | 2024         | 2025         |
|---|--------------|--------------|--------------|
| Transfer to other schemes                         | 848          | 363          | 335          |
| Deaths  | 21           | 49           | 47           |
| Ill Health Retirements                            | 11           | 13           | 10           |
| Early / Normal Retirements                        | 631          | 612          | 571          |
| Other Benefits                                    | 66           | 91           | 91           |
| Number of Deferred Members re-entering the scheme | 27           | 15           | 71           |
| <b>TOTAL</b>                                      | <b>1,034</b> | <b>1,143</b> | <b>1,125</b> |



# Investment Report

## Introduction

At the start of the financial year, the market value of the Rhondda Cynon Taf Pension Fund investments was £4,711.8 million. At 31st March 2025 the Fund had increased in value to £4,782.8 million.

Rhondda Cynon Taf Pension Fund achieved an annual return of 2.0% in 2024/25. Overall the positive momentum at the start of the year began to fade in the second half of the 12 month period owing to uncertainties. Tariff threats and economic weakness added worries around the global economic outlook. RCT Pension Fund's longer returns are comfortably ahead of benchmark over 10, 20 and 30 year periods ranking in 12th percentile over 10 years, 6th percentile over 20 years and 22nd percentile over 30 years of Pensions and Investment Research Consultants Ltd (PIRC) Annual Local Authority Fund Statistical Universe.

## Investment Management

The Pension Fund Committee is responsible for the strategic management of the RCT Pension Fund in accordance with its term of reference.

The Deputy Chief Executive / Group Director – Corporate Resources (in his capacity as S151 Officer) supported by an Investment and Administration Advisory Panel, has delegated responsibility for all day-to-day operational matters.

The Pension Fund Investment and Administration Advisory Panel is chaired by the Deputy Chief Executive/Group Director – Corporate Resources, and consists of two independent investment advisors and other Senior Finance Officers.

The Panel meets quarterly to consider both administration and investment issues and determine policy in light of market movements and to question and challenge the Investment Managers on activities and performance.

There are currently twelve separate investment mandates:

- Baillie Gifford Traditional Equities
- Global Opportunities High Alpha Equities (WPP)
- Sterling Credit Fund (WPP)
- Local Impact Infrastructure (WPP)
- BlackRock Passive mandates covering Low Carbon Equities and Passive UK Gilts
- BlackRock Global Infrastructure Solutions 5
- Global Growth High Alpha Equities (WPP)
- Sustainable Equities (WPP)
- Closed Ended Infrastructure (WPP)
- CBRE Property
- BlackRock Global Infrastructure Solutions 4
- BlackRock Renewable Infrastructure IV

## Investment Performance

The table below shows performance, at an asset class level, over historical periods measured to 31st March 2025.

|                     | 1 Year     |            | 3 Year     |            | 5 Year     |            |
|---------------------|------------|------------|------------|------------|------------|------------|
|                     | Benchmark  | Fund       | Benchmark  | Fund       | Benchmark  | Fund       |
|                     | %          | %          | %          | %          | %          | %          |
| Equities            | 5.3        | 2.0        | 4.5        | 5.3        | 13.8       | 11.9       |
| Total Bonds         | 0.8        | 1.0        | -3.2       | -2.8       | -2.8       | -2.2       |
| Property            | 7.2        | 5.8        | 9.9        | -1.5       | 9.4        | 1.6        |
| Infrastructure      | 1.7        | 1.7        | 7.9        | 7.9        | -          | -          |
| Cash                | 5.1        | 6.3        | 4.1        | 6.0        | 2.4        | 3.6        |
| <b>TOTAL ASSETS</b> | <b>4.3</b> | <b>2.0</b> | <b>4.8</b> | <b>2.2</b> | <b>8.6</b> | <b>7.5</b> |

## Asset Allocation and Performance

The table below shows the asset allocation and the performance of these asset allocations against their respective benchmarks for the year 2024/25.

|                                 | Opening Value    |            | Closing Value    |            | Net Performance (1 year) | Benchmark  |
|---------------------------------|------------------|------------|------------------|------------|--------------------------|------------|
|                                 | £'000            | %          | £'000            | %          | %                        | %          |
| <b>Equities</b>                 | 444,003          | 9.4        | 382,400          | 8.0        | 0.6                      | 6.6        |
| <b>Pooled Funds</b>             |                  |            |                  |            |                          |            |
| Global Growth Equities          | 1,763,568        | 37.4       | 1,752,556        | 36.6       | 0.9                      | 4.9        |
| Global Opportunities Equities   | 487,186          | 10.3       | 507,679          | 10.6       | 6.0                      | 4.9        |
| Sustainable Equities            | 113,382          | 2.4        | 113,894          | 2.4        | 0.2                      | 4.9        |
| UK Credit                       | 707,830          | 15.0       | 726,573          | 15.2       | 2.6                      | 2.5        |
| Infrastructure (closed ended)   | 16,897           | 0.4        | 36,218           | 0.8        | 3.5                      | 3.5        |
| Local Investments               | 2,918            | 0.1        | 4,393            | 0.1        | 4.8                      | 4.8        |
| <b>Other Pooled Investments</b> |                  |            |                  |            |                          |            |
| Passive UK Gilts                | 539,630          | 11.5       | 533,740          | 11.2       | -1.1                     | -1.2       |
| Passive Equities                | 278,382          | 5.9        | 290,592          | 6.1        | 4.3                      | 4.6        |
| Pooled Property                 | 288,102          | 6.1        | 298,387          | 6.2        | 5.8                      | 7.2        |
| Infrastructure                  | 38,507           | 0.8        | 96,776           | 2.0        | 7.1                      | 7.1        |
| <b>Cash</b>                     | <b>31,444</b>    | <b>0.7</b> | <b>39,556</b>    | <b>0.8</b> | <b>6.3</b>               | <b>5.1</b> |
| <b>TOTAL ASSETS</b>             | <b>4,711,849</b> | <b>100</b> | <b>4,782,764</b> | <b>100</b> | <b>2.0</b>               | <b>4.3</b> |



## Asset Allocation pooled and non pooled

The table below shows the allocation of the Fund's assets on an Local Government Pension Scheme pooled and non pooled basis for year 2024/25.

|  | Opening Value    |            | Closing Value    |            |
|--|------------------|------------|------------------|------------|
|  | £'000            | %          | £'000            | %          |
| <b>Assets invested through the Wales Pension Partnership</b> |                  |            |                  |            |
| Global Growth Equities                                       | 1,763,568        | 37.4       | 1,752,556        | 36.6       |
| Global Opportunities Equities                                | 487,186          | 10.3       | 507,679          | 10.6       |
| Sustainable Equities   | 113,382          | 2.4        | 113,894          | 2.4        |
| UK Credit  | 707,830          | 15.0       | 726,573          | 15.2       |
| Infrastructure (closed ended)                                | 16,897           | 0.4        | 36,218           | 0.8        |
| Local Investments  | 2,918            | 0.1        | 4,393            | 0.1        |
| <b>Assets outside pooling arrangement</b>                    |                  |            |                  |            |
| Equities   | 444,003          | 9.4        | 382,400          | 8.0        |
| <b>Other Pooled Investments</b>                              |                  |            |                  |            |
| Passive UK Gilts   | 539,630          | 11.5       | 533,740          | 11.2       |
| Passive Equities   | 278,382          | 5.9        | 290,592          | 6.1        |
| Pooled Property  | 288,102          | 6.1        | 298,387          | 6.2        |
| Infrastructure   | 38,507           | 0.8        | 96,776           | 2.0        |
| Cash   | 31,444           | 0.7        | 39,556           | 0.8        |
| <b>TOTAL ASSETS</b>  | <b>4,711,849</b> | <b>100</b> | <b>4,782,764</b> | <b>100</b> |

## Asset Allocation between UK and other Assets

The table below shows the allocation of the Fund's assets between UK investments and other investments for the year 2024/25.

|                                 | Opening Value    |            | Closing Value    |            |
|---------------------------------|------------------|------------|------------------|------------|
|                                 | £'000            | %          | £'000            | %          |
| <b>UK</b>                       |                  |            |                  |            |
| Equities                        | 162,518          | 3.4        | 143,119          | 3.0        |
| Passive Gilts                   | 539,630          | 11.5       | 533,740          | 11.2       |
| <b>Other</b>                    |                  |            |                  |            |
| Non Pooled                      | 281,485          | 6.0        | 239,281          | 5.0        |
| <b>Pooled Investments</b>       |                  |            |                  |            |
| Global Growth Equities          | 1,763,568        | 37.4       | 1,752,556        | 36.6       |
| Global Opportunities Equities   | 487,186          | 10.3       | 507,679          | 10.6       |
| Sustainable Equities            | 113,382          | 2.4        | 113,894          | 2.4        |
| UK Credit                       | 707,830          | 15.0       | 726,573          | 15.2       |
| Infrastructure (closed ended)   | 16,897           | 0.4        | 36,218           | 0.8        |
| Local Investments               | 2,918            | 0.1        | 4,393            | 0.1        |
| <b>Other Pooled Investments</b> |                  |            |                  |            |
| Passive Equities                | 278,382          | 5.9        | 290,592          | 6.1        |
| Pooled Property                 | 288,102          | 6.1        | 298,387          | 6.2        |
| Infrastructure                  | 38,507           | 0.8        | 96,776           | 2.0        |
| Cash                            | 31,444           | 0.7        | 39,556           | 0.8        |
| <b>TOTAL ASSETS</b>             | <b>4,711,849</b> | <b>100</b> | <b>4,782,764</b> | <b>100</b> |

## Details of Fund Managers

The market values of investments held by the Fund Managers employed by the Fund are detailed in the following table.

|   | Market Value        |                     | Proportion of Fund |                 |
|---|---------------------|---------------------|--------------------|-----------------|
|   | 31/03/2024<br>£'000 | 31/03/2025<br>£'000 | 31/03/2024<br>%    | 31/03/2025<br>% |
| Baillie Gifford (Global Equities)                   | 446,592             | 386,345             | 9.5                | 8.1             |
| BlackRock (Passive Equities)                        | 278,382             | 290,593             | 5.9                | 6.1             |
| BlackRock (Passive Bonds)                           | 539,631             | 533,740             | 11.5               | 11.2            |
| BlackRock GIS4 (Infrastructure)                     | 38,507              | 47,025              | 0.8                | 1.0             |
| BlackRock GIS5 (Infrastructure)                     | 0                   | 22,956              | 0.0                | 0.5             |
| BlackRock Global Renewable fund IV (Infrastructure) | 0                   | 26,795              | 0.0                | 0.6             |
| CBRE (Property)                                     | 289,990             | 307,478             | 6.2                | 6.4             |
| Waystone (Global Growth)                            | 1,763,568           | 1,752,556           | 37.3               | 36.4            |
| Waystone (Global Opportunities)                     | 487,186             | 507,679             | 10.3               | 10.6            |
| Waystone (Sustainable Equities)                     | 113,382             | 113,894             | 2.4                | 2.4             |
| Waystone (UK Credit)                                | 707,830             | 726,573             | 15.0               | 15.2            |
| GCM Grosvenor (Closed Ended Infrastructure)         | 16,897              | 36,218              | 0.4                | 0.8             |
| Capital Dynamics (Local Investment infrastructure)  | 2,918               | 4,393               | 0.1                | 0.1             |
| Internally Managed                                  | 26,966              | 26,519              | 0.6                | 0.6             |
| <b>TOTAL ASSETS</b>                                 | <b>4,711,849</b>    | <b>4,782,764</b>    | <b>100.0</b>       | <b>100.0</b>    |

No single investment accounted for more than 5% of the Fund's assets.

The market value of investments shown in this table includes short-term investments such as cash balances and money deposits.

Investment risk is mitigated by employing a number of fund managers to diversify manager risk, with mandates covering a variety of assets including equities, bonds and property. Managers must maintain a diversified portfolio of investments and comply with the LGPS investment regulations, and any additional restrictions within their mandates. The underlying investments are further diversified by country and industry sector.

Each manager's performance is monitored quarterly against a target linked to an asset allocation benchmark, effectively constraining managers from deviating significantly from the intended approach, while still permitting some flexibility to enhance returns.

## Profits and Losses on Investments

|   | 2023/24<br>£'000 | 2024/25<br>£'000 |
|---|------------------|------------------|
| Profit on sales                           | 87,134           | 35,857           |
| Loss on sales                             | (56,322)         | (23,712)         |
| <b>Net profit / (loss) on sales</b>       | <b>30,812</b>    | <b>12,145</b>    |
| Change in market value                    | 369,803          | 18,184           |
| <b>Net increase / (decrease) in value</b> | <b>400,615</b>   | <b>30,329</b>    |

## Custodial Arrangements

**Rhondda Cynon Taf Pension Fund has appointed State Street to act as custodian for the shares of the pension fund.**

Shares are held to the order of the custodian for the benefit of Rhondda Cynon Taf Pension Fund. State Street is regulated in the UK by the Financial Conduct Authority and the Prudential Regulatory Authority.

Waystone, the operator of the Wales Pension Partnership (WPP), has appointed Northern Trust to act as custodian for shares held within the sub funds of the WPP.

## Fund Manager and Advisor Fees

**Fund manager fees are charged on a reducing scale based upon the market value of the fund.**

In addition to fund manager fees, the indirect costs of the investments in the WPP are reflected in the net asset value of the pooled units.

The Fund's advisors receive a fixed annual fee for their services and attendance at quarterly meetings. Any additional meetings incur an extra charge.

## Largest Share Holding

**The ten largest holdings for the equity fund manager Baillie Gifford as at 31st March 2025 are**

| Share              | £         |
|--------------------|-----------|
| Ashtead            | 6,842,432 |
| RELX               | 6,034,326 |
| Marks & Spencer    | 5,853,254 |
| Standard Chartered | 5,769,528 |
| Unilever           | 5,693,995 |
| Rio Tinto          | 5,282,868 |
| Legal & General    | 5,229,145 |
| Prudential         | 5,116,696 |
| Bunzl              | 5,029,150 |
| Just Group         | 4,994,978 |

# Wales Pension Partnership (WPP)

The WPP was established in 2017 with the objective to deliver:

- ▣ economies of scale
- ▣ strong governance and decision making
- ▣ reduced costs and excellent value for money, and
- ▣ an improved capacity and capability to invest in infrastructure

The WPP is one of the eight Local Government Pension pools nationally and is a collaboration of the eight LGPS funds in Wales including Cardiff and the Vale of Glamorgan, Clwyd, Dyfed, Greater Gwent (Torfaen), Gwynedd, Powys, Rhondda Cynon Taff and Swansea. The eight funds have a long, successful history of collaboration including a collaborative tender for a single passive equity provider for the Welsh funds pre-dating the Government’s pooling initiative.

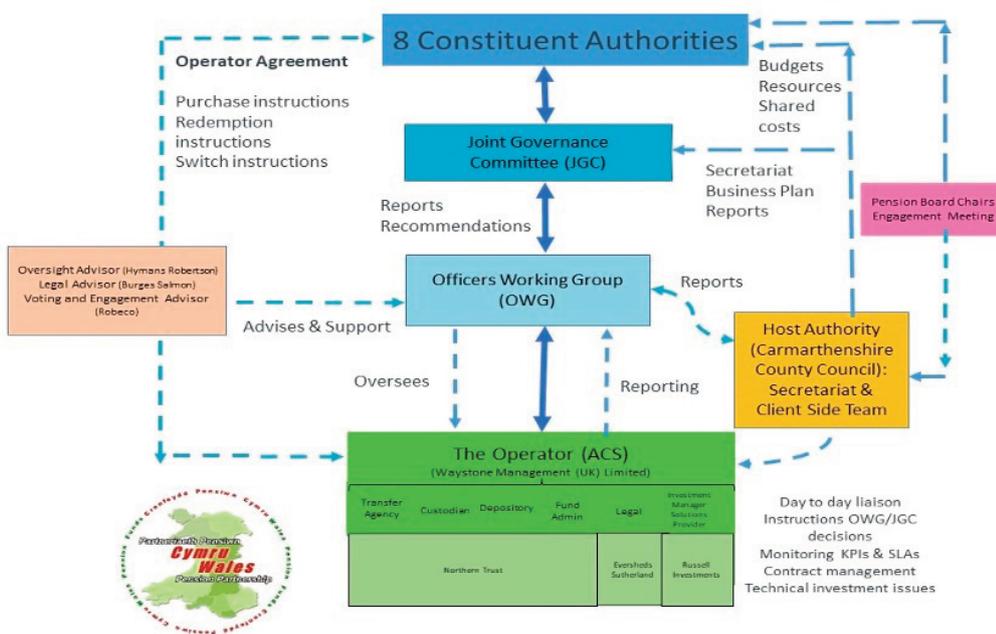
Collective investment management offers the potential for investment fee savings, opportunities to broaden investment portfolios, enhanced voting and engagement activity as well as access to shared knowledge and best practice. Whilst the WPP is responsible for providing collaborative investment solutions, each constituent authority remains responsible for setting their own investment strategy.

WPP’s operating model is designed to be flexible and deliver value for money. WPP appointed an external fund Operator and makes use of external advisers to bring best of breed expertise to support the running of the Pool. The Operator is Waystone Management (UK) Limited (Waystone) and they have partnered with Russell Investments to deliver effective investment management solutions and provide strong net of fee performance for all the Constituent Authorities.

## Governance

The WPP details how it deals with all aspects of Governance through its Inter Authority Agreement (IAA) which was approved by all eight Constituent Authorities (CA) in March 2017.

The IAA defines the standards, roles and responsibilities of the Constituent Authorities, its Members, Committees and Officers and includes a Scheme of Delegation outlining the decision-making process. In line with its belief that good governance should lead to superior outcomes for stakeholders, the WPP has put in place a robust governance structure:



**The eight Constituent Authorities of the WPP are:**

**1. Dyfed Pension Fund (Host)**



**2. City and County of Swansea Pension Fund**



**3. Cardiff and Vale of Glamorgan Pension Fund**



**4. Clwyd Pension Fund**



**5. Gwynedd Pension Fund**



**6. Powys Pension Fund**



**7. Rhondda Cynon Taf Pension Fund**



**8. Torfaen County Pension Fund**



The Constituent Authorities (CA) sit at the top of the WPP’s governance structure. They retain control of all activity carried out by the WPP and remain responsible for approving the WPP’s Business Plan, which outlines the WPP’s budget and workplan, as well as its Beliefs and Objectives.

The Joint Governance Committee (JGC) oversees and reports on the WPP and is comprised of one elected member from each of the eight Constituent Authorities and a co-opted (non-voting) scheme member representative.

The OWG provides support and advice to the Joint Governance Committee and is comprised of practitioners and Section 151 officers from all eight Constituent Authorities.

Carmarthenshire County Council is the Host Authority for the WPP and is responsible for providing administrative and secretarial support to the JGC and the OWG, and liaising day to day with the Operator on behalf of all of the Welsh LGPS funds.

Waystone (Operator) carries out a broad range of services for the WPP, which includes facilitating investment vehicles & sub-funds, performance reporting, transition implementation and manager monitoring and fee negotiations. There is an Operator Agreement in place which sets out the contractual duties of the Operator and governs the relationship between the Operator and the WPP. The JGC and OWG, with the support of Hymans Robertson, oversee the work that Waystone carries out on behalf of the WPP. Waystone engages with the Constituent Authorities by:

- **Direct Engagement:** attendance at annual pension committee meetings
- **Indirect Engagement:** with CAs collectively, through the JGC and OWG

In collaboration with Waystone, Russell Investments provide investment management solution services to the WPP and they work in consultation with WPP’s eight Constituent Authorities to establish investment vehicles.

Northern Trust is the Depository for the WPP ACS vehicle and provides numerous services including securities lending, fund administration, compliance monitoring and reporting.

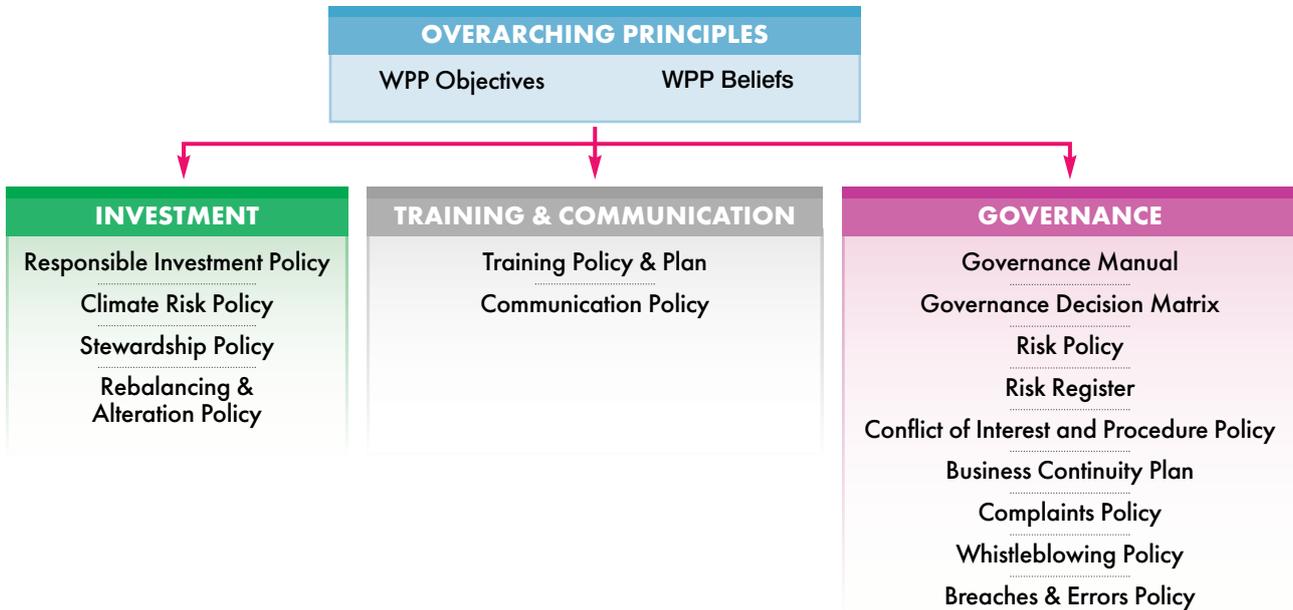
Hymans Robertson are WPP’s Oversight Advisor and their role spans oversight and advice on governance arrangements, operator services, strategic investment aspects and project management support.

Burges Salmon are WPP’s legal advisors, and they provide legal advice in relation to FCA regulated funds, tax and governance arrangements, including assisting with complex procurement processes.

Robeco UK has been appointed as WPP’s Voting and Engagement provider and is responsible for implementing the Voting Policy across WPP’s portfolio and undertaking engagement activity on behalf of the WPP.

The WPP’s beliefs are the foundation for WPP’s governance framework and have been used to guide all of the WPP’s activities and decision making, including its objectives and policies.

The WPP, in consultation with the Constituent Authorities, has developed a set of governing policies. In all instances the WPP’s policies and procedures have been developed to either complement or supplement the existing procedures and policies of the Constituent Authorities. The WPP’s key policies, registers and plans are listed below and can be found on the WPP website.



Responsible Investment (RI) has been a key priority for the WPP since it was established in 2017. Various activities have been undertaken to work towards WPP’s ambition of becoming a leader in Responsible Investment. Initially the focus was on formulating a Responsible Investment Policy and since then the WPP has formulated its own Climate Risk Policy and has worked with its Voting and Engagement Provider, Robeco, to agree a Voting Policy. A WPP RI Sub-Group has been established to take ownership of RI related workstreams and actions that are required to achieve the commitments made in the WPP’s RI and Climate Risk Policies.

□ The WPP’s Business Plan, Governance Manual and all other policies detailed in the chart above can be found on the WPP website:  
[www.walespensionpartnership.org](http://www.walespensionpartnership.org)

## Risk

**Risk management is a critical element of WPP’s commitment to good governance, the WPP has developed a structured, extensive and robust risk strategy which seeks to identify and measure key risks and ensure that suitable controls and governance procedures are in place to manage these risks.**

The WPP’s Risk Policy has been developed in such a way that risks can be anticipated and dealt with in a swift, effective manner to minimise potential loss or harm to the WPP and its stakeholders.

WPP maintains a Risk Register which is reviewed regularly by a dedicated Risk Sub-Group which reports back to the OWG and JGC on a quarterly basis.

## Training

**The WPP has its own training policy and develops an annual training plan which is designed to supplement existing Constituent Authority training plans.**

Local level training needs will continue to be addressed by Constituent Authorities while the WPP training plan will offer training that is relevant to the WPP’s pooling activities. Induction training is also provided to all new JGC members.

## Pooling progress to date

The WPP aims to deliver investment solutions that allow the Constituent Authorities to implement their own investment strategies with material cost savings while continuing to deliver investment performance to their stakeholders.

The WPP has made significant progress towards delivering on this objective, from the launch of the first three active equity sub-funds in 2019 through to launching the initial Private Markets Investment programmes in 2023. Alongside the Constituent Authorities existing passive investments, this means that the WPP has now pooled 75% of assets.

As at 31 March 2025, WPP's Constituent Authorities has total assets worth £25.8bn, £19.4bn of which sits under pool management, see breakdown below:

| Asset Class   | Managed by                           | Launch Date    | 31 st March 2025<br>£'000 | %          |
|---|--------------------------------------|----------------|---------------------------|------------|
| Global Growth Equity Fund                           | Russell Investments                  | February 2019  | 3,541,082                 | 13.7       |
| Global Opportunities Equity Fund                    | Russell Investments                  | February 2019  | 3,402,307                 | 13.2       |
| UK Opportunities Equity Fund                        | Russell Investments                  | September 2019 | 765,495                   | 3.0        |
| Emerging Markets Equity Fund                        | Russell Investments                  | October 2021   | 272,996                   | 1.0        |
| Sustainable Active Equity Fund                      | Russell Investments                  | June 2023      | 1,524,322                 | 5.9        |
| Global Credit Fund                                  | Russell Investments                  | July 2020      | 1,026,469                 | 4.0        |
| Global Government Bond Fund                         | Russell Investments                  | July 2020      | 503,406                   | 2.0        |
| UK Credit Fund                                      | Waystone Management (UK) Ltd         | July 2020      | 726,549                   | 2.8        |
| Multi-Asset Credit Fund                             | Russell Investments                  | July 2020      | 848,802                   | 3.3        |
| Absolute Return Bond Fund                           | Russell Investments                  | September 2020 | 532,806                   | 2.1        |
| Infrastructure                                      | GCM Grosvenor, IFM, CBRE and Octopus | March 2023     | 726,427                   | 2.8        |
| Private Credit                                      | Russell Investments                  | April 2023     | 320,921                   | 1.2        |
| Private Equity                                      | Schroders Capital                    | October 2023   | 124,883                   | 0.5        |
| Passive Investments                                 | BlackRock                            | March 2016     | 5,065,251                 | 19.6       |
| Investments not yet pooled                          |                                      |                | 6,424,700                 | 24.9       |
| <b>TOTAL INVESTMENTS ACROSS ALL 8 PENSION FUNDS</b> |                                      |                | <b>25,806,416</b>         | <b>100</b> |

## Pooling Costs

Carmarthenshire County Council, as the Host Authority for the Wales Pension Partnership is responsible for providing administrative and secretarial support and liaising day to day with the Operator on behalf of all of the LGPS funds in Wales.

The WPP budget is included in the WPP Business Plan and approved annually by all eight Constituent Authorities.

The Host Authority and External Advisor costs (the running costs) are funded equally (unless specific projects have been agreed for individual Funds) by all eight of the Constituent Authorities and recharged on an annual basis. Details of costs incurred by RCT Pension Fund in respect of the WPP are detailed in Management Expenses on page 49 of the Accounts Report.

## Investment Fee Savings from Pooling

| Investments managed by the Wales Pension Partnership | Value as at 31st March 2025<br>£'000 | 2024/25 Actual Fee Savings<br>£'000 | Cumulative Fee Saving<br>£'000 |
|--|--------------------------------------|-------------------------------------|--------------------------------|
| Global Growth Equity Fund                            | 1,752,556,128                        | 2,095                               | 8,178                          |
| Global Opportunities Equity Fund                     | 507,678,537                          | -112                                | -302                           |
| UK Credit Fund                                       | 726,573                              | 402                                 | 1,390                          |
| <b>TOTAL</b>   |                                      | <b>2,385</b>                        | <b>9,266</b>                   |

Assets were moved from the segregated global equity managers during January 2019 into the WPP Global Equity funds. The segregated bond manager was transitioned into the WPP Credit Fund and the passive UK gilt fund of BlackRock during July 2020. Therefore, savings of bond investments is partly due to a strategy decision by the RCT Pension Fund.

Saving analysis is based on the assumption that the managers have achieved their performance target of 2.5%.

## Objectives 2025/26

**The WPP continues to evolve its private market offerings with the Real Estate Investment programme due to be launched in 2025/26. Through the Private Market programmes, the WPP has been able to facilitate investments in local investment opportunities in Wales and is keen to develop this further.**

In November 2024, the WPP was delighted to be awarded the ESG innovation award at the LGC Investment Awards ceremony. This award reflects the critical importance that the WPP and its constituent authorities continues to place on sustainability issues and recognises the success of its Sustainable Active Equity Fund, which has grown to become one of the largest sustainable investment funds of its type in the UK. This area remains a focus for the WPP, with work now ongoing to improve the sustainability characteristics of existing investments, considering how to evolve the Passive and Fixed Income sub-funds to become more sustainable.

During 2024/25, the WPP submitted its fourth annual Stewardship Report and was successful in retaining its signatory status to the UK Stewardship Code. The WPP also completed its first Pool-level annual climate report, as well as an updated analysis of deforestation exposure within its listed-equity Sub-Funds. In 2024/25, the WPP will be publishing its next All Wales Climate Report.

The WPP have made a number of re-appointments during 2024/25, including Waystone as the operator, Hymans Robertson as the Oversight Advisor and Robeco UK as the Voting and Engagement provider. Russell Investments continue as WPP's Investment Management Solutions Provider. All appointments followed comprehensive procurement exercises. WPP's existing Legal Services provider contract comes to an end on 31 December 2025 and work is underway with this contract re-tender process.

The Government launched its Local Government Pension Scheme Fit for The Future Consultation on 14th November 2024, outlining a range of proposals to strengthen the management of LGPS investments. As part of the consultation, the government asked each pool to consider and provide submissions to demonstrate a clear path to meeting the requirements outlined in the consultation document. The WPP business case proposal was approved by the WPP Joint Governance Committee on 12 March 2025 and submitted to government. This proposal sets out the compelling business case for the WPP to retain a stand-alone investment pool for Wales and proceed with building the proposed new arrangements in line with Government requirements for the pool operating model. We are delighted that the government has approved WPP's business case and work is now underway to deliver, within the required timescale.

## Securities Lending

**Securities lending commenced in March 2020. Revenue is split on an 85:15 basis between WPP and Northern Trust with all costs for running the securities lending programme taken from Northern Trust's share of the fee split.**

A minimum of 5% of the nominal quantity of each individual equity holding is held back and a maximum of 25% of total AUM is on loan at any one time. A proxy recall service was implemented in December 2023.

Total revenue of LF Wales during 2024/25 was £987,820 (gross) / £839,712 (net) with £382,587,801 out on loan as at 31 March 2025.

More detailed information can be found in WPP's Annual Return which is published on the WPP website [www.walespensionpartnership.org](http://www.walespensionpartnership.org)

# Investment Strategy Statement

## 1. Overall Responsibility

**Rhondda Cynon Taf County Borough Council is the designated statutory body responsible for administering the Rhondda Cynon Taf Pension Fund on behalf of the constituent Scheduled and Admitted Bodies.**

The Council is responsible for setting investment policy, appointing suitable persons to implement that policy and carrying out regular reviews and monitoring of investments.

The Council has created a politically balanced Pension Fund Committee consisting of elected members to oversee the Council's responsibility with regard to the administration of the Pension Fund. This Committee is responsible for the strategic management of the Pension Fund.

The Council has appointed the Deputy Chief Executive / Group Director – Corporate Resources as the officer with Section 151 responsibilities to exercise delegated powers to make decisions in respect of operational matters of the Pension Fund investments and administration. An Investment and Administration Advisory Panel has been formed to support him in this capacity.

**This is made up of:**

- **Director: Financial Services and Transformation (Deputy Section 151 Officer)**
- **Service Director: Pensions, Procurement and Transactional Services**
- **Service Director: Finance Services**
- **Principal Accountant: Treasury and Pension Fund Investments**
- **Accountant: Treasury and Pension Fund Investments**
- **Independent Advisors**

Both the Committee and the Panel meets quarterly. The Council is not strictly a trustee (technically, this is the Ministry of Housing, Communities and Local Government (MHCLG)) but acts in a quasi - trustee role.

In accordance with the requirements of the Public Service Pensions Act 2013, a Pension Board has been established in order to assist Rhondda Cynon Taf County Borough Council, as "Scheme Manager" with achieving effective and efficient governance and administration of the Rhondda Cynon Taf Pension Fund.

The role of the Pension Board as defined by sections 5(1) and 5(2) of the Public Service Pensions Act 2013, is to assist Rhondda Cynon Taf County Borough Council Administering Authority as Scheme Manager to:

- **Secure compliance with the Principal Regulations and any other legislation relating to the governance and administration of the LGPS;**
- **Secure compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator; and**
- **Ensure the effective and efficient governance and administration of the LGPS by the Scheme Manager.**

The Pension Board will provide oversight of the above matters and accordingly it is not a decision making body in relation to the management of the Fund itself.

□ Full details of governance arrangements can be found on the following link:  
[www.rctpensions.org.uk/EN/GovernanceAndInvestment/GovernanceDocuments.aspx](http://www.rctpensions.org.uk/EN/GovernanceAndInvestment/GovernanceDocuments.aspx)

## 2. Primary Objective

The Fund's objective is to provide for members' pension and lump sum benefits on their retirement or for their dependants' benefits on death before or after retirement, on a defined basis in accordance with LGPS regulations.

## 3. Funding Objectives

**Rhondda Cynon Taf County Borough Council should manage the Fund in such a manner that, in normal market conditions, all accrued benefits are fully covered by the actuarial value of the Fund's assets and that an appropriate level of contribution is agreed by the Authority to meet the cost of future benefits arising.**

The Funding Strategy Statement and the Investment Strategy Statement are intrinsically linked and together aim to deliver stable contribution rates for employers.

The investment objective is to maximise returns subject to an acceptable level of risk whilst increasing certainty of cost for employers, minimising long term cost.

The Fund's objective is to achieve a return on Fund assets that is sufficient, over the long-term, to meet the funding objectives on an ongoing basis.

The Deputy Chief Executive / Group Director - Corporate Resources supported by the Investment and Administration Advisory Panel will ensure that one or more Investment Managers are appointed who are authorised under the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016 to manage the assets of the Fund. Contracts / mandates are in place giving instructions to the Managers as to how the investment portfolio is to be managed.

The Pension Fund Committee having taken account of advice from the Deputy Chief Executive / Group Director – Corporate Resources may give specific directions as to the strategic asset allocations and will ensure the suitability of assets in relation to the needs of the Fund. The Investment Managers (each of which will have a benchmark and target to reflect their mandate) will be given full discretion over the choice of individual stocks and will be expected to maintain a diversified portfolio within the restrictions specified in each mandate.

## 4. Diversification Policy: Requirement to invest fund money in a wide variety of investments

**The Fund invests in a range of asset classes to help reduce overall portfolio risk.**

This will ensure that if a single asset class is not performing well, this underperformance is balanced by other better performing assets at that time. The portfolio is also diversified to reduce volatility in performance.

The Fund is diversified into the following asset classes:

- Equities
- UK Gilts
- Corporate Bonds
- Property
- Infrastructure
- Cash

The Fund commissioned an Asset / Liability review in 2020, the fundamental aim of which was to position the Fund's investments in order to:

- Reduce risk
- Maintain (as far possible) return expectations
- Minimise long term costs
- Increase diversification
- Optimise the transitioning of assets into the Pool
- Introduce Infrastructure (align to Pool aspiration) thus ensuring the Pension Fund is being invested in the most efficient way.

Aon was appointed to give their view on the risk / return of the Pension Fund's current investment strategy. Following on from this they were requested to comment and recommend alternatives that could deliver the Fund's long term objectives.

Simulations were undertaken for different portfolio asset strategies. The model estimated the probability of achieving a variety of funding outcomes over different time periods given the current asset allocation strategy. The majority allocation to equities in the portfolio gave a potentially high return, but was also the most significant contributor to overall risk.

Alternative asset allocation strategies were reviewed as a potential means of increasing diversification and reducing risk. Options were reviewed by the Panel, Committee and Board. It was noted that the Rhondda Cynon Taf Pension Fund was not particularly high risk compared to other LGPS funds and that some of the potential alternatives resulted in entering into asset classes that were expensive and difficult markets to enter.

The Committee concluded that the Fund should move toward the following asset allocation strategy with steps set out to achieve the desired allocation.

| Asset Class           | Pension Fund's allocation (31/03/2024) | STEP 1   | STEP 2  | STEP 3   |
|-----------------------|--|--|---|--|
|                       |  | Reduction in Equities, increase in Govn and Corp Bonds | Reduction in Equities for infrastructure investment | Reduction in equities for additional infrastructure investment |
| Total Equities        | 65%                                    | 64%  | 59%   | 54%  |
| Infrastructure        | 1%                                     | 0  | 5%  | 10%  |
| Property              | 6%                                     | 7%   | 7%  | 7%   |
| Government Bonds (UK) | 12%                                    | 12%  | 12%   | 12%  |
| Corporate Bonds (UK)  | 15%                                    | 15%  | 15%   | 15%  |
| Cash                  | 1%                                     | 2%   | 2%  | 2%   |

Following the above, the target and maximum percentages of total value of all investments that we will invest in particular investments or asset classes was as follows:

| Asset Class      | Target % of Fund | Max. % of Fund |
|------------------|------------------|----------------|
| Equities         | 54%              | 75%            |
| Government Bonds | 12%              | 35%            |
| Corporate Bonds  | 15%              | 15%            |
| Property         | 7%               | 15%            |
| Infrastructure   | 10%              | 10%            |
| Cash             | 2%               | 5%             |

The above target forms the basis of a customised benchmark which the Fund's performance is monitored against. The customised benchmark moves in line with market volatility. The asset allocation of the portfolio is not rebalanced on a routine basis but is reviewed annually to ensure the target return is not adversely impacted.

We may not permit more than 5% of the total value of all investments of fund money in entities that are connected with the Authority in line with Section 212 of the LG and Public Involvement in Health Act 2007.

In assessing the diversification policy, the Fund will consult with Independent Advisors.

## 5. Asset Allocation Policy: Assessment of the suitability of particular investments and types of investments

Investments are selected with their suitability to meet the Fund's overall objective of meeting pension obligations as they fall due. The level of return required is informed by the triennial actuarial valuation.

In the long term, low volatility assets such as gilt-edged investments behave in a similar manner to pension liabilities and would therefore "match" the attributes of pension obligations. However the requirement to achieve a longer term higher rate of return is, on average, achieved by other classes of assets such as stocks.

The current portfolio has been constructed with actuarial and independent advisor advice to achieve a specified level of return within risk parameters.

A management agreement is in place for each Investment Manager which sets out the relevant benchmark, performance target, asset allocation ranges and any restrictions as determined by the Pension Fund Committee.

The following demonstrates the allocation of the Fund as at March 2024:

|                                   | % of Fund Invested |
|-----------------------------------|--------------------|
| <b>Equities</b>                   | 9.5                |
| <b>Pooled Funds</b>               |                    |
| WPP Global Equities               | 47.6               |
| WPP Sustainable Equities          | 2.4                |
| WPP UK Credit                     | 15.0               |
| WPP Infrastructure (Closed ended) | 0.4                |
| WPP Local Investment              | 0.1                |
| <b>Other Pooled Investments</b>   |                    |
| Passive UK Gilts                  | 5.9                |
| Passive Equities                  | 11.5               |
| Pooled Property                   | 6.2                |
| Infrastructure                    | 0.8                |
| Cash & Deposits                   | 0.6                |

The Pension Fund Committee has agreed not to invest in private equity at the present time.

The Pension Fund Committee has agreed to stock lend in line with the following principles:

- Appropriate collateralisation and indemnification;
- A level of stock is held back to maintain ability to vote;
- The ability to call back stock to vote on specific issues.

The Asset Allocation Strategy is reviewed annually by the Investment and Administration Advisory Panel to ensure that returns, risk and volatility are managed and consistent with overall investment strategy.

## 6. Policy On Risk:

### Approach to risk, including the ways in which risks are measured and managed

The Fund maintains a Risk Register that is agreed by the Investment and Administration Advisory Panel and reported to the Pension Board and Pension Committee on a quarterly basis.

The risk register examines funding, investment, operational, governance and regulation issues, ranks risks in terms of likelihood and impact and details mitigation measures.

#### Investment Risk

This covers items such as the performance of financial markets and the Fund's Investment Managers, asset reallocation in volatile markets, leading to the risk of investments not performing (income) or increasing in value (growth) as forecast.

Examples of specific risks would be:

- assets not delivering the required return (for whatever reason, including manager underperformance)
- systemic risk with the possibility of interlinked and simultaneous financial market volatility
- insufficient funds to meet liabilities as they fall due
- inadequate, inappropriate or incomplete investment and actuarial advice is taken and acted upon
- counterparty failure

The specific risks associated with assets and asset classes are:

- equities – industry, country, size and stock risks
- fixed income - yield curve, credit risks, duration risks and market risks
- alternative assets – liquidity risks, property risk, alpha risk
- money market – credit risk and liquidity risk
- currency risk
- macroeconomic risks

The adoption of an asset allocation benchmark and the monitoring of performance relative to a performance target constrains the investment managers from deviating significantly from the intended approach, while permitting flexibility to manage the Fund in such a way to enhance returns.

The overall investment objective is to maximise investment returns and to minimise employer contributions over the long term within agreed risk tolerances.

The requirement is to be 100% funded. The funding level is calculated triennially, following an actuarial review.

The Fund's assets are managed on an active basis (except the Global Passive Equity mandate and the Passive UK Gilt mandate) and are expected to outperform their benchmarks over the long term. In this way the investment performance achieved by the Fund is expected to exceed the rate of return assumed by the Actuary within the valuation.

The Fund's Investment Managers have been given weighted average benchmarks and targets to reflect their mandates. Both asset allocation and stock selection is monitored.

The current targets for each mandate are as follows:

| Portfolio                | Portfolio Benchmark Index  | Portfolio Target   |
|--------------------------|--|--|
| Traditional Equity       | UK - FTSE All Share<br>US – FTSE All World<br>Europe – FTSE All World Europe<br>Far East – FTSE All World Developed Asia<br>Other Intl – MSCI Emerging Index | Composite Index + 1%<br>pa over rolling<br>3 year period |
| Global passive equity    | MSCI World Low Carbon Target Reduced Fossil<br>Fuel Select 12 BST  | Index  |
| Global high alpha equity | MSCI All Countries World Index   | Index + 2% over rolling 3 year period                    |
| Infrastructure           |  | 9% IIR (net of fees with<br>a 4% p.a. cash yield)        |
| Passive UK Gilt          | FTSE Actuaries UK Conventional Gilts All Stock   | Index  |
| UK Credit                | ICE BofA ML Eur-Sterling   | Index plus 0.65%   |
| Property                 | CPI plus 4.5%  |  |

Review of the Investment Managers is ongoing based on the quarterly and annual performance data supplied to the Panel by external performance management agencies.

The appointment of more than one Investment Manager introduces diversification of manager risk as discussed above.

Each Investment Manager is expected to maintain a diversified portfolio of investments and adhere to restrictions imposed within their agreement.

Investment Managers also have investment restrictions as follows:

| Portfolio                            | Max. 10% in any single holding | Max. of 10% held in cash | Max. of 5% held in cash | No single overseas equity exceeds 5% of total value of fund | Max. holding of 25% in trust scheme | Max 25% in Emerging Markets |
|--------------------------------------|--------------------------------|--------------------------|-------------------------|---|-------------------------------------|-----------------------------|
| Baillie Gifford Traditional Equities | •                              | •                        |                         | •   | •                                   |                             |
| WPP Global Growth Fund               | •                              | •                        |                         |   | •                                   |                             |
| WPP Global Opportunities Fund        | •                              |                          |                         |   | •                                   | •                           |
| WPP UK Credit                        | No limits as pooled funds      |                          |                         |   |                                     |                             |
| BlackRock Passive Equities           | No limits as pooled funds      |                          |                         |   |                                     |                             |
| BlackRock Passive UK Gilts           | No limits as pooled funds      |                          |                         |   |                                     |                             |
| BlackRock GIS4 Solutions             | No limits as pooled funds      |                          |                         |   |                                     |                             |
| CBRE Property                        | •                              |                          | •                       |   |                                     |                             |

The performance of both markets and Investment Managers is reviewed regularly by the Investment and Administration Advisory Panel, which has the appropriate skills and training required to undertake this task. The Panel is also supported by Independent Advisors providing advice to enable the Panel to robustly fulfil its functions.

### Environmental, Social and Governance risks

The Fund believes that environmental, social and governance (ESG) factors should be taken into account on an ongoing basis and are an integral part of the Fund's responsibilities as a long-term sustainable investor.

The Fund is committed to carbon transition and to the parallel process of reducing fossil fuel exposure.

Fund engagement with investee companies is crucial in relation to improving standards of corporate governance, which over the long term is expected to enhance investment returns.

## 7. Approach to pooling investment, including the use of collective investment vehicles and shared services.

The Wales Pension Partnership (WPP) has appointed Waystone Management (UK) Limited (Waystone) to run the collective investment vehicle for the sole use of the LGPS funds in Wales. This will enable the pooling of assets across a range of asset classes.

Waystone run the Authorised Contractual Scheme (a tax efficient UK collective investment vehicle) on behalf of the WPP. The ACS will have sub-funds in a range of asset classes that will meet the needs of the LGPS funds in Wales, to allow them to execute their differing asset allocation strategies.

With the support of Russell Investments, and in consultation with the eight individual LGPS Funds, Waystone appoint Investment Managers. Each LGPS Fund in the pool will retain full control over strategic asset allocation decisions. Northern Trust will have custodian duties.

By using fewer Investment Managers with larger mandates, it is expected that the WPP will deliver fee savings, one of the primary aims of Government policy.

A summary of the pooling objectives of the WPP are:

- Generate consistent net of fee excess returns.
- Diversify manager risk.
- Reduce average manager fees.
- Achieve tax efficiency by reclaiming withholding tax on dividends (for non-UK equity sub-funds).
- Equitably share the costs of transitioning into sub-funds.

Progress continues to be made by the Wales Pension Partnership (WPP) in the establishment of appropriate sub funds to satisfy the investment objectives across the Welsh Funds. The first two sub funds for the collective investing of assets was launched during January 2019 and related to Global High Alpha Equities. The sub fund for UK and European Equities was launched during September 2019. The third phase related to Fixed Interest with five sub funds being launched during July 2020 (Global gilts, global corporates, UK corporates, multi asset credit and absolute return bonds). The fourth sub fund related to emerging market equities and was launched October 2021. The private credit sub-fund was launched in April 2023, infra-structure sub-funds in May 2023 and Sustainable Active Equity in June 2023.

## 8. How social, environmental and corporate governance considerations are taken into account in the selection, non-selection, retention and realisation of investments.

The overriding principle of the Fund's investment policy is to obtain the best possible financial return using the full range of investments authorised under the Local Government Pension Scheme regulations.

Although the pursuit of a financial return is our predominant concern, where possible, the Fund is committed to include Responsible Investment factors (environmental, social and corporate governance factors) into the investment process. These non-financial factors are considered to the extent that they are not detrimental to the Fund's investment returns. The incorporation of these factors into Investment Managers' stock selection decisions should serve to enhance the process, rather than restrict choice in any way. The Fund does not negatively screen stocks from the investment universe available to Managers.

The Fund requires its Investment Managers to integrate all material financial and non-financial factors, into the decision-making process for all investments. Furthermore, it expects its managers to proactively engage, influence and promote good corporate governance in the companies and markets to which the Fund is exposed. The Fund's Investment Managers provide updates on their activities in this regard.

All of the Fund's Investment Managers are signed up to the United Nations Principles of Responsible Investment (UNPRI) which encourages asset owners and asset managers to incorporate environmental, social and governance (ESG) issues into investment analysis and decision making, be active owners, seek disclosure of ESG issues and promote the principles within the industry.

### The six principles are:

1. We will incorporate Environmental, Social and Governance issues into investment analysis and decision-making processes;
2. We will be active owners and incorporate Environmental, Social and Governance issues into our ownership policies and practices;
3. We will seek appropriate disclosures on Environmental, Social and Governance issues by the entities in which we invest;
4. We will promote acceptance and implementation of the Principles within the investment industry;
5. We will work together to enhance our effectiveness in implementing the Principles; and
6. We will each report on our activities and progress towards implementing the Principles.

The Pension Fund is a member of the Local Authority Pension Fund Forum (LAPFF). LAPFF exists to promote the investment interests of local authority pension funds, and to maximise their influence as shareholders while promoting corporate social responsibility and high standards of corporate governance among the companies in which they invest.

The Fund recognises the focus and financial risks associated with climate change, fossil fuels and carbon management. The Fund remains committed to an orderly carbon transition set out in its Investment Strategy Statement. The Fund is also committed to adhering to the principles of the Stewardship Code.

## 9. Exercise of Voting Rights attached to investments.

**Long-term investment interests are enhanced by the highest standards of corporate governance and corporate responsibility. Poor governance can negatively impact shareholder value.**

This Fund recognises the importance of stewardship and engagement via the equity fund managers is exercised to exert a positive influence on companies.

The Wales Pension Partnership has employed a voting and engagement provider to exercise its voting rights to promote good corporate governance and social and environment responsibility. A proportion of stock is held back from stock lending activities to facilitate this. The Provider supplies quarterly voting activity reports.

The Equity Fund Manager employed outside the WPP is expected to exercise their voting rights. The Fund has agreed a voting template which incorporates best practice governance guidelines. An independent voting agency is employed to monitor and compare the voting records of the manager against this template. The manager provides quarterly voting activity reports.

## 10. Myners Principles of Good Investment Guidance.

**The Fund assesses and reviews its own compliance with the Myners Principles annually.**

The Fund has assessed itself to be fully compliant with the principles below:

- › **PRINCIPLE 1:** Effective Decision Making
- › **PRINCIPLE 2:** Clear Objectives
- › **PRINCIPLE 3:** Risk and liabilities
- › **PRINCIPLE 4:** Performance assessment
- › **PRINCIPLE 5:** Responsible ownership
- › **PRINCIPLE 6:** Transparency and reporting

## APPENDIX A

### Rhondda Cynon Taf Pension Fund Responsible Investment and Carbon Investment Principles

**The Rhondda Cynon Taf Pension Fund is an open, defined-benefit pension fund as part of the national Local Government Pension Scheme (LGPS).**

The nature of the Fund and scheme design means that payment of pensions will extend over the very long term. In considering the Fund's investment strategy, the Fund seeks to operate

- a long term, sustainable strategy;
- one which does not rely upon the pursuit of short term returns;
- a well-structured asset and fund manager investment allocation which targets long term socially responsible, sustainable investment performance.

The Fund deploys a relatively uncomplicated investment structure which seeks to provide a return on investments which is above the level of pension liabilities and which seeks to achieve 100% funding over the long term.

As a long term investor, the Fund must be comprehensive in the consideration and mitigation of risks that the portfolio faces and investments are diversified across a number of asset types.

Rhondda Cynon Taf Pension Fund recognises the investment implications of climate change and carbon emissions.

The Fund is committed to an orderly carbon transition and believes active engagement with investee companies, rather than divestment, is the preferred option to bring about change whilst managing overall investment risk issues. In this regard, the Fund requires its Investment Managers to engage with investee companies and seek to ensure that their business objectives are aligned to reducing carbon exposure.

We do however also recognise that there may be instances where divestment is an appropriate course of action and have identified principles to guide us in this regard.

This document outlines out how the Fund will approach this divestment, how the risks and other considerations associated with such a commitment will be managed and how the divestment over time will be incorporated into the asset allocation strategy for the Fund.

The overall approach of the Fund to incorporating wider environmental social and governance issues (ESG) is set out in more detail within the Investment Strategy Statement.

# Principles

## 1. Responsible Investor

We are of a firm view that as responsible owners we have a voice and an ability to influence strategic change within investee companies and that this can be more powerful than disinvesting alone.

## 2. Asset allocation

We will incorporate all ESG factors into our asset allocation and investment strategy considerations.

## 3. Investment Managers

We will ensure that all our investment managers are signed up to the United Nations Principles of Responsible Investment (UNPRI), that they engage effectively and are transparent in telling us how they are making a difference. Where investee companies are not aligning themselves to reduce long-term carbon exposure then we will disinvest, in an orderly way.

The Fund demands that all its Investment Managers properly consider climate related and other environmental social and governance risks in decision making within their respective portfolios.

As and when investment managers and asset allocations require amending, the risk of fossil fuel exposure will be incorporated into any due diligence regarding risk and reward decision making.

The Fund's passive equity mandate is managed through a low carbon product.

## 4. Stakeholder engagement

The Fund's primary purpose is to be able to pay for pension liabilities over the long term.

There are national arrangements in place to reduce pension benefits if the LGPS is unable to sustain itself through loss of value or growth in liabilities. We therefore have a duty to ensure that the future pension entitlements of members are not compromised.

However, we do hold the view of "a world worth living in" as one of our guiding principles.

## 5. Long Term and alignment to global goals

As an open fund, we are long term investors and must not be overly influenced by short term factors and influences.

## 6. Working Together

We will collaborate with other Welsh Funds through the Wales Pension Partnership and seek to align our long term goals with our partners.

It is important that the Fund works with our partners to share knowledge and best practice as well as utilising collective assets to push for the most effective and efficient implementation of reduced fossil fuel strategies. We will also work with other funds nationally through our membership of the LAPFF to encourage companies to adopt the highest standards with regard to fossil fuel and energy efficiency.

## 7. Risk Mitigation

Investment Managers must consider ESG and Climate Change / Carbon Exposure in their investment decisions, specifically with regard to risk mitigation and be clear on any negative implications.

## 8. Transparency

We will understand the Fund's exposure to Carbon through a systemic approach, engaging with experts to thoroughly and robustly baseline our position and monitor going forward.

# Myners Investment Principles

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## Principle 1: Effective Decision Making

**Administering authorities should ensure that:**

- Decisions are taken by persons or organisations with the skills, knowledge, advice and resources necessary to make them effectively and monitor their implementation; and
- Those persons or organisations have sufficient expertise to be able to evaluate and challenge the advice they receive, and manage conflicts of interest.

➤ **FULL COMPLIANCE**

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## Principle 2: Clear Objectives

An overall investment objective(s) should be set out for the fund that takes account of the scheme's liabilities and the potential impact on local taxpayers, the strength of the covenant for non-local authority employers, and the attitude to risk of both the administering authority and scheme employers, and these should be clearly communicated to advisors and investment managers.

➤ **FULL COMPLIANCE**

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## Principle 3: Risk and liabilities

**In setting and reviewing their investment strategy, administering authorities should take account of the form and structure of liabilities.**

These include the implications for local taxpayers, the strength of the covenant for participating employers, the risk of their default and longevity risk.

➤ **FULL COMPLIANCE**

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## Principle 4: Performance assessment

**Arrangements should be in place for the formal measurement of performance of the investments, investment managers and advisors.**

Administering authorities should also periodically make a formal assessment of their own effectiveness as a decision-making body and report on this to scheme members.

➤ **FULL COMPLIANCE**

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## Principle 5: Responsible ownership

**Administering authorities should :**

- Adopt, or ensure their investment managers adopt, the Institutional Shareholders' Committee Statement of Principles on the responsibilities of shareholders and agents
- Include a statement of their policy on responsible ownership in the statement of investment principles
- Report periodically to scheme members on the discharge of such responsibilities.

➤ **FULL COMPLIANCE**

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## Principle 6: Transparency and reporting

**Administering authorities should :**

- Act in a transparent manner, communicating with stakeholders on issues relating to their management of investment, its governance and risks, including performance against stated objectives.
- Provide regular communication to scheme members in the form they consider most appropriate.

➤ **FULL COMPLIANCE**



# Accounts Report

## Fund Account

| 2023/24<br>£'000   |  | 2024/25         |                    |
|--------------------|--|-----------------|--------------------|
|                    |  | £'000           | £'000              |
|                    | <b>Contributions</b>   |                 |                    |
| (111,319)          | Employer contributions   | (116,185)       |                    |
| (36,969)           | Member contributions   | (38,607)        |                    |
| <b>(148,288)</b>   |  |                 | <b>(154,792)</b>   |
|                    | <b>Transfers in from other Pension Funds</b>   |                 |                    |
| (7,579)            | Group Transfers in from other schemes or funds   | <b>(18,030)</b> |                    |
| (1,027)            | Individual Transfers from other schemes or funds   | <b>(2,189)</b>  |                    |
|                    |  |                 | <b>(20,219)</b>    |
| <b>(4,645)</b>     | <b>Other income</b>  |                 | <b>(8,192)</b>     |
|                    | <b>Benefits</b>  |                 |                    |
| 130,805            | Pensions   | 143,315         |                    |
| 30,529             | Commutation of pensions and lump sum retirement benefits                                       | 41,170          |                    |
| 5,371              | Lump sum death benefits  | 4,744           |                    |
| <b>166,705</b>     |  |                 | <b>189,229</b>     |
|                    | <b>Payments to and on account of leavers</b>   |                 |                    |
| 246                | Refunds to members leaving scheme or fund  | 380             |                    |
| (2)                | Payments for members joining state scheme or fund  | 0               |                    |
| 0                  | Group Transfers to other schemes or funds  | 2,782           |                    |
| 10,765             | Individual transfers to other schemes of funds   | 14,071          |                    |
| <b>11,009</b>      |  |                 | <b>17,233</b>      |
| <b>177,714</b>     |  |                 | <b>206,462</b>     |
| 16,175             | Net (addition) / withdrawals from dealings with members  |                 | 23,259             |
| 14,645             | Management Expenses  |                 | 21,043             |
| <b>30,820</b>      | <b>Net (additions) / withdrawals Including fund management expenses</b>                        |                 | <b>44,302</b>      |
|                    | <b>Investment income</b>   |                 |                    |
| (15,015)           | Equities   | (8,271)         |                    |
|                    | Pooled Funds   |                 |                    |
| (45,950)           | WPP Global Equities*   | (34,684)        |                    |
| (766)              | WPP Sustainable Equities   | (1,876)         |                    |
| (14,930)           | WPP UK Credit Fund   | (27,154)        |                    |
| 0                  | WPP Infrastructure (Closed Ended)  | (236)           |                    |
|                    | Other Pooled Investments   |                 |                    |
| (8,974)            | Pooled Property  | (9,748)         |                    |
|                    | Other  |                 |                    |
| (780)              | Cash deposits  | (899)           |                    |
| <b>(86,415)</b>    |  |                 | <b>(82,868)</b>    |
| <b>(400,615)</b>   | <b>(Profits) and losses on disposal of investments and changes in the value of investments</b> |                 | <b>(30,329)</b>    |
| <b>110</b>         | <b>Taxes on income</b>   |                 | <b>73</b>          |
| <b>(486,920)</b>   | <b>Net Returns on Investments</b>  |                 | <b>(113,124)</b>   |
| <b>(456,100)</b>   | <b>Net (increase) / decrease in net assets available for benefits during the year</b>          |                 | <b>(68,822)</b>    |
| <b>(4,260,475)</b> | <b>Opening Net Assets</b>  |                 | <b>(4,716,575)</b> |
| <b>(4,716,575)</b> | <b>Closing Net Assets</b>  |                 | <b>(4,785,397)</b> |

## Net Asset Statement

| <b>31/03/2024</b> |  | <b>31/03/2025</b> |                  |
|-------------------|--|-------------------|------------------|
| <b>£'000</b>      |  | <b>£'000</b>      | <b>£'000</b>     |
|                   | <b>Investment Assets</b>   |                   |                  |
| 444,003           | Equities   |                   |                  |
|                   | Pooled Funds   | 382,400           |                  |
| 2,250,754         | WPP Global Equities  | 2,260,235         |                  |
| 113,382           | WPP Sustainable Equities   | 113,894           |                  |
| 707,830           | WPP UK Credit Fund   | 726,573           |                  |
| 16,897            | WPP Infrastructure (Closed Ended)  | 36,218            |                  |
| 2,918             | WPP Local Investment   | 4,393             |                  |
|                   | Other Pooled Investments   |                   |                  |
| 539,630           | Passive UK Gilts   | 533,740           |                  |
| 278,382           | Passive Equities   | 290,592           |                  |
| 288,102           | Pooled Property  | 298,387           |                  |
| 38,507            | Pooled Infrastructure  | 96,776            |                  |
| <b>4,680,405</b>  |  |                   | <b>4,743,208</b> |
| <b>33,977</b>     | <b>Cash deposits</b>   |                   | <b>38,193</b>    |
|                   | <b>Other investment balances</b>   |                   |                  |
| 1,335             | Investment debtors   | 932               |                  |
| 638               | Tax recoverable  | 487               |                  |
| <b>1,973</b>      |  |                   | <b>1,419</b>     |
| <b>4,716,355</b>  |  |                   | <b>4,782,820</b> |
|                   | <b>Investment Liabilities</b>  |                   |                  |
| <b>(4,506)</b>    | Investment creditors   |                   | <b>(56)</b>      |
| <b>4,711,849</b>  | <b>Net Investment Assets</b>   |                   | <b>4,782,764</b> |
|                   | <b>Current Assets</b>  |                   |                  |
| 7,334             | Contributions due from employers and employees                           | 7,598             |                  |
| 1,268             | Other current assets   | 1,465             |                  |
| <b>8,602</b>      |  |                   | <b>9,063</b>     |
| <b>(3,876)</b>    | <b>Current Liabilities</b>   |                   | <b>(6,430)</b>   |
| <b>4,716,575</b>  | <b>Net assets of the scheme available to fund benefits at period end</b> |                   | <b>4,785,397</b> |

# Notes to the Pension Fund Accounts

## Introduction

These accounts have been prepared in accordance with the requirements of the CIPFA Code of Practice on Local Authority Accounting 2024/25 which is based upon International Financial Reporting Standards (IFRS) as amended for the UK public sector.

## Significant Accounting Policies

### ACCRUALS OF EXPENDITURE AND INCOME

Where material, accruals are made for employee and employer contributions, investment income, benefits paid, administration costs, investment management fees and advisors fees.

Transfer values are accounted for on a cash basis, with the exception of material group transfers, which are accounted for during the year of effective date of transfer or the year in which the actuary values the transfer, if later.

### INVESTMENT VALUATION OF FINANCIAL INSTRUMENTS

In terms of "Fair Value", all investments have quoted prices in active markets, with the exception of Pooled Investment Vehicles managed by the WPP and Pooled Property Funds.

Listed securities are valued in accordance with IAS 39 – Financial Instruments, using bid prices as at 31st March 2025 obtained from recognised Stock Exchanges.

Sterling valuations of securities denominated in foreign currencies are based on closing exchange rates as at 31st March 2025.

Pooled Investment Vehicles managed by the WPP are valued using net asset values provided by Waystone, the WPP operator. These are reported at the closing single price.

Pooled Property Funds are valued by Fund Managers using reliable valuation techniques to determine Fair Value. Property valuations are represented by unit prices, based on underlying independent professional valuations. No assets require significant judgements or assumptions to determine Fair Value.

### ACQUISITION AND DISPOSAL COSTS

Transaction costs incurred in acquiring or disposing of investments are included as part of the purchase cost or netted off against sales proceeds, as appropriate.

Transaction costs include fees, commissions and duties. Transaction costs incurred during 2024/25 amounted to £5.96m (£1.78m in 2023/24). In addition to the direct costs disclosed above, indirect costs are incurred through the bid-offer spread on investments within pooled investment vehicles. The amount of indirect costs is not separately provided to the scheme.

### TAXATION

As a registered public service scheme, the Pension Fund is exempt from UK income tax and capital gains tax. Overseas investment income incurs withholding tax in the country of origin unless exemption is granted.

Irrecoverable tax is accounted for as an expense in the Fund Account, with any recoverable tax shown as an asset in the Net Assets Statement.

There is a small liability to income tax on refunds of contributions and compounded pensions (small pensions converted into lump sums). These amounts are paid to HMRC on a quarterly basis.

VAT is recoverable on all activities, so the accounts are shown exclusive of VAT.

# Statement of Responsibilities for the Pension Fund Accounts

## Rhondda Cynon Taf County Borough Council's Responsibilities

### The Council is required:

- › To make arrangements for the proper administration of the Pension Fund's financial affairs and to ensure one of its Officers has the responsibility for the administration of those affairs. In the Council, that Officer is the Deputy Chief Executive / Group Director – Corporate Resources.
- › To manage the Pension Fund's affairs to ensure economic, efficient and effective use of resources and safeguard its assets.
- › To approve the Pension Fund Accounts.

### I confirm that these accounts were approved by Council on:

Signature: 

Date: 26th November 2025

#### Presiding Officer

Rhondda Cynon Taf County Borough Council  
Floor 4, 2 Llys Cadwyn, Taff Street, Pontypridd CF37 4TH

## The Deputy Chief Executive / Group Director – Corporate Resources

### Responsibilities

The Deputy Chief Executive / Group Director – Corporate Resources is responsible for the preparation of the Pension Fund Accounts which, in terms of the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, is required to present a true and fair view of the financial position of the Pension Fund at the accounting date and its income and expenditure for the year.

### In preparing the Pension Fund Accounts, the Deputy Chief Executive / Group Director – Corporate Resources has:

- › Selected suitable accounting policies and applied them consistently.
- › Made judgements and estimates that were reasonable and prudent.
- › Complied with the code.

### The Deputy Chief Executive / Group Director – Corporate Resources has also throughout the financial year:

- › Maintained proper accounting records that were kept up to date.
- › Taken reasonable steps for the prevention and detection of fraud and other irregularities.

## Certificate of the Deputy Chief Executive / Group Director – Corporate Resources on the Accounts of Rhondda Cynon Taf Pension Fund for 2024/25

I certify that the accounts present a true and fair view of the financial position of Rhondda Cynon Taf Pension Fund as at 31st March 2025 and its income and expenditure for the year.

Signature: 

Date: 26th November 2025

#### Barrie Davies

#### Deputy Chief Executive / Group Director – Corporate Resources

Rhondda Cynon Taf County Borough Council  
Floor 4, 2 Llys Cadwyn, Taff Street, Pontypridd CF37 4TH

# Contributions

## Employers' Contributions

Employers' contribution rates are determined by the Fund's actuary so as to maintain the fund in a state of solvency, having regard to existing and prospective liabilities.

Valuations of the Fund's assets and liabilities for this purpose are carried out every three years. The latest Valuation was carried out as at March 2022 and the results were implemented from 1st April 2023.

## Employees' Contributions

Employee contributions are tiered, so that higher earners pay a greater percentage of their salary into the scheme.

The bands for the year 2024/2025 were:

| Full Time Equivalent Pay | Contribution Rate |
|--------------------------|-------------------|
| Up to £17,600            | 5.5%              |
| £17,601 to £27,600       | 5.8%              |
| £27,601 to £44,900       | 6.5%              |
| £44,901 to £56,800       | 6.8%              |
| £56,801 to £79,700       | 8.5%              |
| £79,701 to £112,900      | 9.9%              |
| £112,901 to £133,100     | 10.5%             |
| £133,101 to £199,700     | 11.4%             |
| £199,701 or more         | 12.5%             |

From 1st April 2014 there is a 50/50 option which allows members to pay half the normal rate of contributions shown above, and build up pension at half the normal rate.

## Contributions Receivable and Benefits Payable

Contributions received and benefits paid are shown in the table below:

| Type of Body  | Member Contributions |                  | Employer Contributions |                  | Pensions, Lump Sums and Death Benefits |                  |
|---------------|----------------------|------------------|------------------------|------------------|--|------------------|
|               | 2023/24<br>£'000     | 2024/25<br>£'000 | 2023/24<br>£'000       | 2024/25<br>£'000 | 2023/24<br>£'000                       | 2024/25<br>£'000 |
| Administering | 11,977               | 12,251           | 36,186                 | 37,139           | 50,402                                 | 56,188           |
| Admitted      | 4,595                | 4,987            | 17,103                 | 17,892           | 20,679                                 | 22,926           |
| Scheduled     | 20,397               | 21,369           | 58,030                 | 61,154           | 95,624                                 | 110,115          |
| <b>Total</b>  | <b>36,969</b>        | <b>38,607</b>    | <b>111,319</b>         | <b>116,185</b>   | <b>166,705</b>                         | <b>189,229</b>   |

## Contributions Received from Employer

| Contributions Received          | EMPLOYEE (£) | EMPLOYERS (£) | Contribution Rate (%) |
|---------------------------------|--------------|---------------|-----------------------|
| Abacaredig Holdings Ltd         | 6,000.95     | 19,769.69     | 18.70                 |
| Agored Cymru                    | 2,851.77     | 13,797.87     | 31.70                 |
| Amgen Cymru (Cynon)             | 102,248.55   | 304,783.36    | 18.70                 |
| Atlas FM Ltd                    | 553.95       | 1,883.45      | 18.70                 |
| Awen Cultural Trust             | 78,197.60    | 144,244.91    | 13.30                 |
| Bedlinog Community Council      | 634.76       | 2,300.02      | 19.90                 |
| Brackla Community Council       | 4,207.03     | 12,574.79     | 17.70                 |
| Bridgend College                | 574,769.77   | 1,572,984.56  | 17.10                 |
| Bridgend County Borough Council | 6,748,522.80 | 21,304,513.04 | 19.40                 |
| Care Cymru Services             | 9,524.98     | 31,560.52     | 18.70                 |

Table continues overleaf...

Table continues from previous page  
**Contributions Received**

|   | EMPLOYEE<br>(£)      | EMPLOYERS<br>(£)      | Contribution<br>Rate (%) |
|---|----------------------|-----------------------|--------------------------|
| Careers Wales - Mid Glamorgan and Powys Ltd | 184,891.69           | 890,928.08            | 31.50                    |
| Careers Wales Association                   | 2,354.48             | 0.00                  | 0.00                     |
| Cartrefi Cymru Co-Operative Ltd             | 23,559.63            | 75,961.53             | 18.70                    |
| CCR Energy Ltd                              | 10,501.42            | 27,523.92             | 18.70                    |
| Central South Consortium (JES)              | 389,555.20           | 356,266.28            | 7.50                     |
| Chief Constable South Wales                 | 6,234,306.21         | 15,799,609.94         | 16.40                    |
| Coity Higher Community Council              | 2,031.84             | 5,071.68              | 20.20                    |
| Coleg y Cymoedd                             | 737,549.67           | 2,253,932.38          | 19.20                    |
| Compass Contract Services (Cymoedd) Ltd     | 4,237.80             | 0.00                  | 0.00                     |
| Cornelly Community Council                  | 2,308.92             | 7,530.54              | 21.20                    |
| Coychurch Crematorium Joint Committee       | 16,588.00            | 45,228.95             | 16.80                    |
| Cynefin Care Ltd                            | 4,053.62             | 13,564.00             | 18.70                    |
| DBW FM Ltd                                  | 233,667.93           | 740,271.54            | 31.90                    |
| Development Bank of Wales Plc.              | 43,356.75            | 154,340.22            | 28.80                    |
| Drive Ltd                                   | 5,964.48             | 0.00                  | 0.00                     |
| Drive Ltd (RCT)                             | 9,182.95             | 33,278.43             | 18.70                    |
| Garw Valley Community Council               | 2,226.65             | 7,537.21              | 19.20                    |
| Gelligaer Community Council                 | 1,367.53             | 2,923.71              | 12.40                    |
| GP Homecare Ltd T/a Radis                   | 6,085.58             | 20,143.44             | 18.70                    |
| Halo Leisure Services Ltd                   | 45,594.58            | 0.00                  | 0.00                     |
| Halo Leisure Services Ltd (Merthyr)         | 41,497.29            | 152,377.80            | 21.80                    |
| Hirwaun & Penderyn Community Council        | 2,594.09             | 8,068.52              | 19.80                    |
| Innovate Trust Ltd                          | 24,388.42            | 72,427.61             | 18.70                    |
| Laleston Community Council                  | 4,553.21             | 14,884.31             | 19.50                    |
| Little Inspirations Ltd                     | 3,160.2              | 10,383.48             | 18.70                    |
| Llangynwyd Middle Community Council         | 722.23               | 3,067.95              | 19.50                    |
| Llanharan Community Council                 | 4,322.22             | 15,638.24             | 19.90                    |
| Llantrisant Community Council               | 7,728.57             | 23,451.21             | 18.20                    |
| Llantwit Fardre Community Council           | 8,421.89             | 23,555.55             | 17.20                    |
| Llwydcoed Crematorium Joint Committee       | 3,125.03             | 8,081.90              | 15.00                    |
| Local Government Data Unit                  | 69,444.68            | 56,438.03             | 5.70                     |
| Maesteg Town Council                        | 4,931.32             | 12,475.60             | 15.30                    |
| Merthyr Tydfil Institute for the Blind      | 11,345.33            | 41,333.44             | 29.80                    |
| Merthyr Tydfil College                      | 187,128.58           | 506,112.44            | 17.00                    |
| Merthyr Tydfil County Borough Council       | 3,163,580.34         | 11,138,068.59         | 21.80                    |
| Merthyr Tydfil Leisure Trust                | 0.00                 | 0.00                  | 16.60                    |
| Merthyr Valley Homes                        | 564,448.36           | 943,592.06            | 11.10                    |
| Mrs Bucket Commercial Cleaning              | 1,473.74             | 11,628.21             | 43.40                    |
| Plan B Management Solutions                 | 9,248.42             | 27,498.26             | 19.40                    |
| Police & Crime Commissioner for South Wales | 168,143.16           | 393,361.57            | 16.40                    |
| Pontyclun Community Council                 | 6,332.32             | 19,228.38             | 18.10                    |
| Pontypridd Town Council                     | 25,372.77            | 73,186.28             | 17.70                    |
| Pyle Community Council                      | 2,491.94             | 8,127.51              | 21.20                    |
| Q Care Ltd                                  | 3,589.84             | 10,762.22             | 18.70                    |
| Rhondda Cynon Taff County Borough Council   | 12,250,531.33        | 37,138,826.78         | 18.70                    |
| RWCMD                                       | 165,854.48           | 389,845.65            | 17.00                    |
| Social Care Wales                           | 665,128.59           | 2,262,283.67          | 23.50                    |
| South East Wales Corporate Joint Committee  | 177,150.01           | 418,021.27            | 18.70                    |
| South Wales Fire Authority                  | 722,239.32           | 1,726,247.61          | 16.00                    |
| South Wales Valuation Tribunal              | 6,863.19             | 16,577.05             | 15.70                    |
| St Brides Minor Community Council           | 698.66               | 2,591.32              | 20.40                    |
| The Fern Partnership                        | 719.47               | 2,765.89              | 18.70                    |
| Tonyrefail Community Council                | 10,424.72            | 28,629.47             | 16.60                    |
| Trivallis                                   | 989,943.13           | 2,387,311.54          | 16.20                    |
| University of South Wales                   | 1,889,087.16         | 4,678,079.50          | 17.00                    |
| Valleys to Coast Housing                    | 34,600.31            | 124,808.77            | 22.70                    |
| Welsh Government                            | 697,327.36           | 3,689,765.54          | 36.30                    |
| WJEC  | 1,162,303.18         | 5,900,359.31          | 36.20                    |
| WSP Glamorgan Consultancy Ltd               | 28,310.54            | 0.00                  | 0.00                     |
| Ynysawdre Community Council                 | 694.28               | 2,612.90              | 20.70                    |
|   | <b>38,606,816.77</b> | <b>116,184,999.49</b> |                          |

## Contributions Received from Employers

Less than 0.2%, in monetary terms, were received late. Contributions were received late on 25 occasions.

Contributions received are monitored on a monthly basis and employers contacted if the statutory deadlines are missed.

## Management Expenses

The management expenses borne by the Fund in 2024/25 are set out below:

|                                       | 2023/24       | 2024/25       |
|---------------------------------------|---------------|---------------|
|                                       | £'000         | £'000         |
| <b>Administrative Costs</b>           | 2,689         | 2,799         |
| <b>Investment Management Expenses</b> | 11,546        | 17,682        |
| <b>Oversight and Governance Costs</b> | 410           | 562           |
| <b>TOTAL</b>                          | <b>14,645</b> | <b>21,043</b> |

Investment management expenses represent 0.37% (0.25% in 2023/24) of the value of the Pension Fund as at 31st March 2025.

2024/25 Audit Fees of £50k are included in Oversight and Governance Costs (£54k in 2023/24).

The investment management expenses borne by the Fund in 2024/25 are set out below including comparative Note for 2023/24:

|                                   | 2024/25       |                 |                   | 2023/24       |                 |                   |
|-----------------------------------|---------------|-----------------|-------------------|---------------|-----------------|-------------------|
|                                   | Total         | Management Fees | Transaction Costs | Total         | Management Fees | Transaction Costs |
|                                   | £'000         | £'000           | £'000             | £'000         | £'000           | £'000             |
| <b>Equities</b>                   | 962           | 829             | 133               | 1,539         | 1,179           | 360               |
| <b>Pooled Funds</b>               |               |                 |                   |               |                 |                   |
| WPP Global Equities               | 8,278         | 7,006           | 1,272             | 7,391         | 6,100           | 1,291             |
| WPP Sustainable Equities          | 544           | 380             | 164               | 644           | 160             | 484               |
| WPP UK Credit Fund                | 764           | 605             | 159               | 602           | 460             | 142               |
| WPP Infrastructure (Closed Ended) | 1,492         | 515             | 977               | 64            | 56              | 8                 |
| WPP Local Investment              | 92            | 66              | 26                | 90            | 65              | 25                |
| <b>Other Pooled Investments</b>   |               | 0               | 0                 |               |                 |                   |
| UK Gilts                          | 27            | 27              | 0                 | 23            | 23              | 0                 |
| Passive Equities                  | 30            | 30              | 0                 | 25            | 25              | 0                 |
| Pooled Property                   | 473           | 468             | 5                 | 506           | 481             | 25                |
| Pooled Infrastructure             | 4,540         | 654             | 3,886             | 242           | 224             | 18                |
|                                   | <b>17,202</b> | <b>10,580</b>   | <b>6,622</b>      | <b>11,126</b> | <b>8,773</b>    | <b>2,353</b>      |
| <b>Custody Fees</b>               | 480           |                 |                   | 420           |                 |                   |
| <b>Total</b>                      | <b>17,682</b> |                 |                   | <b>11,546</b> |                 |                   |

The Fund incurs no performance related fees.

Included in the management expenses above, is the cost of the Fund's involvement in the WPP collective investment pooling arrangement, as set out below:

|   | 2023/24      | 2024/25       |
|---|--------------|---------------|
|   | £'000        | £'000         |
| <b>WPP Oversight and Governance Costs</b> |              |               |
| Running Costs                             | 171          | 343           |
| <b>WPP Investment Management Expenses</b> |              |               |
| Fund Managers Fees                        | 7,306        | 9,206         |
| Transaction Costs                         | 1,382        | 1,963         |
| Custody Fees                              | 386          | 439           |
| <b>TOTAL</b>                              | <b>9,245</b> | <b>11,951</b> |

The oversight and governance costs are the annual running costs of the Pool, which includes the Host Authority costs and other external advisor costs. These costs are funded equally by all eight of the Local Authority Pension Funds in Wales. All other costs, including the investment management expenses are fees payable to Waystone (the WPP operator) and include fund manager fees, transaction costs (which also includes the operator fee) and custody fees. These costs are based on each Fund's percentage share of the WPP pooled assets and are deducted from the Net Asset Value (NAV).

## Transactions with Related Parties

**In the course of fulfilling its role as Administering Authority to the Fund, Rhondda Cynon Taf CBC provided services to the Fund for which it charged £2m (£2m in 2023/24). These costs are mainly in respect of those staff employed in ensuring that the pension service is delivered.**

At the year-end, contributions outstanding from the Employing Bodies in the Fund amounted to £7.6m (£7.3m in 2023/24), of which £5.7m related to employer contributions and £1.9m to employee contributions.

There are members of the Pension Fund Investment and Administration Advisory Panel, the Pensions Board and the Pension Fund Committee who are also members of the Rhondda Cynon Taf Pension Fund.

The administration of the Rhondda Cynon Taf Pension Fund is a function of full Council, with responsibility for day to day decisions being delegated to the Deputy Chief Executive / Group Director – Corporate Resources. As such, the post holders are required to declare any interests with related parties. The disclosure can be found in the Statement of Accounts of Rhondda Cynon Taf County Borough Council.

The Committee Members and Senior Officers that advise the Committee are required to declare their interest at each meeting.

□ Officer remuneration and Members allowances are disclosed within the Statement of Accounts for Rhondda Cynon Taf at the following link:

[www.rctcbc.gov.uk/EN/Council/Performancebudgetsandspending/StatementofAccounts.aspx](http://www.rctcbc.gov.uk/EN/Council/Performancebudgetsandspending/StatementofAccounts.aspx)

## Contingent Liabilities

There is a contingent liability of £1.676m (£1.245m in 2023/24) in respect of refundable contributions for leavers who have not yet claimed refunds.

# Audit Opinion

## The statement of the Auditor General for Wales to the members of Rhondda Cynon Taf Pension Fund on the Annual Report

I have examined the pension fund accounts and related notes contained in the 2024-25 Annual Report of Rhondda Cynon Taf Pension Fund to establish whether they are consistent, in all material respects, with the pension fund accounts and related notes included in the Statement of Accounts produced by Rhondda Cynon Taf Pension Fund for the year ended 31st March 2025 which were authorised for issue on 26th November 2025. The pension fund accounts comprise the Fund Account and the Net Assets Statement.

### Opinion

In my opinion the pension fund accounts and related notes included in the Annual Report of Rhondda Cynon Taf Pension Fund are consistent, in all material respects, with the pension fund accounts and related notes included in the Statement of Accounts produced by Rhondda Cynon Taf Pension Fund for the year ended 31st March 2025 which were authorised for issue on 26th November 2025 on which I issued an unqualified opinion.

I have not considered the effects of any events between the date on which I issued my opinion on the pension fund accounts included in the pension fund's Statement of Accounts, 28th November 2025 and the date of this statement.

### Respective responsibilities of the Administering Authority and the Auditor General for Wales

The Administering Authority, Rhondda Cynon Taf County Borough Council, is responsible for preparing the Annual Report. My responsibility is to report my opinion on whether the pension fund accounts and related notes contained in the Annual Report are consistent, in all material respects, with the pension fund accounts and related notes included in the Statement of Accounts of the Pension Fund. I also read the other information contained in the Annual Report and consider the implications for my report if I become aware of any misstatements or material inconsistencies with the pension fund accounts. This other information comprises the Chairman's Foreword, Introduction, Summary, Administration Report, Investment Report, Actuary's Report, Communication Report and Pension Fund Governance.



**Adrian Crompton**  
Auditor General for Wales  
28th November 2025

1 Capital Quarter  
Tyndall Street  
Cardiff, CF10 4BZ

- ▣ The maintenance and integrity of Rhondda Cynon Taf County Borough Council's website is the responsibility of the Accounting Officer; the work carried out by auditors does not involve consideration of these matters and accordingly auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.



# Actuary's Report

## Introduction

This statement has been prepared in accordance with Regulation 57(1)(d) of the Local Government Pension Scheme Regulations 2013 (the 'LGPS Regulations').

The LGPS Regulations require that a full actuarial valuation is carried out every third year. The purpose of this is to establish that the Rhondda Cynon Taf Pension Fund (the 'Fund') is able to meet its liabilities to past and present contributors and to review employer contribution rates. The last full actuarial investigation into the financial position of the Fund was completed as at 31 March 2022 by Aon, in accordance with Regulation 62 of the LGPS Regulations.

## Actuarial Position

**1** The valuation as at 31 March 2022 showed that the funding level of the Fund had increased since the previous valuation with the market value of the Fund's assets as at 31 March 2022 (of £4,512.1 M) covering 105% of the liabilities.

**2** The valuation also assessed each individual employer's (or group of employers') position separately. Contribution requirements were determined based on the principles in the Fund's Funding Strategy Statement and are set out in Aon's report dated 31 March 2023 (the "actuarial valuation report").

In addition to the contributions certified, payments to cover additional liabilities arising from early retirements (other than ill-health retirements) will be made to the Fund by the employers.

Total contributions payable by all employers over the three years to 31 March 2026 are estimated to be:

| Year from 1 April | % of pensionable pay | Plus total contribution amount (£M) |
|-------------------|----------------------|-------------------------------------|
| 2023              | 19.1%                | 0.906                               |
| 2024              | 19.1%                | 0.938                               |
| 2025              | 19.1%                | 0.971                               |

**3** The funding plan adopted in assessing the contributions for each employer is in accordance with the Funding Strategy Statement.

Different approaches were adopted in relation to the calculation of the primary contribution rate, stepping of contribution changes and individual employers' recovery / amortisation periods as agreed with the Administering Authority and reflected in the Funding Strategy Statement, reflecting the employers' circumstances.

#### 4 The valuation was carried out using the projected unit actuarial method for most employers, allowing for future increases in pensionable pay.

The main financial actuarial assumptions used for assessing the funding target and the contribution rates were as follows.

| Discount rate for periods IN service   |            |
|--|------------|
| Scheduled and subsumption body funding target *  | 4.30% p.a. |
| Intermediate funding target  | 3.90% p.a. |
| Ongoing orphan funding target  | 3.90% p.a. |
| Discount rate for periods AFTER LEAVING service  |            |
| Scheduled and subsumption body funding target *  | 4.30% p.a. |
| Intermediate funding target  | 3.80% p.a. |
| Ongoing orphan funding target  | 1.30% p.a. |
| Rate of pay increases  | 3.55% p.a. |
| Rate of increase to pension accounts **  | 2.30% p.a. |
| Rate of increases in pensions in payment **<br>(in excess of Guaranteed Minimum Pension) | 2.30% p.a. |

\* The scheduled and subsumption body discount rate was used for employers whose liabilities will be subsumed after exit by a scheduled body.

\*\* In addition, a 10% uplift has been applied to the past service liabilities on the scheduled and subsumption body and intermediate funding targets to make allowance for short-term inflation above the long-term assumption.

The discount rate and rate of increases to pensions for already orphaned liabilities (i.e. where there is no scheme employer responsible for funding those liabilities and the employer has exited the Fund) were assumed to be 1.7% p.a. and 3.4% p.a. respectively.

The assets were valued at market value.

#### 5 The key demographic assumption was the allowance made for longevity. The post retirement mortality assumption adopted for the actuarial valuation was based on the standard self-administered pension scheme (SAPS) S3 mortality tables (Heavy) with appropriate scaling factors applied based on an analysis of the Fund's pensioner mortality experience and a Fund membership postcode analysis using Aon's Demographic Horizons™ longevity model.

The assumption includes an allowance for future improvements based on the 2021 Continuous Mortality Investigation Projections Model, with a long term annual rate of improvement in mortality rates of 1.5% p.a.

The resulting average future life expectancies at age 65 (for normal health retirements) were:

|  | Men   | Women |
|--|-------|-------|
| Current pensioners aged 65 at the valuation date     | 21.5% | 24.1% |
| Current active members aged 45 at the valuation date | 22.8% | 25.6% |

Further details of the assumptions adopted for the valuation, including the other demographic assumptions, are set out in the actuarial valuation report.

#### 6 The valuation results summarised in paragraph 1 above are based on the financial position and market levels at the valuation date, 31 March 2022.

As such the results do not make allowance for changes which have occurred subsequent to the valuation date. The Actuary, in conjunction with the Administering Authority, monitors the funding position on a regular basis.

**7 The formal actuarial valuation report and the Rates and Adjustments Certificate setting out the employer contribution rates for the period from 1 April 2023 to 31 March 2026 were signed on 31 March 2023.**

Other than as agreed or otherwise permitted or required by the Regulations, employer contribution rates will be reviewed at the next actuarial valuation of the Fund as at 31 March 2025 in accordance with Regulation 62 of the Local Government Pension Scheme Regulations 2013.

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**8 This Statement has been prepared by the Actuary to the Fund, Aon, for inclusion in the accounts of the Fund. It provides a summary of the results of their actuarial valuation which was carried out as at 31 March 2022.**

The valuation provides a snapshot of the funding position at the valuation date and is used to assess the future level of contributions required.

This Statement must not be considered without reference to the formal actuarial valuation report which details fully the context and limitations of the actuarial valuation.

Aon does not accept any responsibility or liability to any party other than our client, Rhondda Cynon Taf County Borough Council, the Administering Authority of the Fund, in respect of this Statement.

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**9 The report on the actuarial valuation as at 31st March 2022 is available on the Fund's website at the following address:**

→ [www.rctpensions.org.uk/EN/GovernanceAndInvestment/AnnualReports.aspx](http://www.rctpensions.org.uk/EN/GovernanceAndInvestment/AnnualReports.aspx)

**Aon Solutions UK Limited**  
**June 2025**



# Communication Report

## Annual Meetings

The 2024 Annual General Meeting was held in November with representatives from Fund Employers attending.

Presentations included an update on Pension Fund Performance and an Actuarial update.

## Helpdesk

Our Helpdesk continues to assist with pension queries and calls can be made between the hours of 9am to 5pm Monday to Friday.

You can contact the Helpdesk on:

→ 01443 680 611

## Website

The Pension Fund website is a useful tool in our communication strategy and allows us to provide information about the Fund and the LGPS to our members and prospective members.

It contains information for existing and previous members as well as pensioners. All Wales Factsheets, LGA Factsheets, commonly used forms and our governance documents are all up-loaded to the site, as well as minutes of meetings of the Local Pension Board meetings.

A dedicated General Data Protection Regulation page has been added to the website which contains the Fund's Privacy Statement and Memorandum of Understanding.

The website is reviewed and updated when changes to legislation are implemented.

The Helpdesk regularly refers members to the web-site to download forms or to get information.

Our Fund Employers have a specific section of the RCT website with relevant staff having their own unique log-in details. This section of the website includes all the necessary forms and documents required for the administration of members benefits e.g. new starter forms, termination forms etc

The website can be viewed at:

→ [www.rctpensions.org.uk](http://www.rctpensions.org.uk)

Pensions Made Simple member videos are now available to view on both the desktop and mobile versions of [www.lgpsmember.org](http://www.lgpsmember.org) and on the RCT Pension Fund Website. There are eight videos in total with English and Welsh versions available.

## Presentations

The Team are happy to provide presentations as required.

Either to provide members with information regarding the scheme and their pension benefits or to educate employers on the administration requirements of the scheme.

## Annual Benefit Statements

In line with regulations the Fund issues Annual Benefit Statements to all active and deferred members.

The statements for the 2024/25 scheme year were issued within the deadline required by the scheme regulations and complied with Scheme Advisory Board Guidance.

## Home Visits

In cases of Serious Ill Health, a representative of the Pension Section will attend a home visit in conjunction with Human Resource representatives if appropriate.

## Electronic Communications

**Member Self Service (My Pension Online) is available to all the Fund's active, deferred and pensioner members.**

The facility allows members to be able to view and change some of their personal details and deferred and active members can run estimates of future pension benefits.

We continue to encourage communication to and from the Pension Section electronically and continually work to ensure that data being sent or received from our Fund employers is secure.

The Fund now receives monthly electronic data submissions from most employers which allows member data and pay information to be uploaded directly into our Pension software. Going forward, we will be rolling this facility out to all remaining employers.

## LGPS 2014

**The Team continually reviews the Local Government Pension Scheme Regulations 2013 which were laid before Parliament on 19th September 2013 and outlined the structure of the LGPS from 1st April 2014.**

- Benefits are based on Career Average Re-valued Earnings (CARE)
- Accrual rate of 1/49th
- Definition of pensionable pay to include non- contractual overtime
- Introduction of a new 50/50 option where members can pay less for short periods of time and build up pension at half the rate they would normally
- Increased contribution rates for higher earners
- Normal Pension Age linked to State Pension Age

Benefits from membership in the scheme prior to April 2014 will maintain a final salary link with a members final salary (based on the pensionable pay definition in force before April 2014) being determined when they leave the scheme.

The RCT Pension Fund website includes a link to [www.lgpsmember.org](http://www.lgpsmember.org) which has been set up and maintained by the Local Government Association as a central source of information and includes various calculators which members can use.

The Team continually reviews our processes and correspondence to ensure that the Fund is compliant with the regulations, that the details we receive from employers when members join or leave the fund include the information required and that our members fully understand how their benefits are calculated. We have maintained our communications with our contributing employers so that they are kept up to date with changes to the LGPS and any other relevant technical changes.

## Cost of Living Increases

**Pensions payable to members who retire on health grounds and to members' spouses and children are increased annually in line with the Consumer Price Index (CPI), as at 30th September from the preceding year.**

The LGPS Pension Increase is formally confirmed by HM Treasury in January and paid from the first Monday of each new tax year.

Pensions payable to other members who have reached the age of 55 also benefit from annual inflation proofing.

The end of contracting out has led to changes in who has the responsibility for increasing any pension which includes an entitlement to a Guaranteed Minimum Pension (GMP) (relating to membership up to 5th April 1997). Prior to 2016 some or all of the statutory inflation proofing was provided by the Department of Work and Pensions. Since April 2016 the Fund will now be responsible for the full pension increases on any GMP benefits.

The 2024/25 increase was 1.7%.



# Pension Fund Governance

## **Administering authorities must ensure that existing governance arrangements are maintained and developed to help support the decision making process.**

The governance arrangements for the Rhondda Cynon Taf Pension Fund are summarised and clarified in a number of key documents that relate to the effective stewardship of the Fund.

- An overarching Governance Statement of Compliance that indicates the Fund's position against the Government's best practice standards.
- A Governance Policy Statement which provides an overview of the management structure, decision making and employer engagements within the scheme.
- We are committed to providing a comprehensive communication and information service to participating employers and members of the pension scheme and services we provide can be found in our Communications Policy Statement.
- A Pension Administration Strategy which seeks to improve efficiency in the delivery of agreed standards of quality and to ensure compliance with statutory requirements.
- The Investment Strategy Statement which shows, in detail how we manage the Fund's investments.
- The Funding Strategy Statement which provides a summary of how we will fund our pension liabilities and includes an overview of how any risks to the fund are identified, managed and reviewed.
- Conflicts of Interest Policy defines how any actual / potential conflicts of interest are identified and managed by those involved in the management and governance arrangements of RCT Pension Fund whether directly or in an advisory capacity.
- A Reporting Breaches Policy which outlines the criteria that the Fund considers in determining whether that breach would be of material significance to The Pension Regulator and should be reported.

These documents are reviewed annually, apart from the Funding Strategy Statement, which is reviewed every three years, and the latest versions can be found under the Governance & Investment section of our pension website, or alternatively, please contact our Pension Helpdesk for a copy.

The 2022 Valuation Report which explains the assumptions data and the results of the latest valuation exercise is available in the Employers Section of the website.

# Local Pension Board

In accordance with the Public Services Pensions Act 2013 the Pension Fund was required to appoint, by 1st April 2015, a Local Pension Board to assist Rhondda Cynon Taf County Borough Council Administering Authority as 'Scheme Manager' in -

- Securing compliance with the Principal Regulations and any other legislation relating to the governance and administration of the LGPS;
- Securing compliance with the requirements imposed, in relation to the LGPS, by the Pensions Regulator; and
- Ensuring the effective and efficient governance and administration of the LGPS by the Scheme Manager.

## Membership of the Pension Board

The Pension Board consists of 4 members and is constituted as two employer representatives and two member representatives:

### Employer Representatives:

Responsible for representing all the Fund Employers (Scheduled, Designated, and Admitted Bodies)

- › Professor Hugh Coombs (Chair) University of South Wales
- › Mr David Francis Coleg Y Cymoedd

### Member Representatives:

Responsible for representing all Scheme Members (Active, Deferred, and Pensioner Members)

- › Mr Rob Whiles Pensioner
- › Mr Darren Griffiths  
Active Member and Trade Union (Unison) representative

## Role of the Pension Board

The first core function of the Board is to assist the Administering Authority in securing compliance with the Regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator in relation to the Scheme.

Within this extent, the Board will consider areas including, but not restricted to:

- Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee.
- Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, relevant legislation and in particular the Pension Regulators Code of Practice.

The second core function of the Board is to ensure the effective and efficient governance and administration of the Scheme. Within this extent, the Board will consider areas including but not restricted to:

- Assist with the development of improved customer services.
- Monitor performance of administration, governance and investments against key performance targets and indicators.
- Monitor internal and external audit reports.
- Review the outcome of actuarial reporting and valuations.

# Chairman's Update



**This statement represents a review of the activities of the Pension Board covering the period of this Annual Report. In accordance with the Public Service Pensions Act 2013 the Pension Board's role is to assist the Administering Authority in:**

- Securing compliance with the Principal Regulations and any other legislation relating to the governance and administration of the LGPS;
- Securing compliance with the requirements imposed in relation to the LGPS by the Pension Regulator; and,
- Ensuring the effective and efficient governance and administration of the LGPS by the Scheme Manager.

The Pension Board does not have decision making powers.

The Board continued to meet regularly over the financial year 2024/25. These meetings provided the opportunity for members to use either a hybrid format or to attend the traditional face to face meetings. A number of members of the Board also attended the Annual General Meeting (on line).

As in previous financial years all Pension Board meetings were quorate. There were the normal four meetings of the Pension Board over the relevant financial year. In addition, as has become standard practice, the Pension Committee and Pension Board met jointly in March with a major item on that agenda being the annual review of the Pension Fund's strategic policy documents. Pension Board members thus have the opportunity to feed in their comments to these documents both prior to the Pension Committee and at the Committee itself. Through this meeting the Board is thus able to contribute directly to the development and review of various essential strategy documents for the Fund.

There remains a positive relationship between the Pension Board and Pension Committee for which the Board is grateful.

In undertaking its remit of discharging its oversight and scrutiny roles the Pension Board reviews a wide range of the Pension Fund's activities.

#### **Regular items on the agendas included the:**

- monitoring and review of investment performance, strategies and associated costs in the context of the Fund's potential liabilities for future pensions;
- consideration of any breaches of regulations under the breaches policy in the context of the potential need for such breaches (including cyber) to be reported to The Pension Regulator;
- regular examination of the risk register with the Board making suggestions for any revisions thought necessary;
- consideration of the performance of the pension administration function including examining workflow, data quality, resourcing and related performance statistics;
- receipt of updates on the performance, governance and new initiatives associated with the Welsh Pension Partnership;
- consideration of developments affecting the LGPS;
- progress made on ESG issues;
- review of the training and development plans and achievements of the Pension Board and Pension Committee in this respect; and,
- review of any internal and external audit reports relevant to the fund.

The Board pays particular attention to monitoring the achievement of relevant deadlines for specific activities (e.g. issuing the Annual Benefit Statements by the required due date). One material breach was reported to the Pension Regulator during the year but due to the actions of the Administering Authority no action was taken by the Regulator. Here, the Board would like to pay tribute to the way in which the administration of the Fund operates. During the year it was observed that there is the continued momentum shown in previous years for the development of administrative and governance procedures as the pension environment changes and evolves rapidly around the Fund.

## Chairman's Update

In the interests of the Board's activities being transparent the agendas, names and roles of Board members together with minutes for the Pension Board's meetings are available on the Pension Fund's website.

As outlined above this year's agendas continued the practice of previous years of monitoring the progress of the all Wales Pension Partnership (WPP). This activity, in addition to monitoring the progress of the Partnership against defined objectives and deadlines, continued to cover such important items as reviewing the development of its governance arrangements. These governance arrangements are continuing to evolve. A number of positive developments took place over the last financial year in these respects. These arrangements will inevitably continue to develop.

All pension board chairs in Wales continued to meet with officer representatives of the WPP and its external advisors during 2024/25. These meetings give an all Wales perspective in terms of the governance of pension funds and the performance of the Pool's investments.

In addition, the member representative for the WPP, who attends the Joint Governance Committee, reports to the Chair's meetings giving the opportunity for direct feedback on the functioning of that committee. This forum aids building good working relationships between board chairs, the host authority and Pool thus helping strengthen overall governance of Welsh pension funds. The RCT Pension Board is given feedback on the outcomes of these six monthly meetings.

Members of the Pension Board attended regular training both internally and externally. Welsh Pension Partnership on line training has been particularly well received across Wales and is well attended. All sessions are aimed at keeping delegates up to date with developments in what is becoming an increasingly complex and demanding field. Other ad hoc training is undertaken with external providers as necessary. Continuous professional development is obviously important and it is anticipated that such associated requirements will be increasingly enhanced over time as the Pension Regulator further develops its governance requirements for pension funds. A complete record of all training is kept for each member and is discussed at each Pension Board. In addition, in relation to such training, processes are in place to disseminate the outcomes of any such individual training to all Board members and, as appropriate, within the Administering Authority.

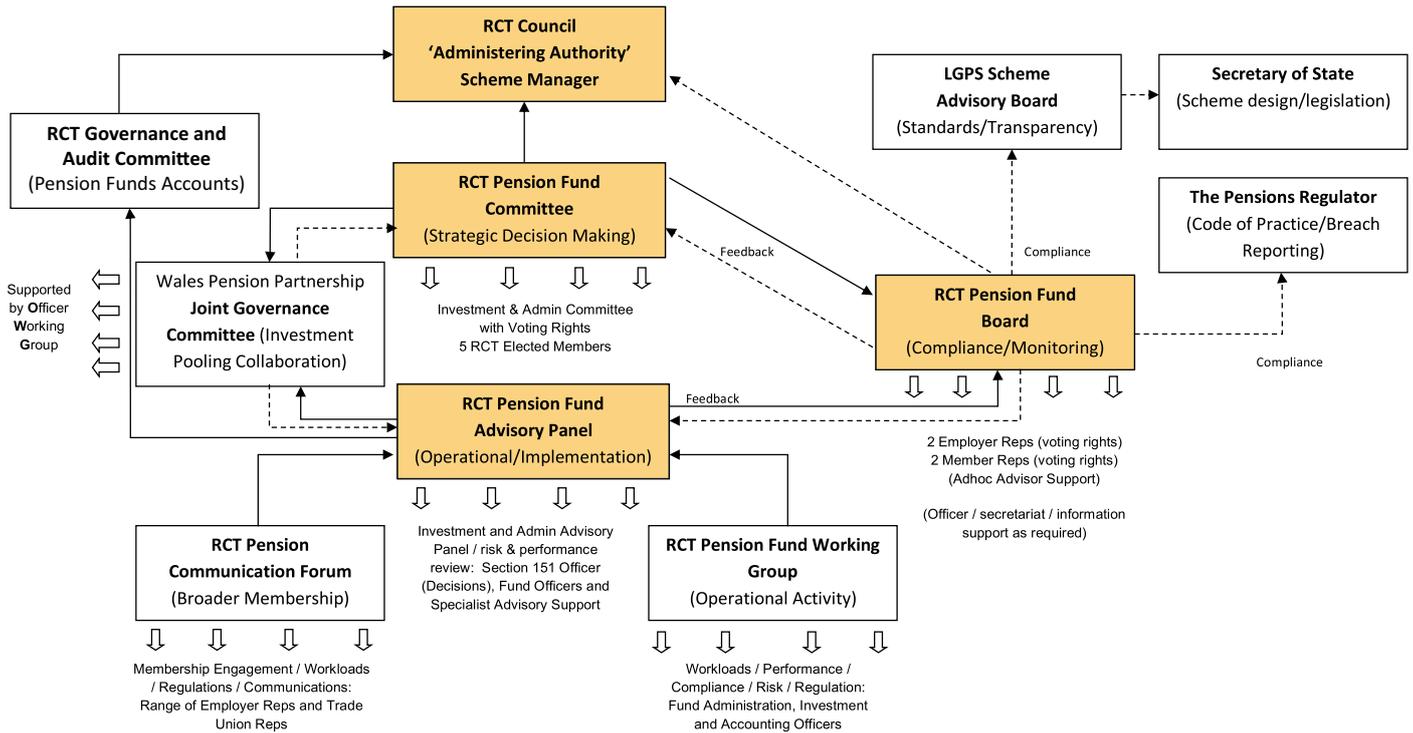
A number of significant initiatives relevant to the Board that also impact on scheme administration occurred in 2024/25 or, were continued from previous years. To give some context for this report to the work of the Board some details of these initiatives are set out below:-

- the revised final general (single) code of practice dealing with the governance and administration of pension funds was issued by The Pensions Regulator and came into force in March 2024. A detailed own risk assessment process for the governance of the fund against the code was established in 2024/25. This extensive analysis will be concluded in 2025/26;
- the McCloud judgement has resulted in a large amount of work for the administration team given the complexity of the task. This will also be ongoing in 2025/26. An internal audit report on the work carried out to date has given substantial assurance on the processes being followed;
- the Pension Dashboard Programme, which aims to allow people to access information on their pensions to better manage those pensions, has placed demands on administrative resources but to date is on track to meet the required deadlines in 2025 and beyond; and finally,
- a consultation Local Government Pension Scheme (England and Wales) Fit for the Future was considered by the Board. It has very significant implications for the management of the investment activities of all Welsh pension funds and will result in major changes for WPP. It is pleasing to report that the response to the consultation and actions resulting from it have been transparent in line with good governance processes. Pension Committee, Pension Board chairs and Pension Board members have been regularly briefed on the response by WPP and have had the opportunity to input into the consultation and the resulting actions.

Finally, I am grateful to my fellow pension board members and the officers and staff supporting the Board for their work, contributions and continued support.

**Professor Hugh Coombs**  
Chair, RCT Pension Board

## Governance Structure



## Pension Governance Attendance 2024/2025

This table shows the attendance at meetings during the year.

|                  | Investment and Administration Panel | Pension Fund Working Group | Pension Fund Communications Forum | Pension Fund Discretion Panel |
|------------------|-------------------------------------|----------------------------|-----------------------------------|-------------------------------|
|                  | Total meetings held: 4              | Total meetings held: 4     | Total meetings held: 2            | Total meetings held: 3        |
| Barrie Davies    | 2                                   | 1                          | 1                                 | -                             |
| Paul Griffiths   | 4                                   | 3                          | -                                 | -                             |
| Ian Traylor      | 3                                   | 4                          | 2                                 | 3                             |
| Stephanie Davies | 1                                   | 1                          | -                                 | -                             |
| Yvonne Keitch    | 4                                   | 4                          | 2                                 | -                             |
| Vanessa Thomas   | 3                                   | 4                          | -                                 | -                             |
| Catherine Black  | 1                                   | 4                          | 1                                 | 3                             |
| Gemma Penning    | -                                   | 4                          | -                                 | 3                             |
| Tim Jenkins      | -                                   | -                          | 2                                 | -                             |

## Pension Fund Committee and Board Attendance 2024/2025

|   | Board Meetings<br>No. of meetings held:<br>5 | Committee Meetings<br>No. of meetings held:<br>4 |
|---|--|--|
| Prof. Huw Coombs<br>Chair                 | 5  | Councillor M Norris (Chair) 4                    |
| Rob Whiles<br>Member Representative       | 5  | Councillor C Leyshon 4                           |
| David Francis<br>Employer Representative  | 3  | Councillor K Johnson 1                           |
| Darren Griffiths<br>Member Representative | 4  | Councillor M Ashford 4                           |
|   |  | Councillor N Morgan 4                            |
|   |  | Councillor S Trask -                             |

## Knowledge and Skills

To identify the skills required by decision makers for the Local Government Pension Scheme CIPFA have developed a knowledge and skills framework which the Fund have adopted to ensure all panel and working group members have the required level of knowledge.

The core requirements are

- Pensions legislative and governance context
- Pensions accounting and auditing standards
- Financial services procurement and relationship management
- Investment performance and risk management
- Financial markets and products knowledge
- Actuarial methods, standards and practices

Members of panels and working groups for the Rhondda Cynon Taf Fund regularly attend training sessions to ensure a full understanding of the Local Government Pension Scheme, including legislation, scheme benefits, investment strategy, actuarial methods and pensions accounting.

| Audience  | Area of Framework                        | Delivered by                                    | Date            |
|---|--|---|-----------------|
| Director, Pension, Procurement and Transactional Services, Pensions Service Manager, Digitalisation and Communications Manager, Principal Accountant Pension Fund & Treasury Management, Pensions Service Manager, Digitalisation and Communications Manager, Senior Team Leader (Pensions) | Pensions Legislative and Governance      | LGPS Live Webinar                               | 10th April 2024 |
| Pensions Service manager, Digitalisation and Communications Manager   | Pensions Legislative and Governance      | Heywood   | 11th April 2024 |
| Principal Accountant, Pension Fund & Treasury Management  | Financial Markets and Products Knowledge | WPP and Baillie Gifford                         | 11th April 2024 |
| Councillor Norris, Principal Accountant Pension Fund & Treasury Management  | Financial Markets and Products Knowledge | LAPFF   | 17th April 2024 |
| Pensions Service manager, Digitalisation and Communications Manager   | Pensions Legislative and Governance      | Heywood   | 17th April 2024 |
| Principal Accountant, Pension Fund & Treasury Management  | Financial Markets and Products Knowledge | Cross Pool Responsible Investment Working group | 24th April 2024 |
| Director, Pension, Procurement and Transactional Services, Pensions Service Manager, Digitalisation and Communications Manager, Pensions Service Manager, Digitalisation and Communications Manager, Senior Team Leader (Pensions)  | Pensions Legislative and Governance      | Aon   | 14th May 2024   |
| Director, Pension, Procurement and Transactional Services, Pensions Service Manager, Digitalisation and Communications Manager, Service Director, Finance and Improvement Services  | Financial Markets and Products Knowledge | WPP   | 24th May 2024   |
| Pensions Service Manager, Digitalisation and Communications Manager, Senior Team Leader (Pensions)  | Pensions Legislative and Governance      | Heywood   | 31st May 2024   |
| Digitalisation and Communications Manager   | Pensions Legislative and Governance      | Heywood   | 14th June 2024  |
| Various members of Pension Fund Investment & Administration Advisory Panel and Pension Committee  | Pensions Legislative and Governance      | WPP   | 18th June 2024  |
| Members of Pension Fund Investment & Administration Advisory Panel  | Pensions Legislative and Governance      | Fund managers                                   | 27th June 2024  |
| Members of Pension Fund Investment & Administration Advisory Panel  | Financial Markets and Products Knowledge | Fund managers                                   | 27th June 2024  |
| Pensions Service Manager, Digitalisation and Communications Manager, Senior Team Leader (Pensions)  | Pensions Legislative and Governance      | Pensions Officer Group                          | 28th June 2024  |

| <b>Audience</b>   | <b>Area of Framework</b>                                   | <b>Delivered by</b>    | <b>Date</b>  |
|---|--|------------------------|--|
| Pensions Service Manager, Digitalisation and Communications Manager   | Legislative and Governance                                 | Heywood                | 10th and 11th July 2024                            |
| Councillor Norris and Principal Accountant Pension Fund & Treasury Management   | Financial Markets and Products Knowledge                   | LAPFF                  | 12th July 2024                                     |
| Pension Service Manager, Senior Team Manager  | Pensions Legislative and Governance                        | LGA                    | 22nd July 2024                                     |
| Pensions Service Manager, Digitalisation and Communications Manager, Senior Team Leader (Pensions)  | Pensions Legislative and Governance                        | Heywood                | 8th August 2024                                    |
| Councillor Norris and Service Director, Finance and Improvements Services   | Pensions Legislative and Governance                        | WPP                    | 18th September 2024                                |
| Councillor Norris and Service Director, Finance and Improvements Services   | Financial Markets and Products Knowledge                   | WPP                    | 18th September 2024                                |
| Pensions Service Manager  | Pensions Legislative and Governance                        | Heywood                | 25th September 2024                                |
| Members of Pension Fund Investment & Administration Advisory Panel  | Pensions Legislative and Governance                        | Fund managers          | 30th September 2024                                |
| Members of Pension Fund Investment & Administration Advisory Panel  | Financial Markets and Products Knowledge                   | Fund managers          | 30th September 2024                                |
| Councillor Christina Leyshon  | Pensions Legislative and Governance                        | LGA                    | Various dates during October 2024 to December 2024 |
| Councillor Christina Leyshon  | Pensions Accounting and Audit Standards                    | LGA                    | Various dates during October 2024 to December 2024 |
| Councillor Christina Leyshon  | Financial Services Procurement and Relationship Management | LGA                    | Various dates during October 2024 to December 2024 |
| Councillor Christina Leyshon  | Investment Performance and Risk Management                 | LGA                    | Various dates during October 2024 to December 2024 |
| Councillor Christina Leyshon  | Financial Markets and Products Knowledge                   | LGA                    | Various dates during October 2024 to December 2024 |
| Pensions Service Manager  | Pensions Legislative and Governance                        | LGPS Live Webinar      | 2nd October 2024                                   |
| Pensions Service Manager  | Pensions Legislative and Governance                        | LGA                    | 8th October 2024                                   |
| Senior Team Leader (Pensions), Digitalisation and Communications Manager, Senior Team Leader (Pensions)   | Pensions Legislative and Governance                        | Heywood User Group     | 8th October 2024                                   |
| Councillors of Pension Committee  | Risk Management (Cyber Security)                           | Head of ICT            | 9th October 2024                                   |
| Pensions Service Manager, Senior Team Leader (Pensions)   | Pensions Legislative and Governance                        | Pensions Officer Group | 18th October 2024                                  |
| Councillors of Pensions Committee, Members of Pension Fund Investment & Administration Advisory Panel, Pensions Service Manager, Senior Team Manager (Pensions) | Pensions Legislative and Governance Context                | Annual General Meeting | 12th November 2024                                 |
| Councillors of Pensions Committee, Members of Pension Fund Investment & Administration Advisory Panel, Pensions Service Manager, Senior Team Manager (Pensions) | Investment Performance and Risk Management                 | Annual General Meeting | 12th November 2024                                 |

| <b>Audience</b>   | <b>Area of Framework</b>                    | <b>Delivered by</b>  | <b>Date</b>                |
|---|---|--|----------------------------|
| Councillors of Pensions Committee, Members of Pension Fund Investment & Administration Advisory Panel, Pensions Service Manager, Senior Team Manager (Pensions) | Pensions Legislative and Governance Context | Annual General Meeting   | 12th November 2024         |
| Councillor Norris and Principal Accountant Pension Fund & Treasury Management   | Financial Markets and Products Knowledge    | Waystone   | 15th and 16th October 2024 |
| Various members of Pension Fund Investment & administration Panel and Pension Committee   | Pensions Legislative and Governance         | WPP  | 18th October 2024          |
| Pensions Service Manager, Senior Team Leader (Pensions)   | Pensions Legislative and Governance         | Pensions Managers Conference                                       | 19th & 20th November 2024  |
| Members of Pension Fund Investment & Administration Advisory Panel  | Pensions Legislative and Governance         | Fund managers  | 25th November 2024         |
| Members of Pension Fund Investment & Administration Advisory Panel  | Financial Markets and Products Knowledge    | Fund managers  | 25th November 2024         |
| Pensions Service Manager  | Pensions Legislative and Governance         | Prudential   | 25th November 2024         |
| Pensions Service Manager  | Actuarial Method, Standards and Practices   | Prudential   | 25th November 2024         |
| Various members of Pension Fund Investment & Administration Advisory Panel and Pension Committee  | Pensions Legislative and Governance         | WPP  | 28th November 2024         |
| Digitalisation and Communications Manager   | Actuarial Method, Standards and Practices   | Heywood  | 4th December 2024          |
| Councillor Norris   | Financial Markets and Products Knowledge    | LAPFF  | 4th to 6th December 2024   |
| Councillor Norris   | Pensions Legislative and Governance         | LAPFF  | 4th to 6th December 2024   |
| Councillors of Pension Committee  | Pensions Legislative and Governance Context | LAPFF  | 11th December 2024         |
| Pensions Service Manager, Senior Team Leader (Pensions)   | Pensions Legislative and Governance         | Pensions Officer Group   | 13th December 2024         |
| Principal Accountant, Pension Fund & Treasury Management  | Pensions Legislative and Governance         | Cross Pool Responsible Investment Working Group                    | 14th January 2025          |
| Councillor Norris and Principal Accountant Pension Fund & Treasury Management   | Financial Markets and Products Knowledge    | LAPFF  | 29th January 2025          |
| Councillor Norris, Service Director, Pension, Procurement and Transactional Services.   | Pensions Legislative and Governance         | LGA  | 30th and 31st January 2025 |
| Pensions Service Manager, Senior Team Leader (Pensions)   | Pensions Legislative and Governance         | Aon  | 10th February 2025         |
| Pension, Procurement and Transactional Services, Pension Service Manager  | Pensions Legislative and Governance         | LGPS Live Webinar  | 12th February 2025         |
| Councillor Trask  | Pensions Legislative and Governance         | Service Director, Pension, Procurement and Transactional Services. | February and March 2025    |
| Councillor Trask  | Pensions Accounting and Audit Standards     | Service Director, Pension, Procurement and Transactional Services. | February and March 2025    |

| <b>Audience</b>  | <b>Area of Framework</b>                                   | <b>Delivered by</b>  | <b>Date</b>             |
|--|--|--|-------------------------|
| Councillor Trask   | Financial Services Procurement and Relationship Management | Service Director, Pension, Procurement and Transactional Services. | February and March 2025 |
| Councillor Trask   | Investment Performance and Risk Management                 | Service Director, Pension, Procurement and Transactional Services. | February and March 2025 |
| Councillor Trask   | Financial Markets and Products Knowledge                   | Service Director, Pension, Procurement and Transactional Services. | February and March 2025 |
| Members of Pension Fund Investment & Administration Advisory Panel                               | Pensions Legislative and Governance                        | Fund managers  | 3rd March 2025          |
| Members of Pension Fund Investment & Administration Advisory Panel                               | Financial Markets and Products Knowledge                   | Fund managers  | 3rd March 2025          |
| Senior Team Leader (Pensions), Digitalisation and Communications Manager                         | Actuarial Method, Standards and Practices                  | Heywood  | 12th March 2025         |
| Pensions Service Manager, Senior Team Leader (Pensions)  | Pensions Legislative and Governance                        | Pensions Officer Group   | 14th March 2025         |
| Various members of Pension Fund Investment & Administration Advisory Panel and Pension Committee | Pensions Legislative and Governance                        | WPP  | 24th March 2025         |
| Pension Fund Committee   | Financial Markets and Products Knowledge                   | Waystone and Russell Investments                                   | 26th March 2025         |
| Councillor Norris, Service Director, Finance and Improvement Services                            | Financial Markets and Products Knowledge                   | LGC  | 26th March 2025         |

# Partners

## Scheme Actuary:



### Aon Solutions UK

**The primary role of the actuary is to provide the fund with information about the fund's liabilities and the best way of meeting these liabilities.**

A valuation of the fund takes place every three years that enables the actuary to calculate liabilities versus the fund's assets. The actuary will then recommend appropriate contribution rates for employers to help prevent any future shortfalls.

Aon were appointed as the scheme's actuary in October 2003.

## Fund Auditor:



### Audit Wales

**Audit Wales is independent of government and is responsible for the annual audit of some £21 billion of annual public expenditure.**

Its mission is to promote improvement, so that people in Wales benefit from accountable, well-managed public services that offer the best possible value for money.

## AVC Provider:



### Prudential

**Prudential were appointed as the fund's Additional Voluntary Contributions (AVC) provider in 2002.**

As a leading Local Government AVC provider, they work closely with our Pensions Section in ensuring members are aware of their options in topping up their existing pension provision.

## Fund Legal Advisors:



### Eversheds

# Partners

## Fund Managers:

The investment of the Pension Fund's assets is the responsibility of external Fund Managers appointed by the Fund.

These Fund Managers are given specific mandates and performance targets, which are monitored by the Rhondda Cynon Taf Investments Administration Advisory Panel at quarterly meetings.



### Baillie Gifford Asset Management

**Baillie Gifford is an Edinburgh based investment management partnership founded in 1908.** They were appointed by the fund to manage global equities in 2005, and now have two separate equity mandates.



### BlackRock Investment Management

**BlackRock Investment Management is one of the largest asset management firms in the world, across a broad range of investment assets.**

They were appointed to a UK equity mandate by the fund in 2010, a fixed interest mandate in 2020 and an infrastructure mandate in 2022.



### CBRE

**CBRE is the world's leading commercial real estate advisor.**

They have managed a property portfolio for the fund since they acquired the previous manager ING in October 2011.



STATE STREET

### State Street

**State Street is a leading U.S. based provider of financial services to institutional investors.**

State Street provides a custody and performance measurement service for the RCT Pension Fund.



### Waystone

**The FCA authorised operator of the Wales Pension Partnership.**

Former operator was Link.



### GCM Grosvenor

**GCM Grosvenor is a closed ended infrastructure manager of the WPP.**



### Capital Dynamics

**Capital Dynamics is the local Investment Manager of the WPP.**

# Further Information

More information about the Scheme can be found in the Members Guide available at  
→ [www.rctpensions.org.uk](http://www.rctpensions.org.uk)

## Contributors' Contact Information

For information about the Local Government Pension Scheme and pension matters in general please contact:

**The Pensions Helpdesk** ☎ 01443 680611  
✉ [pensions@rctcbc.gov.uk](mailto:pensions@rctcbc.gov.uk)

or write to:

**Pension Section**  
Rhondda Cynon Taf County Borough Council  
Oldway House, Porth  
CF39 9ST

**Pensions Administration Policy** **Mr Ian Traylor**  
Service Director Pensions, Procurement & Transactional Services  
☎ 01443 680611  
✉ [ian.d.traylor@rctcbc.gov.uk](mailto:ian.d.traylor@rctcbc.gov.uk)

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Senior Team Manager – Digital, Communications and Governance  
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Mae croeso i chi gyfathrebu â ni yn y Gymraeg  
You are welcome to communicate with us in Welsh