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FRIDAY, 12TH JANUARY, 2018

TO: ALL MEMBERS OF THE DYFED PENSION FUND PENSION BOARD

I HEREBY SUMMON YOU TO ATTEND A MEETING OF THE **DYFED PENSION FUND PENSION BOARD** WHICH WILL BE HELD IN THE **DEMOCRATIC SERVICES COMMITTEE ROOM, COUNTY HALL, CARMARTHEN AT 3.00 P.M. ON THURSDAY, 18TH JANUARY, 2018** FOR THE TRANSACTION OF THE BUSINESS OUTLINED ON THE ATTACHED AGENDA

Mark James CBE

CHIEF EXECUTIVE



PLEASE RECYCLE

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**DYFED PENSION FUND PENSION BOARD
MEMBERSHIP**

Catherine Davies	Active Member Representative
Ian Eynon	Employer Member Representative
Cllr. Philip Hughes	Employer Member Representative
John Jones	Chair of the Board
Mark Miles	Employer Member Representative
Mike Rogers	Pensioner Member Representative
Janet Wyer	Union Member Representative

AGENDA

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2. DECLARATIONS OF PERSONAL INTEREST.
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MONDAY, 9TH OCTOBER, 2017

PRESENT: Mr J. Jones [Chair]

Mr I. Eynon [Pembrokeshire County Council – Employer Rep]
Councillor P. Hughes [Carmarthenshire County Council – Employer Rep]
Mr M. Rogers [Pensioner Rep]

Also Present:

Councillor D.E. Williams, Chair of the Dyfed Pension Fund Committee

The following Officers were in attendance:

Mr C. Moore	-	Director of Corporate Services
Mr A. Parnell	-	Treasury & Pensions Investment Manager
Mr K. Gerard	-	Pensions Manager
Ms T. Williams	-	Assistant Accountant
Mrs M. Evans Thomas	-	Principal Democratic Services Officer

Committee Room 1, 3 Spilman Street, Carmarthen : 3.00 p.m. - 3.55 p.m.

1. APOLOGIES AND OTHER MATTERS

Apologies for absence were received from Ms Catherine Davies, Mr Mark Miles and Ms Janet Wyer.

The Chair welcomed Councillor Philip Hughes to his first meeting.

The Chair informed the Board that the Dyfed Pension Fund won the Scheme Administration and LGPS Fund of the Year (under £2.5bn) awards at the recent LAPF Investments Awards Ceremony. The Dyfed Pension Fund was the only Fund to win 2 awards at the Ceremony. The Chair referred to the fact that there were many funds competing for these awards and congratulated all involved.

2. DECLARATIONS OF PERSONAL INTEREST

There were no declarations of personal interest.

3. MINUTES OF THE PENSION BOARD MEETING HELD ON 19TH JULY, 2017

AGREED that the minutes of the Pension Board meeting held on 19th July, 2017 be confirmed as correct record.

4. DYFED PENSION FUND COMMITTEE MEETING - 21ST SEPTEMBER 2017

The Board received for consideration the following reports which had been considered by the Dyfed Pension Fund Committee at its meeting held on 21st September, 2017:-

4.1. AUDIT OF FINANCIAL STATEMENTS REPORT - DYFED PENSION FUND.

The Board considered the Audit of Financial Statements Report for the Dyfed Pension Fund which had been prepared by the Wales Audit Office. The report detailed the matters arising from the audit which required reporting under ISA 260.

The Auditor General is responsible for providing an opinion on whether the financial statements of the Dyfed Pension Fund give a true and fair view of their financial position as at 31st March, 2017 and of its income and expenditure for the year ended.

It was noted that it was the Auditor General's intention to issue an unqualified audit report on the financial statement and that there were no misstatements identified which remained uncorrected.

The following question was asked in relation to the report:-

- Asked whether the misstatements were minor the Treasury & Pensions Investment Manager advised that they related to presentational items only e.g. grammatical and formatting errors.

The Director of Corporate Services informed the Board that the signed accounts had been received back from the Auditor so last year's accounts were now officially closed.

AGREED that the report be noted.

4.2. DYFED PENSION FUND STATEMENT OF ACCOUNTS 2016-17

The Board considered the Dyfed Pension Fund Financial Statements for 2016/17.

The position of the Fund as at 31st March, 2017 valued the total assets at £2,343m, an increase of £443m from 31st March, 2016.

£2,335m of assets are managed by our Investment Managers and the remaining £8m is the balance of current assets and liabilities within Carmarthenshire County Council.

The value of the assets managed by our Investment Managers is as follows:-

BlackRock	£1,593m
Schroders	£ 185m
Partners Group	£ 37m
Baillie Gifford	£ 271m
Columbia Threadneedle	£ 249m
TOTAL	£2,335m

Investment Management fees for 2016/17 totalled £5.9m which equated to 0.25% of the total assets invested.

AGREED that the report be noted.

4.3. DYFED PENSION FUND BUDGET MONITORING

The Board considered the Budget Monitoring report for the Dyfed Pension Fund which provided an update on the latest budgetary position in respect of 2017/18.

The current position as at 31st August, 2017 forecast an underspend of £66.8m for 2017/18. From this figure £1.0m underspend related to cash items that had the most impact on the daily cash flow of the Fund. The remaining £65.8m underspend related to non-cash items.

Cash Items

Based on current activity to date, it was estimated that Benefits Payable and Transfers out will be underspent by £4.3m. This was mainly influenced by the uncontrollable nature of lump sum payments and transfer out of the Fund. Contributions and investment income contributed a further £3.6m underspend. This was due to additional investment income required to keep a positive cash flow to cover £6.9m payment to the Investment Managers to meet investment commitments. The £7.9m underspend less £6.9m payments to the Investment Managers resulted in a £1.0m underspend estimate for the year.

Non-cash Items

£62.8m of the £65.8m underspend was due to an increased value of realised gains. This occurred from the segregated passive equities transition which took place in April 2017 as part of the Wales Pension Partnership joint procurement. The non-cash items have no impact on the daily cash flow of the fund.

The following question was asked in relation to the report:-

- Asked if the £2.3m Benefits Payable variance projected to the year end was larger than expected, the Pensions Manager explained that it is impossible to accurately predict how many staff will retire or pass away during the year, so an estimate based on previous years' figures is used.

AGREED that the report be noted.

4.4. DYFED PENSION FUND CASH RECONCILIATION

The Board considered the Cash Reconciliation report which provided an update on the cash position in respect of the Dyfed Pension Fund.

As at 31st July, 2017 £11.3m cash was being held by Carmarthenshire County Council on behalf of the Fund for immediate cash flow requirements to pay pensions, lump sums and investment management costs.

AGREED that the report be noted.

4.5. BREACHES REPORT

The Board considered the Breaches Report in relation to the Dyfed Pension Fund. Section 70 of the Pension Act 2004 sets out the legal duty to report breaches of the law. In the Code of Practice No. 14, published by the Pensions Regulator in April 2015, paragraphs 241 to 275 provide guidance on reporting these breaches. The Dyfed Pension Fund Breaches Policy was approved by the Dyfed Pension Fund Panel in March 2016.

Under the policy, breaches of the law are required to be reported to the Pensions Regulator where there was a reasonable cause to believe that:-

- a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with;
- the failure to comply was likely to be of material significance to the Regulator in the exercise of any of its functions.

AGREED that the report be noted.

4.6. IMPLEMENTATION OF THE MARKETS IN FINANCIAL INSTRUMENTS DERIVATIVE (MiFID II)

The Board was advised that under the current UK regime, Local Authorities are automatically categorised as per se professional clients in respect of non-MiFID (Markets in Financial Instrument Directive) scope business and are categorised as per se professional clients for MiFID scope business if they satisfy the MiFID Large Undertakings test. Local Authorities that do not satisfy the Large Undertakings test may opt up to elective professional client status if they fulfil certain opt-up criteria.

Following the introduction of MiFID II (Markets in Financial Instrument Directive 2014/65) as from 3rd January 2018 firms will no longer be able to categorise a local public authority or a municipality that (in either case) does not manage public debt (local authority) as a per se professional client or elective eligible counterparty for both MiFID and non-MiFID scope business. Instead, all local authorities must be classified as retail clients unless they are opted up by firms to an elective professional client status.

Furthermore, the FCA has exercised its discretion to adopt gold-plated opt-up criteria for the purposes of the quantitative opt-up criteria, which local authority clients must satisfy in order for firms to reclassify them as an elective professional client.

AGREED that the report be noted.

5. TERMS OF OFFICE

The Board considered a report detailing options for members' terms of office.

The Board's Terms of Reference state that Employer Representatives, Scheme Member Representatives and the Independent Member/Chair are appointed for a period of up to three years from the date of establishment of the Pension Board or the date of their individual appointment if later. This period may be extended for up to five years if agreed by the Section 151 Officer. Members may be re-appointed for further terms following an appointment process.

All existing Board members were appointed on 1st April, 2015 (with the exception of the Carmarthenshire Employer representative who had only recently been appointed) and therefore their initial three year period will expire on 31st March, 2018.

The following observations were made in relation to the report:-

- the importance was stressed of the need for continuity and retention of experience and it was felt that this could be addressed by the introduction of staggered appointments;
- all members present indicated that they are happy to extend their terms of office and the intentions of those members not present today could be ascertained at the next meeting;
- it was noted that the Active Members Representative had indicated that she did not wish to extend her term of office when her current term ends.

AGREED

5.1 that the appointment process for the Active Member Representative be commenced as soon as possible;

5.2 that this item be placed on the agenda for the next meeting.

6. PENSION BOARD INSURANCE

The Board considered a report detailing options for Pension Board Liability Insurance.

As the Pension Board is not a Council Committee it was uncertain as to whether Board Members are officials who fall within the scope of the Council's own indemnity provisions. The effect of which could be that Board Members could find themselves personally liable for significant costs.

It was also recognised that there are varying views being taken with regard to member liability within the Pension Boards across the LGPS with no consensus currently.

Liability insurance quotes had been received from Aon and Hymans, as detailed below:-

- AON (Ace European Group Ltd)	-	£1m cover for £2,500
		£5m cover for £4,500
- Hymans (Lockton)	-	£1m cover for £2,500
	-	£5m cover for £5,000

AGREED that officers proceed to arrange £5m Liability Insurance cover for members of the Pension Board with AON (as detailed above) and the position be reviewed in 12 months' time.

7. URGENT BUSINESS

The Chair advised that there was no urgent business to be considered.

CHAIR

DATE

DYFED PENSION FUND PENSION BOARD

DATE 18/01/2018

Dyfed Pension Fund Committee Meeting 27 November 2017

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

The Pension Board to note and comment on the minutes and actions of the Dyfed Pension Fund Committee meeting on 27/11/2017.

REASONS:

To inform the Pension Board of the meeting of the Dyfed Pension Fund Committee that was held by on 27/11/2017.

Report Author: Chris Moore	Designation: Director of Corporate Services, Carmarthenshire County Council	Tel No. 01267 224120 E. Mail: CMoore@carmarthenshire.gov.uk
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DYFED PENSION FUND PENSION BOARD

DATE 18/01/2017

Dyfed Pension Fund Committee Meeting 27 November 2017

BRIEF SUMMARY OF PURPOSE OF REPORT

A Pension Fund Committee meeting was held on 27/11/2017 and the following agenda items were considered and noted:

- Budget Monitoring as at 31 October 2017
- Cash Reconciliation as at 30 September 2017
- Breaches Report
- Risk Register
- Wales Pension Partnership
 - Workstream Summary
 - DCLG Autumn Review Submission
- MIFiD II

The minutes of the meeting are also attached for information.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

Policy, Crime & Disorder and Equalities	Legal	Finance	Risk Management Issues	Staffing Implications
NONE	NONE	NONE	NONE	NONE

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection/WEBSITE LINK

Dyfed Pension Fund

Budget Monitoring

1st April 2017 - 31st October 2017

	Budget Type	Actual 2016-17	Budget 2017-2018	Total income/ expenditure to date	Forecast Commitments	Actual income/ expenditure at year end	End of year variance	%	Assumptions/Comments
	Controllable / Non Controllable	£ '000 (a)	£ '000 (b)	£ '000 (c)	£ '000 (d)	£ '000 (e)	£ '000 (f)		
Expenditure									
Benefits Payable	Both	71,900	72,201	41,974	28,364	70,338	-1,863	-2.6	
Pensions Payable	Controllable	57,025	59,201	34,380	24,558	58,938	-263		2.5% additional budget includes new pensioners and pension increase. Forecast increase now estimated at 2.0%.
Commutation and lump sum retirement benefits	Non Controllable	13,041	11,500	7,110	3,390	10,500	-1,000		Forecast based on activity to date
Lump sum death benefits	Non Controllable	1,834	1,500	484	416	900	-600		Forecast based on activity to date
Payments to and account of leavers	Non Controllable	3,452	4,100	1,333	767	2,100	-2,000	-48.8	Forecast based on activity to date
Management Expenses		5,531	6,199	2,625	3,585	6,210	11	0.2	
Computer Software	Controllable	205	300	188	112	300	0		Budget includes £40k website host fees
Printing charges	Controllable	21	25	10	11	21	-4		
Subscriptions, Legal fees, Conf Exps, Med Exps	Controllable	76	71	35	33	68	-3		
Fund Managers									
BlackRock	Controllable	1,085	1,360	229	930	1,159	-201		Budget based on management fees before discounted fees now charged as part of the Wales Pension Partnership joint procurement of passive equities.
Baillie Gifford	Controllable	980	1,040	583	570	1,153	113		Quarterly fees based on June 17 invoices
Columbia Threadneedle	Controllable	860	900	237	711	948	48		Quarterly fees based on June 17 invoices
Schroders	Controllable	469	480	116	360	476	-4		Quarterly fees based on June 17 invoices
Partners Group	Controllable	599	700	186	555	741	41		Quarterly fees based on June 17 invoices
Custodian									
Northern Trust	Controllable	50	56	8	42	50	-6		
Actuary									
Mercer	Controllable	90	68	37	45	82	14		£16k fees relating to 16-17. Amount was not declared for accrual due to delayed invoicing by Mercer.
Performance Manager									
National Framework Providers	Controllable	4	20	1	19	20	0		
Independent Advisor									
E. Lambert	Controllable	19	19	9	19	28	9		
Other									
Euraplan, LSE, Allenbridge	Controllable	26	21	16	10	26	5		£5k Acturaial services framework joining fee
All Wales Pooling	Controllable	89	100	0	100	100	0		New budget introduced for costs for pooling.
Central recharges	Non Controllable	929	1,010	956	54	1,010	0		Restructure of pensions administration team
Audit fees	Controllable	29	29	14	14	28	-1		
Total Expenditure		80,883	82,500	45,932	32,716	78,648	-3,852		
Income									
Contributions									
Employer	Controllable	-47,261	-48,187	-27,059	-21,362	-48,421	-234	0.5	2017-18 budget based on January 17 contributions including 1% pay increase and amendments to contribution rates and past service deficit amounts as per valuation results
Member	Controllable	-17,815	-17,823	-10,357	-7,541	-17,898	-75	0.4	2017-18 budget based on January 17 contributions including 1% pay increase and amendments to contribution rates and past service deficit amounts as per valuation results
Investment Income	Controllable	-18,595	-16,166	-7,680	-12,000	-19,680	-3,514	21.7	Dividend income receipts now finished due to the transition of passive segregated equities into pooled funds.
Other Income	Controllable	-58	-60	-2	-59	-61	-1	0.8	
Transfers in from other pension funds	Non Controllable	-1,889	-2,000	-192	-1,808	-2,000	0	0.0	
Total Income		-85,618	-84,236	-45,290	-42,770	-88,060	-3,824		
Cash									
Transfer to Fund Managers	Cash	2,500	0	6,900	0	6,900	6,900		£5m BlackRock and £1.9m Partners Group
Net Total of Cash Related Items		-2,235	-1,736	7,543	-10,054	-2,512	-776		
Indirect Transactional Management Fees	Non Cash	1,898	650	0	1,500	1,500	850		New CIPFA Management cost guidance. Estimate based on 16-17 with a reduction due to the move from segregated passive to pooled funds
Investment Income	Non Cash	-12,866	-8,150	-3,587	-4,600	-8,187	-37	0.5	Dividend income retained within the fund
Realised gain/loss	Non Cash	-52,245	-50,000	-113,194	0	-113,194	-63,194	126.4	
Net Total of Non-Cash Related Items		-63,213	-57,500	-116,781	-3,100	-119,881	-62,381		

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Agenda Item 4b

Dyfed Pension Fund Cash Reconciliation

September 2017

Balance b/f 1st April 2017 £7,889,853.14

Investment trades

Sales 219,523,265.04

Purchases -229,551,632.66

-£10,028,367.62

Contributions received £35,474,031.40

Payments made -£38,711,647.97

Dividend Income £9,493,984.17 £6,256,367.60

£4,117,853.12

Total Available for Investment

£4,117,853.12

Represented by :

Cash at Carmarthenshire £4,514,062.16

Cash due to be received/deducted £0.00

CCC Debtors -£43,699.26

CCC Creditors -£352,509.78

£4,117,853.12

£0.00

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Breaches Report

Breach Number	Year	Date of Breach / Likely Breach	Failure Type	A description of the breach (including relevant dates), its cause and effect, including the reasons it is, or is not, believed to be of material significance	Been reported to tPR before	RAG Status	Report to tPR	Actions taken to rectify the breach. A brief descriptions of any longer term implications and actions required to prevent similar types of breaches recurring in the future
1	2016-17	22/11/16 22/12/16	Contributions	Oct EES (£1,139.27) & Nov ERS (£2,897.77) contributions not received until 24/11/16 & 26/12/16 respectively - 3 & 6 days late. Cause: EES - not contacted, received within 3 days, ERS - miscommunication internally within departments Effect: Contributions now been received	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date
2	2016-17	22/5/16 22/6/16	Contributions	April (£17,067.42) & May (£16,700.40) contributions not received until 3/6/16 & 24/6/16 respectively - 12 & 2 days late. Cause: Inadequate system in place Effect: Contributions now been received and subsequent months paid on time	No	Amber	No Report	There are no long term implications associated with this breach. The employer has paid contributions on time since June
3	2016-17	22/5/16 22/6/16 22/7/16	Contributions (PSD)	April, May & June (£3,999.99) Past Service Deficit payment not received until 3/6/16, 30/6/16 & 28/7/16 respectively - 12, 8 and 6 days late. Cause: Internal issues, now resolved Effect: Contributions now been received and subsequent months paid on time	No	Amber	No Report	There are no long term implications associated with this breach. The employer has paid contributions on time since July
4	2016-17	22/5/16 22/6/16 22/7/16 22/9/16	Contributions (PSD)	April, May, June & September (£377) Past Service Deficit payment not received until 25/7/16, 25/7/16, 25/7/16 & 5/10/16 respectively - 64, 33, 3 and 13 days late. Cause: Staff changes and banking issues Effect: Contributions now been received and subsequent months paid on time	No	Amber	No Report	There are no long term implications associated with this breach. The employer has paid contributions on time since September
5	2016-17	19/7/16	Contributions	Apr - June (£452.58) quarterly contributions not received until 30/8/16 - 42 days late. Cause: The cheque had gone lost, new cheque issued once we managed to get hold of her Effect: Contributions now been received and next quarters paid on time	No	Amber	No Report	There are no long term implications associated with this breach. The employer has paid the last quarterly contributions on time
6	2016-17	19/10/16	Contributions	July - September (£6,102.79) quarterly contributions not received until 1/11/16 - 13 days late. Cause: On annual leave, no cover Effect: Contributions now been received	No	Amber	No Report	There are no long term implications associated with this breach. Contributions up to date
7	2016-17	19/10/16	Contributions	September (£1,203.40) contributions not received until 26/10/16 - 7 days late. Cause: On annual leave, no cover Effect: Contributions now been received and subsequent months paid on time	No	Amber	No Report	There are no long term implications associated with this breach. The employer has paid contributions on time since October
8	2016-17	22/10/16	Contributions	September (£591.73) contributions not received until 31/10/16 - 9 days late. Cause: On annual leave, no cover Effect: Contributions now been received and subsequent months paid on time	No	Amber	No Report	There are no long term implications associated with this breach. The employer has paid contributions on time since October
9	2016-17	22/11/16	Contributions (PSD)	October (£525) Past Service Deficit payment not received until 28/11/16 - 7 days late. Cause: On annual leave, no cover Effect: Contributions now been received	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date
10	2016-17	19/1/17	Contributions	December (£2,492.10) contributions not received until 30/1/17 - 11 days late. Cause: Usual employee on annual leave, left for a colleague to action but not done Effect: Contributions now been received	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date

11	2016-17	19/1/17	Contributions (PSD)	December (£91) Past Service Deficit payment not received until 14/2/17 - 26 days late. Cause: Due to staff changes, MCNPT have had problems getting 2 new authorised signatories for online payments. Effect: Contributions now been received-payment has been made up until 31/3/17	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
12	2016-17	17/2/17	Contributions	January (£578.17) contributions not received until 24/02/2017 - 2 days late. Cause: payment overlooked by staff. Effect: Contributions have now been received	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
13	2016-17	17/3/17	Contributions	February (£106,820.56) contributions not received until 29/03/2017 - 7 days late. Cause: Accountancy Manager on sick leave - payment overlooked by other staff. Effect: Contributions have now been received	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
14	2016-17	17/3/17	Contributions (PSD)	February (£1,333.33) Past Service Deficit payment not received until 24/03/2017 - 7 days late. Cause: Finance Manager forgot to do payment. Effect: Contributions have now been received	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
15	2016-17	22/4/17	Contributions	March (£2,626.38) contributions not received until 25/04/2017 - 3 days late (BACS). Cause: Finance Officers were not at work when payment was due to be made (see email). Effect: Contributions have now been received	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
16	2016-17	19/4/17	Contributions	March (£1,438.04) contributions not received until 21/04/2017 - 2 days late. Cause: The only person who can process the payment was on leave during April (see email). Effect: Contributions have now been received	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
17	2017-18	19/7/17	Contributions	June (£1,664.93) contributions not received until 24/07/2017 - 5 days late. Cause: Received late due to Royal Mail. Clerk states that payment was sent to us before 19th of month (payment is normally received early-see email). Effect: Contributions have now been received	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
18	2017-18	19/7/17	Contributions	June (£1,462.27) contributions not received until 20/07/2017 - 1 day late. Cause: Email received 14/07/2017 informing us that the payment will be late due to them moving to Pay Connect and 1 employee was late returning a form. Effect: Contributions have now been received	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
19	2017-18	22/7/17	Contributions (PSD)	April-June (£4,181) Past Service Deficit payment not received until 28/07/2017 - 6 days late. Cause: Finance Officer off sick and works part-time. Effect: Contributions have now been received	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
20	2017-18	22/7/17	Contributions (PSD)	June (£550) Past Service Deficit payment not received until 25/07/2017 - 3 days late. Cause: Finance Officer was on leave (see email). Effect: Contributions have now been received	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
21	2017-18	22/9/17	Contributions	August contributions not received until 6/10/2017 - 14 days late. Cause: Internet banking has been unavailable due to change of account number with bank. Effect: Contributions have now been received	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
22	2017-18	19/10/17	Contributions	September contributions not received until 23/10/2017 - 4 days late. Cause: Linked to a late payment of salaries. Effect: Contributions have now been received	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.

23	2017-18	22/10/17	Contributions	September contributions not received until 23/10/2017 - 1 day late. Cause: Didn't complete all stages for online banking therefore payment didn't leave the account. Effect: Contributions have now been received	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
24	2017-18	22/10/17	Contributions (PSD)	July-September quarter contributions payment not received until 27/10/2017 - 5 days late. Cause: email sent on 26.10.17 asking for reason for late payment but no reply as yet. Effect: Contributions have now been received	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.

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Risk Assessment Form

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager: **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **, 31 October, 2017**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO controls in place)			Risk Control Measures	Assigned To	Target Date (Priority)	Assessment of Current Risk (Assume CURRENT controls in place)			
	Impact	Probability	Risk Rating				Impact	Probability	Risk Rating	
RE390001 - Failure to comply with LGPS regulations as well as other overriding regulations	Substantial	Unlikely	Medium	<ul style="list-style-type: none"> • Altair Development Officer undertakes Altair system checks to ensure compliance with LGPS regulations • Network Groups (Altair & LGPC) • Technical Officer ensures legislative accuracy of calculations • Communication & Training Officer Communication & Training Officer responsible for the maintenance of Online Procedure manuals, and the provision of training to all section staff and employing bodies via site visits. • Continue to act as an "Early Adopter" in conjunction with the system provider to ensure system meets regulatory requirements 	Pensions Manager		Substantial	Improbable	Low	
	4	2	8				4	1	4	

Risk Assessment Form

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager: **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **, 31 October, 2017**

Risk
(Threat to achievement of business
objective)

Assessment of Uncontrolled Risk
(Assume NO controls in place)

Risk Control Measures

Assigned
To

Target Date
(Priority)

Assessment of Current Risk (Assume
CURRENT controls in place)

Impact

Probability

Risk
Rating

Impact

Probability

Risk
Rating

**RE390002 - Failure to respond to
major change to the LGPS following
Public Sector Pension Review**

Substantial

Possible

High

4

3

12

- **Participation in all high level Government discussions and consultations**

Pensions
Manager

Substantial

Improbable

Low

4

1

4

- **Technical Officer ensures legislative accuracy of calculations**

Pensions
Manager

- **Ensure best practice is implemented and DPF is seen as a centre of excellence for pension administration**

Pensions
Manager

- **Continue to be recognised nationally by peers as one of the leaders in pension administration and facilitate site visits**

Pensions
Manager

- **Society of Welsh Treasurers review the suitability of existing and any new pension fund arrangements**

Pensions
Manager
and
Treasury &
Pension
Investments
Manager

- **CIPFA Pensions Network membership**

Treasury &
Pension
Investments
Manager

Risk Assessment Form

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager: **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **, 31 October, 2017**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO controls in place)			Risk Control Measures	Assigned To	Target Date (Priority)	Assessment of Current Risk (Assume CURRENT controls in place)		
	Impact	Probability	Risk Rating				Impact	Probability	Risk Rating
RE390003 - Failure to process accurate pension benefits payments, including lump sum payments, in a timely manner	Significant	Unlikely	Medium	<ul style="list-style-type: none"> Segregation of duties and authorisation of benefits following calculation by Senior Pensions Officer and Pensions Officer 	Pensions Manager		Significant	Improbable	Very Low
	3	2	6	<ul style="list-style-type: none"> Altair Development Officer is responsible for regular system checks regarding calculations 	Pensions Manager		3	1	3
				<ul style="list-style-type: none"> Communication & Training Officer liaises closely with all employing authorities to ensure timely submission of information to DPF 	Pensions Manager				
				<ul style="list-style-type: none"> Payroll deadline procedures in place 	Pensions Manager				
				<ul style="list-style-type: none"> Item in Business Continuity/Disaster Recovery Plan 	Pensions Manager				
				<ul style="list-style-type: none"> Participate in National Fraud Initiative (NFI) 	Pensions Manager				
				<ul style="list-style-type: none"> Life Certificates exercise carried out for all cheque payments 	Pensions Manager				
				<ul style="list-style-type: none"> Undertake reviews of monthly performance to ensure service standards are maintained 	Pensions Manager				
			<ul style="list-style-type: none"> IT Contingency/Resilience Plan in place 	Pensions Manager					

Risk Assessment Form

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager: **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **, 31 October, 2017**

Risk
(Threat to achievement of business objective)

Assessment of Uncontrolled Risk
(Assume NO controls in place)

Risk Control Measures

Assigned To

Target Date
(Priority)

Assessment of Current Risk (Assume CURRENT controls in place)

Impact

Probability

Risk Rating

Impact

Probability

Risk Rating

RE390004 - Failure to collect and account for full receipt of contributions from employers and employees on time

Failure to collect full receipt of pension contributions from employees and employers in line with Regulation guidelines.

Failure of employers' financial systems; absence of key staff; failure to communicate with employers effectively; failure of key systems such as on-line banking and/or financial ledger.

Possible adverse audit opinion; negative cash flow position; delays in producing IAS19 accounting reports; delays in closure of year end accounts; employers forced to leave the scheme.

Substantial

Possible

High

4

3

12

- **Contributions monitoring procedures**

Pensions Manager and Treasury & Pension Investments Manager

Substantial

Unlikely

Medium

4

2

8

- **Formal timescales for receipt of contributions**

Pensions Manager and Treasury & Pension Investments Manager

- **Budget Set and monthly monitoring against the budget**

Pensions Manager and Treasury & Pension Investments Manager

- **Escalation of non receipt of contributions**

Pensions Manager and Treasury & Pension Investments Manager

- **Systems Audit undertaken by Internal Audit and External Auditors**

Pensions Manager and Treasury & Pension Investments Manager

Risk Assessment Form

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager: **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **, 31 October, 2017**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO controls in place)			Risk Control Measures	Assigned To	Target Date (Priority)	Assessment of Current Risk (Assume CURRENT controls in place)		
	Impact	Probability	Risk Rating				Impact	Probability	Risk Rating
RE390005 - Failure to keep pension records up to date and accurate	Significant	Possible	Medium	<ul style="list-style-type: none"> Senior Officers liaise closely with employing authorities to ensure timely and accurate submission of data to DPF 	Pensions Manager		Significant	Improbable	Very Low
	3	3	9				3	1	3
				<ul style="list-style-type: none"> I-Connect ensures that data from employers is identified by a direct transfer from payroll on a monthly basis 	Pensions Manager				
				<ul style="list-style-type: none"> Data accuracy checks undertaken by the pension section prior to continual validation on workflow system 	Pensions Manager				
				<ul style="list-style-type: none"> Data integrity validation is performed monthly by Altair Development Officer 	Pensions Manager				
				<ul style="list-style-type: none"> Data validation checks also undertaken by the DPF's partners (e.g. the Actuary at Valuation) 	Pensions Manager				
				<ul style="list-style-type: none"> Additional validation carried out through NFI 	Pensions Manager				
			<ul style="list-style-type: none"> Opportunity to escalate non-compliance 	Pensions Manager					

Risk Assessment Form

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager: **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **, 31 October, 2017**

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Risk
(Threat to achievement of business objective)

Assessment of Uncontrolled Risk
(Assume NO controls in place)

Risk Control Measures

Assigned To

Target Date (Priority)

Assessment of Current Risk (Assume CURRENT controls in place)

Impact **Probability** **Risk Rating**

Impact **Probability** **Risk Rating**

RE390006 - Failure to hold personal data securely

Substantial **Unlikely** **Medium**
4 2 8

- **Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls**
- **Disaster Recovery Plan for pensions system**
- **Authorised users have unique usernames, and passwords must be changed every 60 days**
- **Documentation is scanned onto the pensions system and paper copies are held for a period of 3 months before shredding**
- **Compliance with the Data Protection Act 1998**
- **Compliance with the Authority's in-house IT policies**
- **Systems and Payroll audit undertaken annually**

Pensions Manager

Pensions Manager

Pensions Manager

Pensions Manager

Pensions Manager

Pensions Manager

Substantial **Improbable** **Low**
4 1 4

Risk Assessment Form

Organisation/Department/Function/Project: **Dyfed Pension Fund**

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Date: **, 31 October, 2017**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO controls in place)			Risk Control Measures	Assigned To	Target Date (Priority)	Assessment of Current Risk (Assume CURRENT controls in place)		
	Impact	Probability	Risk Rating				Impact	Probability	Risk Rating
RE390007 - Loss of funds through fraud or misappropriation in administration related functions	Substantial	Unlikely	Medium	• Internal and external audit checks performed to ensure that appropriate and effective controls are in place	Pensions Manager		Substantial	Unlikely	Medium
	4	2	8				4	2	8
				• Segregation of duties and authorisation of benefits following calculation by Senior Pensions Officer and Pensions Officer	Pensions Manager				
				• Altair Development officer undertakes data integrity checks	Pensions Manager				
RE390008 - Normal operations disrupted by uncontrollable external factors Service delivery threats from fire, bomb, extreme weather, electrical faults, sickness epidemic, etc. Insufficient daily back up, disaster recovery, and IT cover to support systems. Temporary loss of ability to provide	Substantial	Possible	High	• Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls	Pensions Manager and Treasury & Pension Investments Manager		Substantial	Unlikely	Medium
	4	3	12				4	2	8
				• Disaster Recovery Plan for pensions system with the software provider	Pensions Manager				
				• Data stored on one of Council's stand alone IT servers	Pensions Manager and Treasury & Pension Investments Manager				

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Risk Assessment Form

Organisation/Department/Function/Project:

Dyfed Pension Fund

Manager: **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **, 31 October, 2017**

Risk
(Threat to achievement of business objective)

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO controls in place)			Risk Control Measures	Assigned To	Target Date (Priority)	Assessment of Current Risk (Assume CURRENT controls in place)		
	Impact	Probability	Risk Rating				Impact	Probability	Risk Rating
RE390009 - Inability to keep service going due to loss of main office, computer system, or staff	Moderate 2	Unlikely 2	Low 4	<ul style="list-style-type: none"> Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls Disaster Recovery Plan for pensions system 	Pensions Manager Pensions Manager		Moderate 2	Improbable 1	Very Low 2
RE390010 - Lack of expertise among some Pension Administration officers	Significant 3	Unlikely 2	Medium 6	<ul style="list-style-type: none"> Personal development plan in place to support the development of each officer in the Section Specific courses / seminars attended by officers to further their knowledge and understanding 	Pensions Manager Pensions Manager		Significant 3	Improbable 1	Very Low 3
RE390011 - Over reliance on key Pensions Administration and Investment Officers Specialist nature of the work means there are relatively few experts in Investments and the Local Authority Pensions Regulations. Significant knowledge gap left if experts leave.	Significant 3	Possible 3	Medium 9	<ul style="list-style-type: none"> Key officers convey specialist knowledge to colleagues on a function or topic basis by mentoring Enhance training by bespoke sessions / courses / workshops Specific relevant qualifications for admin and investment staff External consultants and independent adviser available for short term assistance 	Pensions Manager and Treasury & Pension Investments Manager Pensions Manager and Treasury & Pension Investments Manager Pensions Manager and Treasury & Pension Investments Manager Pensions Manager and Treasury & Pension Investments Manager		Significant 3	Possible 3	Medium 9

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Risk Assessment Form

Organisation/Department/Function/Project: **Dyfed Pension Fund**

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Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO controls in place)			Risk Control Measures	Assigned To	Target Date (Priority)	Assessment of Current Risk (Assume CURRENT controls in place)		
	Impact	Probability	Risk Rating				Impact	Probability	Risk Rating
RE390012 - Failure to appropriately attract, manage, develop, and retain staff at all levels	Substantial 4	Unlikely 2	Medium 8	<ul style="list-style-type: none"> • Training and Development Plan established 	Pensions Manager		Substantial 4	Unlikely 2	Medium 8
RE390013 - Failure to communicate properly with stakeholders Lack of clear communications.	Significant 3	Unlikely 2	Medium 6	<ul style="list-style-type: none"> • Dedicated Communication & Training Officer post established Dedicated Communication & Training Officer will continue to fulfil all the communication requirements of the DPF, in accordance with the Communications Policy Statement 	Pensions Manager and Treasury & Pension Investments Manager		Significant 3	Improbable 1	Very Low 3
Scheme members are not aware of their rights and entitlements, are distanced from the Fund, which could lead to a reduction in new members and an increase in leavers.				<ul style="list-style-type: none"> • Comprehensive website is continually updated and developed 	Pensions Manager and Treasury & Pension Investments Manager				
Communication with investment managers, custodian, independent adviser, fund employers, pensioners, scheme members, actuary and government organisations.				<ul style="list-style-type: none"> • My Pension Online is used to enhance the service provided to scheme members • Quarterly meetings with independent adviser and investment managers • Communications Policy in place • Annual Employer & Consultative Meeting 	Pensions Manager Treasury & Pension Investments Manager Pensions Manager Pensions Manager and Treasury & Pension Investments Manager				

Risk Assessment Form

Organisation/Department/Function/Project: **Dyfed Pension Fund**

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Date: **, 31 October, 2017**

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	Impact	Probability	Risk Rating				Impact	Probability	Risk Rating
RE390014 - No appropriate procedures for Employer bodies transferring out of the pension fund or Employer bodies closing to new membership	Significant	Possible	Medium	<ul style="list-style-type: none"> • Inter valuation monitoring and rate reassessment if appropriate 	Pensions Manager		Significant	Unlikely	Medium
	3	3	9				3	2	6
				<ul style="list-style-type: none"> • Identification of any issue and resolution via regular site visits by Communication & Training Officer 	Pensions Manager				
				<ul style="list-style-type: none"> • Requirement for employing authorities to issue termination forms for each active member 	Pensions Manager				
				<ul style="list-style-type: none"> • Validation of membership numbers 	Pensions Manager				
RE390016 - Liquidity/cashflow risk - insufficient funds to meet liabilities as they fall due Failure of employers to pay contributions on time; low dividend income; significant number of liabilities paid out at the same time. Immediate cash contribution would be required via employers; delay in the payment of promised liabilities; negative publicity and an adverse audit report.	Substantial	Possible	High	<ul style="list-style-type: none"> • Monthly cash and dividend reconciliations 	Treasury & Pension Investments Manager		Substantial	Unlikely	Medium
	4	3	12				4	2	8
				<ul style="list-style-type: none"> • Quarterly monitoring of investment managers by Pension Panel 	Treasury & Pension Investments Manager				
			<ul style="list-style-type: none"> • Appointment of custodian 	Treasury & Pension Investments Manager					

Risk Assessment Form

Organisation/Department/Function/Project: **Dyfed Pension Fund**

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Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO controls in place)			Risk Control Measures	Assigned To	Target Date (Priority)	Assessment of Current Risk (Assume CURRENT controls in place)		
	Impact	Probability	Risk Rating				Impact	Probability	Risk Rating
RE390017 - Loss of funds through fraud or misappropriation in investment related functions Fraud or misappropriation of funds by an employer, investment managers or custodian. Financial loss to the fund.	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Internal and External Audit regularly test that appropriate controls are in place and working Regulatory control reports from investment managers, custodian, etc., are also reviewed by audit. Due diligence is carried out whenever a new manager is appointed. Reliance also placed in Financial Conduct Authority registration. Quarterly monitoring by Pension Panel and Independent Adviser 	Treasury & Pension Investments Manager		Substantial 4	Unlikely 2	Medium 8
RE390018 - Excessive levels of Pension Fund Cash held within Carmarthenshire County Council investment balances High dividend / interest receipts and low benefit payments being made in period. Lower cash like return instead of equity or bond investment returns.	Significant 3	Unlikely 2	Medium 6	<ul style="list-style-type: none"> Monthly cash reconciliations and separate pension fund bank accounts Quarterly monitoring by Pension Panel Internal Audit and Wales Audit Office review 	Treasury & Pension Investments Manager		Significant 3	Improbable 1	Very Low 3

Risk Assessment Form

Organisation/Department/Function/Project: **Dyfed Pension Fund**

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Date: **31 October, 2017**

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Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO controls in place)			Risk Control Measures	Assigned To	Target Date (Priority)	Assessment of Current Risk (Assume CURRENT controls in place)		
	Impact	Probability	Risk Rating				Impact	Probability	Risk Rating
RE390019 - Significant rises in employer contributions due to increases in liabilities or fall in assets Scheme liabilities increase disproportionately as a result of increased longevity or falling bond yields. Poor economic conditions, incorrect investment strategy, poor selection of investment managers. Poor / negative returns leading to potential increase in employer's costs.	Significant 3	Likely 4	High 12	<ul style="list-style-type: none"> Use qualified actuary who uses assumptions and recommends appropriate recovery period and strategy Quarterly monitoring of investment managers by Pension Panel Diversified Strategic Asset Allocation 	Treasury & Pension Investments Manager		Significant 3	Possible 3	Medium 9
RE390020 - Lack of expertise on Pension Fund Panel and / or amongst Officers Lack of training, continuous professional development and 4 year election cycle. Flawed recommendations given to Pension Fund Panel which, unchallenged, could lead to incorrect decisions being made.	Significant 3	Likely 4	High 12	<ul style="list-style-type: none"> Ensure Officers are trained and up to date in key areas through courses, seminars, reading, discussions with consultants, etc. Members given induction training on joining Panel with subsequent opportunities to attend other specialist training. Members' training plan and Governance Policy established Specialist assistance available from consultants and independent adviser 	Treasury & Pension Investments Manager		Significant 3	Possible 3	Medium 9

Risk Assessment Form

Organisation/Department/Function/Project: **Dyfed Pension Fund**

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Date: **, 31 October, 2017**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO controls in place)			Risk Control Measures	Assigned To	Target Date (Priority)	Assessment of Current Risk (Assume CURRENT controls in place)		
	Impact	Probability	Risk Rating				Impact	Probability	Risk Rating
<p>RE390023 - Failure of Investment Strategy to deliver investment objectives Inaccurate triennial valuation assumptions used. Incorrect recovery period used.</p> <p>Funding level decreases; employer contribution rates become unacceptable, causing potential increase in employer's costs.</p>	Significant 3	Possible 3	Medium 9	<ul style="list-style-type: none"> Qualified Actuary makes assumptions and recommends appropriate recovery period and strategy. Independent investment adviser employed to assist the panel in making informed decisions. 	Treasury & Pension Investments Manager		Significant 3	Improbable 1	Very Low 3
<p>RE390024 - Prolonged failure of investment managers to achieve the returns specified on their mandates Under-performance by the investment managers; lack of monitoring and challenging by the Panel.</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Quarterly monitoring of investment managers and performance company reports by investment team and Pension Panel. 	Treasury & Pension Investments Manager		Substantial 4	Unlikely 2	Medium 8
<p>RE390026 - Concentration risk - single asset class having disproportionate impact on investment objectives Risk of the performance of a single asset class having a disproportionate impact on the ability to meeting investment objectives. Inappropriate investment strategy following the triennial valuation, including lack of diversification.</p> <p>Funding level decreases; employer contribution rates become unacceptable, causing potential increase in employers' costs</p>	Significant 3	Possible 3	Medium 9	<ul style="list-style-type: none"> Establish & review diversified strategic asset allocation Proactive in decision making 	Treasury & Pension Investments Manager		Significant 3	Unlikely 2	Medium 6

Risk Assessment Form

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	Impact	Probability	Risk Rating				Impact	Probability	Risk Rating
<p>RE390027 - Counterparty risk - risk of other party in a transaction failing to meet its obligation to the fund</p> <p>This arises from deposits held with banks and other financial institutions, as well as credit exposures to the fund's members and employers.</p> <p>Loss of capital; decrease in asset values; cost of legal proceedings; adverse publicity.</p>	Moderate	Possible	Medium	<ul style="list-style-type: none"> Set appropriate parameters with fund managers and custodian to limit exposure to default risk 	Treasury & Pension Investments Manager		Moderate	Unlikely	Low
	2	3	6				2	2	4
<p>RE390028 - Interest rate risk</p> <p>Arises from risk of exposure to significant interest rate movements on investments.</p> <p>Bond yields and cash decrease in value.</p>	Moderate	Unlikely	Low	<ul style="list-style-type: none"> Establish & review diversified strategic asset allocation 	Treasury & Pension Investments Manager		Moderate	Improbable	Very Low
	2	2	4				2	1	2
<p>RE390029 - Discount rate risk</p> <p>Use of inappropriate discount rate to estimate future liabilities.</p> <p>Funding level decreases; employer contribution rates become unacceptable, causing potential increase in employers' costs.</p>	Significant	Possible	Medium	<ul style="list-style-type: none"> Engage qualified actuary to use assumptions 	Treasury & Pension Investments Manager		Significant	Unlikely	Medium
	3	3	9				3	2	6
				<ul style="list-style-type: none"> Engage independent adviser to assist the panel in making informed decisions 	Treasury & Pension Investments Manager				

Risk Assessment Form

Organisation/Department/Function/Project: **Dyfed Pension Fund**

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Date: **, 31 October, 2017**

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	Impact	Probability	Risk Rating				Impact	Probability	Risk Rating
<p>RE390030 - Price risk The equity investments held exposes the fund to risk in relation to the market price of its investments.</p> <p>Funding level decreases; employer contribution rates become unacceptable, causing a potential increase in employers' costs.</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Establish & review a diversified strategic asset allocation. Anticipate long term returns on a prudent basis. 	Treasury & Pension Investments Manager		Significant 3	Possible 3	Medium 9
<p>RE390031 - Foreign exchange risk The fund holds financial assets and liabilities denominated in foreign currencies. It is therefore exposed to an element of risk in relation to currency fluctuation.</p> <p>Funding level decreases; employer contribution rates become unacceptable, causing a potential increase in employers' costs.</p>	Moderate 2	Possible 3	Medium 6	<ul style="list-style-type: none"> Establish & review diversified (within regions) strategic asset allocation 	Treasury & Pension Investments Manager		Moderate 2	Unlikely 2	Low 4
<p>RE390032 - Failure to meet statutory deadlines leading to qualification of the accounts Lack of planning for closure of accounts; lack of training; loss of expert knowledge.</p> <p>Qualified audit report; potential bad publicity; members' loss of confidence on officers' abilities.</p>	Substantial 4	Unlikely 2	Medium 8	<ul style="list-style-type: none"> Timetabled Audit Committee cycles Liaise with external audit Establish closedown timetable Establish WAO working paper guidance & planning document Excellent time management skills 	Treasury & Pension Investments Manager		Substantial 4	Improbable 1	Low 4

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	Impact	Probability	Risk Rating				Impact	Probability	Risk Rating
<p>RE390033 - Adequate skilled resources not available for accounts preparation Lack of training; loss of expert knowledge; annual or study leave.</p> <p>Qualified audit report; unsatisfactory internal audit report; failure to meet statutory closure deadlines; employee stress.</p>	Significant	Unlikely	Medium	<ul style="list-style-type: none"> • Appropriate Treasury & Pension Investments structure in place • Arrange training courses and seminars, and mentoring 	Treasury & Pension Investments Manager		Significant	Unlikely	Medium
	3	2	6				3	2	6
<p>RE390035 - Failure to recover all debts Lack of communication between fund officers and administering authority officers (debtors); lack of monitoring / recovery procedures.</p> <p>Loss of income to the Fund; loss of stakeholder confidence in the ability of the administering authority; potential increase in costs to Fund employers</p>	Substantial	Possible	High	<ul style="list-style-type: none"> • Use of specialist debt recovery section within the administering authority • Monthly monitoring of debts due 	Pensions Manager and Treasury & Pension Investments Manager		Substantial	Unlikely	Medium
	4	3	12				4	2	8
<p>RE390036 - Officers acting outside delegated authority Threat of officers making unauthorised decisions or payments.</p> <p>Loss of income to fund; loss of stakeholder confidence in the ability of the administering authority; potential increase in costs to fund employers</p>	Substantial	Unlikely	Medium	<ul style="list-style-type: none"> • Undertake regular review of Standing Orders & Constitution • Report to Executive Board • Monitoring officer role 	Pensions Manager and Treasury & Pension Investments Manager		Substantial	Improbable	Low
	4	2	8				4	1	4

Risk Assessment Form

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	Impact	Probability	Risk Rating				Impact	Probability	Risk Rating
<p>RE390037 - Non-performance by Officers and Panel Members</p> <p>Lack of training for officers and members; turnover in officers and members; lack of appraisals; lack of PI monitoring; time constraints for members; conflicting deadlines for officers.</p> <p>Qualified audit report; potential bad publicity; members' loss of confidence in officers' abilities; excessive pressure on officers; loss of income to the fund; loss of stakeholder confidence in the ability of the administering authority; potential increase in costs to fund employers</p>	Substantial	Possible	High	<ul style="list-style-type: none"> Establish performance measurement system Pension Panel member assessments Officer appraisals in October and March annually Regular internal and external audits Establish & review training plan for officers and members 	Pensions Manager and Treasury & Pension Investments Manager Treasury & Pension Investments Manager Pensions Manager and Treasury & Pension Investments Manager Pensions Manager and Treasury & Pension Investments Manager Pensions Manager and Treasury & Pension Investments Manager		Substantial	Unlikely	Medium
	4	3	12				4	2	8

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	Impact	Probability	Risk				Impact	Probability	Risk
<p>RE390038 - Failure to operate strict financial and budgetary controls Lack of regular budget monitoring and budget setting; lack of communication between admin and investment sections; lack of scrutiny of investment managers', consultants', and advisers' fees.</p> <p>Unexpected variances over budget headings; members' loss of confidence in officers' abilities; loss of income to the fund; loss of stakeholder confidence in the ability of the administering authority; potential increase in costs to fund employers.</p>	Substantial 4	Unlikely 2	Medium 8	<ul style="list-style-type: none"> Quarterly monitoring of budgets Quarterly forecasting and profiling of budgets Closure of accounts to Audit Committee Monthly meetings between Head of Service, Admin and Investment managers Monthly reconciliations of contributions, dividends, and pension payroll 	Treasury & Pension Investments Manager		Substantial 4	Improbable 1	Low 4
<p>Insufficient resources to provide meaningful input to the development of the All Wales pool without having a detrimental impact on the management of the fund</p>	Substantial 4	Possible 3	High # 12	<ul style="list-style-type: none"> Staffing resources to be kept under review to ensure the Fund's interests are properly met when developing investment pooling arrangements 	Treasury & Pension Investments Manager		Substantial 4	Unlikely 2	Medium 8

Wales Pension Partnership – Workstream Summary as at 30 September 2017

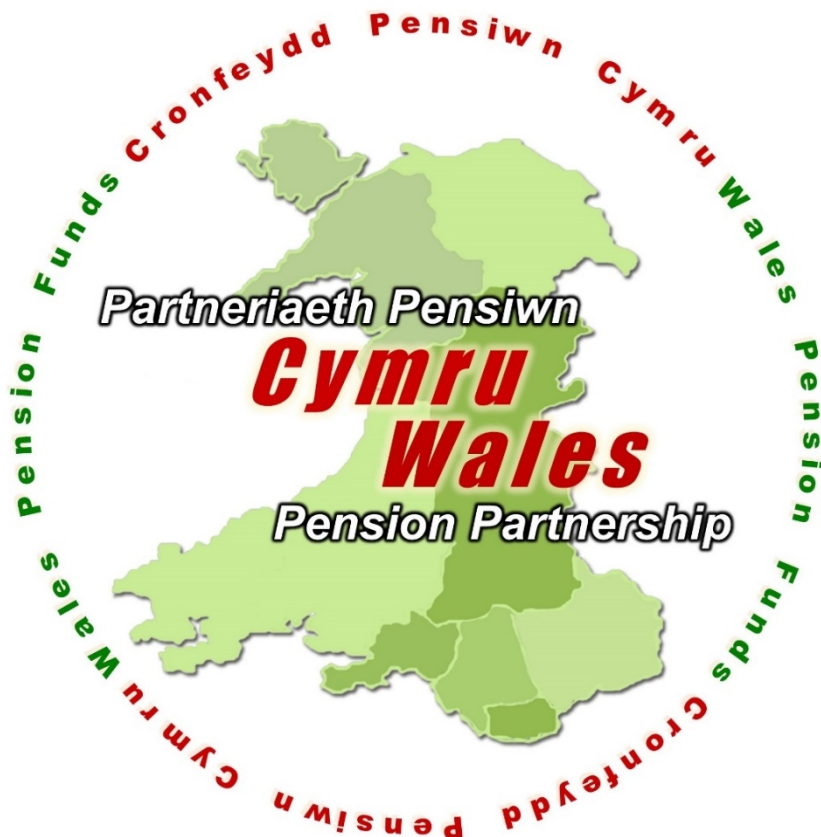
Governance Workstream

Action	Date (Due/Complete)	Status
Memorandum of Understanding signed-off by Administering Authorities and Officer Working Group formed	November 2016	Complete
Inter-Authority Agreement (IAA) Workshop held between Officer Working Group and Legal Advisors	December 2016	Complete
IAA signed off by Administering Authorities	March 2017	Complete
Host Authority for Wales Pension Partnership appointed	June 2017	Complete
Establishment of Joint Governance Committee (JGC) and first formal JGC meeting held	June 2017	Complete

Procurement Workstream

Action	Date (Due/Complete)	Status
Prior Information Notice (PIN) issued	August 2016	Complete
Engagement days held with the Officer Working Group and PIN respondents	September 2016	Complete
Procurement process agreed	October 2016	Complete
Operator Specification signed-off by Administering Authorities	February 2017	Complete
OJEU Notice and Selection Questionnaire (SQ) issued	March 2017	Complete
Scoring performed on Selection Questionnaire responses	July 2017	Complete
Invitation to Tender (ITT) and Operator Agreement issued	June 2017	Complete
Scoring performed on ITT responses	July-September 2017	Complete
Bidder presentations to verify scoring	August 2017	Complete
Operator evaluation completed	September 2017	Complete
Operator selection report drafted by officers and advisors	October 2017	Complete
Recommendation considered by JGC	November 2017	Not Yet Due
Administering Authorities approve operator selection and award notice issued	December 2017	Not Yet Due
FCA application for the establishment of the ACS drafted by the operator, with input from the Officer Working Group	December 2017	Not Yet Due
Operator Agreement finalised	January 2018	Not Yet Due

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**Wales Pension
Partnership
Local Government Pension Scheme Pooling:
Progress Report - October 2017**

Pool: Wales

Date: 20 October 2017

Criterion A: Scale

For pools in development

- **Scale – please state the estimated total value of assets included in your transition plan for investment through the pool structure, with date of estimate**
- **Assets outside the pool - please state the estimated total value of assets to be invested outside of the pool structure by participating funds**

In our final submission to DCLG in July 2016, we stated that the ambition for the Wales Pool was to create appropriate vehicles for collective investment for all participating funds across all asset classes in time. We can confirm that remains our intention.

The total value of assets of the participating funds referred to in that proposal, valued as at March 2015, was £12.8bn. The total value of assets as at 30 June 2017 was £16.3bn.

There are a significant number of passively managed investments held by the funds in the form of insurance policies. We regard these assets as forming part of the Pool. The selection exercise for a single manager was carried out on a collective basis in order to derive maximum fee savings from the scale of assets, and the monitoring of the manager and any future retender will be the responsibility of the Joint Governance Committee (JGC). It may not be feasible for these investments to be transferred into the pooled vehicles managed by the third party operator as the individual funds will remain beneficiaries of the relevant policies and changing from a life policy vehicle may create additional tax-payer costs without any benefit to justify the change. However, the JGC will review the position on a regular basis.

The funds also have a number of illiquid investments with fixed term lives. It would be very costly to exit from such investments before the planned realisation of the underlying assets. The intention is that the operator will make available pooled vehicles to allow new commitments to be made on a collective basis to illiquid asset classes such as private equity and infrastructure. As the current illiquid investments mature and capital is returned to investors, they will be replaced by new commitments through the new pooled vehicles. These new investments will all form part of the Pool. The JGC may also explore the potential for the operator to carry out due diligence monitoring on the current illiquid investments until they mature.

In addition, the Clwyd Pension Fund has a Liability Matching mandate and a Managed Account Platform, comprising assets in total of approximately

£500m. Although the Clwyd Fund ISS states that it is committed to investing all assets through the Pool where pooling objectives are met, for these bespoke mandates, it will depend on the capabilities of the appointed operator to accommodate these mandates within the Pool.

Progress towards go live by April 2018

- **please provide an updated high level project plan to achieve delivery by April 2018 including progress with operator procurement/build, design of sub funds, recruitment of core team, appointment of depository and FCA authorization**
- **please identify risks or issues which may delay delivery by April 2018, and any plans to mitigate risks and/or manage issues**

We remain on track to have the Wales Pool operational by April 2018. By end 2017 the operator will be appointed and the host authority / client side function in place to manage the operator contract. The application for FCA authorisation of an ACS for the sole use of the All Wales pool will be in train early in 2018 and in excess of £3bn of passive investments is already under pool governance ahead of the government target date of April 2018. The exact date of authorisation of the ACS will depend on turnaround time by the FCA.

As part of this update we have provided a high level summary of progress (appendices A).

Progress with operator procurement

There was a high level of market interest with eight bidders submitting selection questionnaire responses. From this six bidders were invited to tender, with four actually tendering.

The evaluation process began mid-July with bidder clarification presentations taking place late August. In order to finalise the evaluation, further clarification responses were required resulting in an extension to the original evaluation timetable.

The tender evaluation was completed in September. An Operator selection report explaining the evaluation result has been drafted by the Officer Working Group and its legal advisors. This will be presented to the JGC at its next meeting. The final decision on the operator to be appointed is expected to be made by the JGC in November 2017. Individual Administering Authorities will then need to obtain their own local approval to accept the recommendation on operator appointment and enter into the contract. The formal contract is expected to be concluded mid-end December.

Recruitment of core team

This is not applicable to the All Wales Pool since it will use a third party contractor to provide Operator Services.

However, recognising that this is a complex, high value contract it is important to have a “client side” function in place to manage the operator contract.

Carmarthenshire has assumed its responsibilities acting as the “host authority”. It will provide secretariat services and technical support to the Pool’s JGC and OWG. It will also provide the “client side” team dealing with the third party operator and ensuring the operator meets the performance requirements and service level standards specified in the contractual terms.

Design of sub-funds

A provisional outline of the likely fund range was developed and shared with bidders to inform their tenders and allow for transparent assessment of likely set-up costs.

Under the operator contract, it is the responsibility of the operator to advise the Wales pool on the detail of the sub-funds to be made available in the first phase in 2018, including mandate specification and choice of the starting line up of investment managers. This will be the first task of the Operator upon appointment.

In order to accelerate this process, the officers of the administering authorities will commence work in November on sub-fund design and specification. This will enable the operator to hit the ground running and prepare the initial ACA authorisation application as soon as possible after its appointment. (The initial application for ACS authorisation can be submitted before all of the investment managers are confirmed by the operator.)

Appointment of depositary

The contractor appointed as operator is responsible for appointment of a depositary and other service providers including investment managers.

FCA authorisation

The contractor appointed as operator will be responsible for establishing and obtaining authorisation for an ACS for the sole use of the Wales Pool.

Applications by the operator to establish the ACS and first tranche of sub-funds are expected to be submitted as soon as possible after the appointment of the operator (see above). This is currently expected to be early 2018.

Transition of assets

Detailed planning of the proposed transfers of assets into the pool will also begin once the operator appointment has been finalised in December.

Risks to delivery, risk mitigation and risk management

This is a very complex project and the first procurement of services of this kind. The contract for operator services is a long term commitment with significant costs.

Our over-riding priority is to execute the procurement safely and well. We have therefore taken slightly longer than originally anticipated to define the service required, design and execute the procurement process and draft the supporting legal documentation.

However, our original plan contained contingency that means we are still on track to meet the government target date for implementation (see above).

Some risks to the delivery timescale include:

Description of Risk	Wales Pool Response	Current status
1. Risk of few suitable bidders or incomplete understanding of the required services.	This was dealt with by comprehensive engagement and dialogue with the market prior to commencement of the formal procurement process to: a) raise awareness of the procurement; b) understand capabilities of potential bidders; and c) share information on the requirements of the Funds in Wales.	This risk has been managed successfully and is now closed
2. Risk of delays in implementation due to local elections affecting the membership of the Joint Governance Committee.	This was mitigated by the Chairmen initially delegating authority to the Treasurers and Officer Working Group to proceed with the final stages of the procurement exercise during purdah. The JGC has met and is now well established.	This risk has been managed successfully and is now closed
3. Risk of challenge to the procurement process or outcome.	This is being mitigated by using external legal advisers (Burgess Salmon) with experience in fund management and procurement to design and manage the procurement and evaluation process and technical advice from external investment advisers (Hymans Robertson).	This risk remains open. Bidders not informed of tender outcome until late November at the earliest.
4. Risk of delays in individual authorities signing the contract with the successful bidder.	This is being mitigated by early engagement with monitoring officers. Officers and Treasurers will manage communication of tender outcome and local governance approvals to enter into	This risk remains open.

Description of Risk	Wales Pool Response	Current status
	contract.	
5. Risks of inadequate or poor planning.	This is being mitigated by professional external project management (Hymans Robertson)	This risk remains open.
6. Risk of delays in receiving FCA approval for the vehicle.	This will be mitigated by early work on the detailed specification of the fund and sub- fund requirements to enable applications to be submitted by the appointed operator as early as possible. Any bottlenecks at the FCA are beyond our control and we would welcome any assistance government can provide in this respect.	This risk remains open.
7. Risk of failure to resolve MiFID issues.	Following work by the LGA, the FCA issued revised guidance which should resolve this matter. Individual administering authorities need to opt up to professional status with their current Investment Managers and with the Operator company once appointed.	Risk now largely removed provided individual administering authorities follow the process to opt up.

Criterion B: Governance

For pools in development

- **Progress with governance arrangements - please provide an updated high level project plan for the implementation of governance arrangements.**

Governance: Joint Governance Committee and Inter-Authority Agreement (IAA)

The IAA took effect from June 2017 with the first meeting of the Chairs as a formal Joint Governance Committee taking place on 29 June.

Carmarthenshire took on the role of “host authority” with effect from June 2017, providing secretarial and technical support to the JGC, Treasurers and OWG. The host authority will also be responsible for contract management. Recruitment of staff is underway.

Criterion C: Reduced costs and value for money

- **Update on costs estimates – please state current high level estimates for implementation costs to date, by go live and following go live**
- **Update on annual savings estimates, including reductions in fees/mandates**
- **Plans for delivering savings – please set out your high level plan and timescales for delivering the annual savings above**
- **Plans for reporting including on fees and net performance in each listed asset class against an index**
- **Plans for how the pool will report publicly on a fully transparent basis – please confirm that the pool will adopt the Scheme Advisory Board Code of Transparency for reporting to participating funds**

Our estimates for the level of cost savings from investment manager fees which might be achieved over time remain as set out in our proposal from July 2016.

The estimates were made by considering each of the asset classes in which the participating funds were invested and using data provided by CEM Benchmarking to find the level of costs incurred by investments in those asset classes in the year to March 2015 (specified as the base year for comparison purposes). We then considered the level of savings which might be achievable within each asset class.

We would re-iterate that it is difficult at this stage to estimate fee savings with any degree of certainty as we do not know what fees will be obtained with investment managers nor how some of the alternative asset classes might best be accessed collectively.

The savings figures quoted in our July 2016 proposal were – as requested - based on asset values and asset allocations as at the base date of 31 March 2015. The estimates were as follows:

Three year period ending	Annual savings achieved
March 2021	£8.4m
March 2024	£9.8m
March 2027	£11.3m
March 2030	£12.5m
March 2033	£12.5m

Total assets across the participating funds were £16.3bn at 30 June 2017, so savings may be higher than the figures quoted above. The timescales within which the savings are likely to accrue – in terms of the three year periods defined previously - are unchanged.

As the process of establishing the pooling arrangements continues, there is more clarity on the total set-up costs likely to be incurred. The operator services that we are putting in place are a new form of arrangement in the market place and the procurement process has been complex. However, we firmly believe that robust and detailed specification of the contract and assessment of the different potential providers are essential steps in ensuring benefits flow through as required.

In our July 2016 submission, we estimated that implementation costs in the region of £0.5-1m (over and above fees payable for operator services) would be incurred in the period to March 2018 and £50,000-350,000 in the three year period to March 2021.

It is now our expectation that costs in the set-up period to March 2018 may fall within a range of £1-1.5m, though costs in the subsequent period to March 2021 may be lower as more work is picked up by the operator. Additional costs incurred in setting up the pool are still relatively modest in comparison with the savings that will be delivered in the longer term.

In terms of reporting, we have included as part of the provider assessment a focus on applicants' ability to provide detailed reporting to meet the requirements of all participating funds and of the JGC. We are requiring full transparency on fees of all the underlying investment managers within the proposed vehicles and will expect these to be reported in a manner consistent with DCLG requirements.

CEM Benchmarking have also been formally appointed to provide reporting on costs incurred in the management of assets within the pool.

We can confirm that the pool will follow the SAB Code of Transparency in terms of its reporting to participating funds.

Criterion D: Infrastructure

- **Progress on infrastructure investment – please state your target allocation for infrastructure and committed funds at the pool level and/or across pools. Please also set out your plans for the platform/product/and/or external manager arrangements to achieve that target**
- **Timetable to achieve stated ambition - please provide a high level project plan for the implementation of the platform/product/and/or external manager arrangements described above**

Our position has not changed since July 2016. Our stated ambition in our proposal was – in the short to medium term - to have at least 5% of assets invested in infrastructure investments with a longer term aspiration set at 10% - subject to satisfactory investments being available.

At 30 June 2017, a total of £180m was either invested in infrastructure assets or formally committed to infrastructure funds, equivalent to circa 1.1% of pool assets, so the stated target represents a significant increase from the current position.

However, we also acknowledged in our original submission that allocations to infrastructure represent asset allocation decisions and are therefore the responsibility of individual funds rather than a collective decision for the Pool.

The most efficient way of accessing infrastructure investment suitable for LGPS fund liabilities may be through national vehicles developed for use by all of the pools.

We therefore continue to engage with and support the work of the cross party working group on infrastructure in order to ensure that we may benefit from any national initiatives which may emerge in the future.

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Dyfed Pension Fund

Markets in Financial Instruments Directive II (MiFID II)

Since the Pension Committee on 21st September 2017, applications have been submitted by Carmarthenshire County Council as administering authority for the Dyfed Pension Fund to opt up to Professional Client status for MiFID II purposes (as shown below).

The Dyfed Pension Fund was required to establish a Legal Entity Identifier number (LEI). This was set up in October 2017. Dyfed Pension Fund's LEI is: 549300H9T06XDBE5GN14.

Company Name	Role	Application Status	Notes
BlackRock	Investment Manager	Application submitted October 2017	Awaiting response.
Schroders	Investment Manager	Application submitted October 2017	Schroders intends to categorise the Dyfed Pension Fund as a professional investor. Awaiting confirmation.
Partners Group	Investment Manager	Application submitted October 2017	Awaiting response.
Baillie Gifford	Investment Manager	Application submitted October 2017	Do not see any problems with opt up process. Awaiting confirmation.
Columbia Threadneedle	Investment Manager	Application submitted October 2017	Do not see any problems with opt up process. Awaiting confirmation.
Northern Trust	Custodian	Application submitted October 2017	Opt up complete.
Mercer	Actuary	No application submitted	No opt up necessary as they do not provide authorised investment advice.
Hymans Robertson	Wales Pension Partnership Consultant	Application submitted November 2017	Opt up complete.

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DYFED PENSION FUND COMMITTEE

27TH NOVEMBER 2017

PRESENT: Councillor D.E. Williams (Chair).

Councillors: T.J. Jones and J.G. Prosser.

The following Officers were in attendance:

C. Moore, Director of Corporate Services;
A. Parnell, Treasury & Pensions Investments Manager;
K. Gerard, Pensions Manager;
P. James, Pension Investment Officer;
J. Owen, Democratic Services Officer.

Also in attendance:

Mr E. Lambert, Independent Investment Adviser.

Committee Room 2, 3 Spilman Street, Carmarthen – 2:30pm - 3:55pm

1. APOLOGIES AND OTHER MATTERS

There were no apologies for absence.

2. DECLARATIONS OF PERSONAL INTEREST

There were no declarations of personal interest.

3. MINUTES OF THE COMMITTEE MEETING HELD ON 21ST SEPTEMBER, 2017

RESOLVED that the minutes of the Panel meeting held on 21st September, 2017 be received.

4. BUDGET MONITORING 1ST APRIL 2017 - 31ST OCTOBER 2017

The Committee received for consideration the Dyfed Pension Fund Budget Monitoring report which provided an update on the latest budgetary position in respect of 2017/18.

The current position as at 31st October, 2017 forecast an underspend of £63.2m for 2017/18. From this figure £0.8m underspend related to cash items that had the most impact on the daily cash flow of the Fund. The remaining £62.4m underspend related to non-cash items.

Cash items

Based on current activity to date, it was estimated Benefits Payable and Transfers out to be underspent by £3.9m. This was mainly influenced by the un-controllable nature of lump sum payments and transfers out of the Fund. Contributions and investment income contribute a further £3.8m underspend. This was due to the additional investment income required to keep a positive cash flow to cover £6.9m payment to the Investment Managers to meet investment commitments. The £7.7m underspend less £6.9m payments to the Investment Managers resulted in a £0.8m underspend estimate for the year.

Non-cash items

A £62.4m underspend was due to an increased value of realised gains. This occurred from the segregated passive equities transition which took place in April 2017 as part of the Wales Pension Partnership joint procurement. The non-cash items has no impact on the daily cash flow of the fund.

RESOLVED that the Dyfed Pension Fund Budget Monitoring Report be received.

5. CASH RECONCILIATION AS AT 30TH SEPTEMBER 2017

The Committee considered the Cash Reconciliation report which provided an update on the cash position in respect of the Dyfed Pension Fund.

As at 30th September, 2017 £4.5m cash was being held by Carmarthenshire County Council on behalf of the Fund for immediate cash flow requirements to pay pensions, lump sums and investment management costs.

RESOLVED that the Dyfed Pension Fund Cash Reconciliation report be received.

6. BREACHES REPORT

The Committee received for consideration the Breaches Report in relation to the Dyfed Pension Fund.

Section 70 of the Pension Act 2004 sets out the legal duty to report breaches of the law. In the Code of Practice No. 14, published by the Pensions Regulator in April 2015, paragraphs 241 to 275 provide guidance on reporting these breaches. The Dyfed Pension Fund Breaches Policy was approved by the Dyfed Pension Fund Panel in March 2016.

Under the policy, breaches of the law are required to be reported to the Pensions Regulator where there was a reasonable cause to believe that:-

- a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with;
- the failure to comply was likely to be of material significance to the Regulator in the exercise of any of its functions.

The Committee noted that since the last meeting there had been a number of instances where employee/employer contributions had not been received on time, however, all contribution payments were now up to date and no report had been sent to the Pensions Regulator.

RESOLVED that the Breaches Report in relation to the Dyfed Pension Fund be noted.

7. RISK REGISTER

The Committee received for consideration a Risk Register which captured all the risks identified in relation to the functions of the Dyfed Pension Fund.

The register which was regularly monitored and reviewed included information as follows:

- Details of all identified risks
- Assessment of the potential impact, probability and risk rating
- The risk control measures that are in place
- The responsible officer
- Target Date (if applicable)

Members noted that no amendments had been made following the current review and register's approval in April 2017.

The Treasury and Pensions Investment Manager made reference to the risk relating to the insufficient staffing resources to provide meaningful input to the development of the Wales Pension Partnership (WPP). Members were updated that staffing resources would be kept under review to ensure the Fund's interests were properly met when developing investment pooling arrangements. In relation to a comment raised regarding the possibility of introducing agile working for the new post for the WPP, following consideration, the Committee was in agreement that it would not be a practical solution at this time.

In response to a query raised in relation to the risk rating methodology utilised in the register, the Pensions Manager stated that he would review the control measures prior to them being presented to the Pension Board.

RESOLVED that the Risk Register be approved subject to the control measures being reviewed.

8. WALES PENSION PARTNERSHIP;

8.1. WORKSTREAM SUMMARY

The Committee considered the Work Stream summary as at 30th September 2017, which outlined the actions required in the process for appointing the Operator and due completion dates.

The Committee noted that the Wales Pension Partnership was on schedule and it was likely that the Operator agreement would be finalised by January 2018.

RESOLVED that the Work Stream Summary as at 30th September 2017 be noted.

8.2. DCLG AUTUMN REVIEW SUBMISSION

The Committee considered the DCLG Autumn Review submission progress report from Wales Pension Partnership on Local Government Pension Scheme Pooling which included:-

- the estimated total value of assets included in the transition plan for investment through the pool structure;
- the estimated total value of assets to be invested outside of the pool structure by participating funds;
- an updated high level project plan to achieve delivery by April 2018;
- including progress with operator procurement/build, design of sub funds, recruitment of core team, appointment of depository and FCA authorisation
- any risks or issues which may delay delivery by April 2018, and any plans to mitigate risks and/or manage issues;
- progress with governance arrangements;
- progress on infrastructure investment and timetable to achieve stated ambition.

With reference to Criterion A: Scale, the Committee noted that the total value of assets of the participating funds referred to in the final submission to DCLG in July 2016 proposal valued as at March 2015, was £12.8bn and that the total value of assets as at 30 June 2017 was £16.3bn.

With regard to the progress of operator procurement, the Treasury and Pensions Investment Manager stated that six bidders were invited to tender but only four had submitted a tender. Members were informed that the formal operator contract was expected to be concluded by end of December 2017.

The Treasury and Pensions Investment Manager provided an update to Members on the current position of the risks and explained that that the risk of challenge to the procurement process or outcome remained open as the procurement process was still ongoing. Members were informed that the design of sub-funds were discussed at the last Investment Practitioners Group held on 24th November, 2017. A report had been prepared for the Officer Working Group meeting on 1st December 2017.

Members were reminded that Carmarthenshire took on the role of “host authority” which was effective from June 2017 and provided secretarial and technical support to the Joint Governance Committee, Officers Working Group and the Operator. In addition Carmarthenshire as the host authority was responsible for contract management in which recruitment of staff was currently underway.

The Pensions Manager highlighted that the table set out within in the report which included the savings estimates would be updated as soon as an operator was in place.

With regard to Criterion D: Infrastructure the Committee noted that the short to medium term ambition was to have at least 5% of assets invested in infrastructure investments with a longer term aspiration being set at 10%. In response to a query, regarding windfarm and solar farm investment, the Director of Corporate Services stated that as part of 8 Wales pension funds, Dyfed Pension Fund was currently considering the potential of investing in the Swansea Tidal Lagoon and that it had been agreed to proceed to the early stages of due diligence.

RESOLVED that the DCLG Autumn Review Submission be noted.

9. MARKETS IN FINANCIAL INSTRUMENTS DERIVATIVE (MIFID II) UPDATE

The Committee considered the Markets in Financial Instruments Derivative (MIFID II) update.

The updated briefing note demonstrated that since the Dyfed Pension Fund Committee meeting on 21st September 2017, applications had been submitted by Carmarthenshire County Council as administering authority for the Dyfed Pension Fund to opt up to Professional Client status for MFID II purposes.

The Committee noted that the ‘opt up’ had been completed by two of the institutions and that the other applications were currently awaiting completion.

RESOLVED that the Markets in Financial Instruments Derivative (MIFID II) update be noted.

10. STRATEGIC ASSET ALLOCATION

At this point the Committee:

UNANIMOUSLY RESOLVED, pursuant to the Local Government Act 1972, as amended by the Local Government (Access to Information)(Variation) (Wales) Order 2007, that the public be excluded from the meeting during consideration of the following items as the reports contained exempt information as defined in paragraph 14 of Part 4 of Schedule 12A to the Act.

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED, pursuant to the Act referred to above, to consider this matter in private, with the public excluded from the meeting as it would involve the disclosure of exempt information relating to the financial or business affairs of any particular person (including the Authority holding that information).**

The Committee considered a report on Strategic Asset Allocation which had been prepared following the triennial actuarial valuation as at 31st March 2016.

UNANIMOUSLY RESOLVED that the Strategic Asset Allocation report be approved.

11. OPERATOR SELECTION REPORT

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to above, to consider this matter in private, with the public excluded from the meeting as it would involve the disclosure of exempt information relating to the financial or business affairs of any particular person (including the Authority holding that information).

The Committee considered the Operator Selection report which provided a summary of the procurement exercise to appoint an operator for the Wales Pension Partnership conducted by the eight Wales Authorities.

UNANIMOUSLY RESOLVED:

11.1 to appoint Bidder 1 as the preferred bidder for the Wales Pensions Partnership procurement, and

11.2 subject to the completion of the standstill period and the finalisation of the Operator Agreement, appoint Bidder 1 as the Operator under the Operator Agreement.

12. INDEPENDENT INVESTMENT ADVISER REPORT SEPTEMBER 2017

Mr Eric Lambert, Independent Investment Adviser presented the Independent Investment Adviser Report September 2017 report to the Committee. The Committee considered the report which provided Members with information in relation to the investment managers' performance for the quarterly, 12 month and rolling 3 year periods ending 30 September 2017.

UNANIMOUSLY RESOLVED that the Independent Investment Adviser Report as at September 2017 be noted.

CHAIR

DATE

DYFED PENSION FUND PENSION BOARD

DATE 18/01/2018

Terms of Office

RECOMMENDATIONS / KEY DECISIONS REQUIRED:

All Board members whose initial term of offices ceases on 31 March 2018 need to advise the board on whether they:

1. Intend to end their membership term on 31 March 2018, or
2. Whether they would like to extend their term further.

REASONS:

The initial term of office for all Board Members that were appointed on 1 April 2015 ceases on 31 March 2018. Decision needs to be made as to which posts are to be extended and which posts are to be replaced by new members.

Report Author:
Chris Moore

Designation:
Director of Corporate Services,
Carmarthenshire County
Council

Tel No.
01267 224120
E. Mail:
CMoore@carmarthenshire.gov.uk

DYFED PENSION FUND PENSION BOARD

DATE 18/01/2018

Terms of Office

BRIEF SUMMARY OF PURPOSE OF REPORT

The Terms of Reference, section 7, states that Employer Representatives, Scheme Member Representatives and the Independent Member / Chair are appointed for a period of up to three years from the date of establishment of the Pension Board or the date of their individual appointment if later. This period may be extended for up to five years if agreed by the Section 151 Officer. Members may be re-appointed for further terms following an appointment process.

All existing board members, except for the CCC Employer representative member were appointed on 01 April 2015 and therefore this initial three year period expires on 31 March 2018.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

Policy, Crime & Disorder and Equalities	Legal	Finance	Risk Management Issues	Staffing Implications
NONE	NONE	NONE	NONE	NONE

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THESE ARE DETAILED BELOW

Title of Document	File Ref No.	Locations that the papers are available for public inspection/WEBSITE LINK

**DYFED PENSION FUND
LOCAL PENSION BOARD**

**TERMS OF REFERENCE
&
RULES OF PROCEDURE**

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OVERVIEW

1. Introduction and General Operating arrangements

1.1. The purpose of this document is to set out the Terms of Reference for the local Pension Board of the Dyfed Pension Fund. The Pension Board is established by Carmarthenshire County Council under the powers of Section 5 of the Public Service Pensions Act 2013 and regulation 106 of the Local Government Pension Scheme Regulations 2013. As such, the Constitution of Carmarthenshire County Council does not apply to this Pension Board unless expressly referred to within and permitted by this Terms of Reference.

1.2. The Pension Board will exercise all its powers and duties in accordance with the law and the Terms of Reference.

1.3. The Pension Board shall consist of 7 Members, including 3 Employer Representatives, 3 Scheme Member Representatives and an Independent Member / Chair.

1.4. Carmarthenshire County Council as the Administering Authority shall provide the required support services for the operation and discharge of duties of the Pension Board.

1.5. The Administering Authority and the Pension Board shall, so far as is reasonably practical, ensure at all times that the Board membership meets the requirements of the legislation and the appointed Members have the skills, knowledge and capacity necessary for the Board to discharge its functions effectively.

1.6. The Pension Board is providing oversight and, accordingly, the Pension Board is not a decision making body in relation to the management of the Pension Fund but merely makes recommendations to assist in such management. The Pension Fund's management powers and responsibilities which have been, and may be, delegated by the Council to committees, sub-committees and officers of the Council, remain solely the powers and responsibilities of those committees, sub-committees and officers including but not limited to the setting and delivery of the Fund's strategies, the allocation of the Fund's assets and the appointment of contractors, advisors and fund managers.

DYFED PENSION BOARD'S TERMS OF REFERENCE

2. Terms of Reference

2.1. To secure compliance with the LGPS Regulations and any other legislation relating to the governance and administration of the Scheme and any other connected scheme, and any requirements imposed by the Pensions Regulator in relation to the Scheme.

2.2. To ensure the effective and efficient governance and administration of the LGPS by the Dyfed Pension Fund.

2.3. The Pension Board will ensure that in performing their role it is:

- done effectively and efficiently and
- complies with relevant legislation and
- done by having due regard and in the spirit of the Code of Practice on the governance and administration of public service pension schemes issued by the Pensions Regulator and any other relevant statutory or non-statutory guidance.

2.4. Board minutes of each meeting must be provided to the following Pension Fund Panel meeting and may make reports and recommendations to the Pension Fund Panel insofar as they relate to the role of the Pension Board. Any such reports or recommendations must be provided 10 working days in advance of the next Pension Fund Panel meeting to the Section 151 Officer.

2.5. An annual report of the Pension Board (as prepared by the Independent Member / Chair of the Pension Board), must be provided to the Section 151 Officer, the Head of Administration and Law, the Pension Fund Panel, and be published in the Fund's Annual Report and Accounts.

2.6. Where the Board considers that a matter brought to the attention of the Pension Fund Panel has not been acted upon or resolved to their satisfaction, the Pension Board will provide a report to the Head of Administration and Law and the Section 151 Officer.

2.7. The board shall have the power to do anything which is calculated to facilitate, or is conducive or incidental to, the discharge of any of its functions.

MEMBERSHIP OF THE DYFED PENSION BOARD

3. Membership: Composition

3.1. The Pension Board shall consist of 7 members and be constituted as follows:

- 3 Employer Representatives;
- 3 Scheme Member Representatives;
- 1 Independent Co-opted Member / Chair.

3.2. Substitutes are not permitted.

3.3. The Administering Authority shall make appropriate arrangements, as set out in this document, for the establishment of the membership of the Pension Board.

3.4. No officer or elected member of an administering authority who is responsible for the discharge of any function for the Dyfed Pension Fund under these regulations (apart from any function relating to local pension boards or the Local Government Pension Scheme Advisory Board) may be a member of the Dyfed Pension Fund local pension board.

3.5. The Administering Authority must be satisfied that—

- a person to be appointed as an Employer Representative has the capacity to represent employers on the local pension board; and
- a person to be appointed as a Scheme Member Representative has the capacity to represent members on the local pension board.
- a person to be appointed as an Independent Member / Chair has the capacity to represent members on the local pension board.

3.6. Each Employer Representative and Scheme Member Representative will have an individual voting right.

3.7. The Administering Authority must be satisfied that any person to be appointed as a member of a local pension board does not have a conflict of interest.

3.8. The Section 151 Officer will define and keep under review any eligibility and/or selection criteria that will apply to Pension Board members having due regard to the LGPS Regulations, the Pension Regulator's Code of Practice and other guidance (statutory or otherwise).

4. Membership: Appointment of Employer Representatives

4.1. Each employer within the Dyfed Pension Fund will be invited to nominate one representative to represent employers on the Pension Board.

4.2. A closing date for nominations will be a minimum of 2 weeks from the date the invitation is formally made.

4.3. Application packs will be prepared and made available to those who have been nominated.

4.4. The applications will be evaluated by the Administering Authority against an agreed person specification criteria. The Administering Authority will appoint 3 Employer Representatives.

4.5. One Employer Representative will be from Carmarthenshire County Council, as the Administering Authority.

4.6. If no applications are received or if all applications received fall below the minimum eligibility criteria, the Section 151 Officer will take any other action she/he considers appropriate to appoint suitable Employer Representatives.

5. Membership: Appointment of Scheme Member Representatives

5.1. The joint trade unions will be approached to make one nomination of a person to represent scheme members.

5.2. The other Scheme Member Representatives will be selected through an advertised appointment process.

5.3. A closing date for applications will be a minimum of 2 weeks.

5.4. Application packs will be prepared and made available to those who request an application form.

5.5. The applications will be evaluated by the Administering Authority against an agreed person specification criteria and shortlisted accordingly.

5.6. If no applications are received or if all applications received fall below the minimum eligibility criteria, the Section 151 Officer will take any other action she/he considers appropriate to appoint suitable Scheme Member Representatives.

6. Membership: Appointment of Independent Member / Chair

6.1. Given the specialist knowledge and requirements of the role, it is considered appropriate that the Administering Authority appoint a professional independent chair. Various individuals have been identified who through their previous involvement with the Finance and Pensions function it is thought would have the

immediate experience and capacity which, if supplemented with specific training, would enable them to undertake the role. Appropriate individuals will be contacted about their interest in the role and interested candidates will be assessed against the appropriate person specification and requirements of the role. The Administering Authority will appoint the most appropriate candidate.

7. Term of Office

7.1. The Employer Representatives are appointed for a period of three years from the date of establishment of the Pension Board or the date of their appointment if later. This period may be extended to up to five years if agreed by the Section 151 Officer, in particular to assist in continuity of experience on the Pension Board. It will automatically cease if the individual is no longer in the employment of that employer.

7.2. The Scheme Member Representatives are appointed for a period of three years from the date or establishment of the Pension Board or the date of their individual appointment if later. This period may be extended to up to five years if agreed by the Section 151 Officer, in particular to assist in continuity of experience on the Pension Board. It will automatically cease if the individual is no longer a scheme member in the Fund.

7.3. The Independent Member / Chair will be appointed for a period of up to three years from the date or establishment of the Pension Board or the date of their individual appointment if later. This period may be extended to up to five years if agreed by the Section 151 Officer, in particular to assist in continuity of experience on the Pension Board.

7.4. Any Pension Board member may be re-appointed for further terms following an appointment process.

7.5. Term dates may not be exact due to the period of the appointment process. The term of office may therefore be extended for this purpose or other exceptional circumstances by up to three months with the agreement of the Section 151 Officer.

8. Removal of Members

8.1. Other than ceasing to be eligible (as set out in point 7 above) a Pension Board member may only be removed from office during the term of appointment by the unanimous agreement of the Section 151 Officer, the Head of Administration and Law and the Independent Member / Chair.

8.2. All Board Members shall observe Carmarthenshire County Council's Code of Conduct for Members and Co-opted Members. Failure to do so will result in removal from the Pension Board.

8.3. The removal of the Independent Member / Chair requires unanimous agreement from the Section 151 Officer and the Head of Administration and Law.

9. Resignation of Members

9.1. Any member may resign at any time, by 3 months notice in writing to the Independent Member / Chair of the Board.

9.2. The Independent Member / Chair may resign at any time, by 3 months notice in writing to the Section 151 Officer.

MEETING ARRANGEMENTS

10. Role of the Independent Member / Chair

10.1. Ensure that all members of the Board show due respect for process, that all views are fully heard and considered and that decisions are democratically made where consensus cannot be reached.

10.2. To uphold and promote the purpose of the Board and to interpret its Terms of Reference when necessary.

10.3. Ensure that the Pension Board members have the knowledge and skills as determined in the Fund's Training Policy and other guidance or legislation and maintain a training record, and do not have conflicts of interest (see 16.5).

10.4. Act as professional adviser for the Board or arrange such advice as required subject to agreement by the Section 151 Officer on such conditions as that officer determines.

10.5. Agree the agenda for each Pension Board meeting.

10.6. Approve minutes for Pension Board meetings.

10.7. Ensure an attendance record is maintained along with advising Carmarthenshire County Council on expenses to be paid.

10.8. Advise Carmarthenshire County Council on an appropriate budget for the Board.

10.9. Write reports required by Carmarthenshire County Council on the work of the Board.

10.10. Liaise with the Treasury and Pension Investments Manager on the requirements of the Board, including advanced notice for Carmarthenshire County Council officers to attend and arranging dates and times of Board meetings.

10.11. Attend the Pension Panel meetings as an observer, currently 4 meetings per year.

10.12. Other tasks which may be deemed appropriate by Carmarthenshire County Council for the Independent Member / Chair of the Pension Board.

10.13. Other tasks that may be requested by the members of the Pension Board, within the remit of this Terms of Reference and subject to agreement with the Section 151 Officer.

10.14. To annually review and report on the performance of the Board.

10.15. The decision of the Independent Member / Chair on all points of procedure and order and the Independent Member / Chair's interpretation of the Terms of Reference shall be final.

10.16. Full draft job description can be found in Appendix A.

11. Meetings of the Pension Board

11.1. The Pension Board will normally meet at the offices of the Dyfed Pension Fund, although the offices of any Employer Representatives could be used with prior agreement of the Independent Member / Chair and at no additional accommodation cost to the Dyfed Pension Fund.

11.2. The Pension Board will not be a meeting of the Council open to the general public. See point 18 below (Attendance by others) for further information as to who may attend the Pension Board meetings.

11.3. The Board will meet twice in each calendar year. If the Board does not believe that this is sufficient to discharge its duties and responsibilities effectively the Independent Member / Chair can make a request to the Section 151 Officer for approval to hold additional meetings.

11.4. Urgent business of the Pension Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Pension Board including telephone conferencing and e-mails.

11.5. The Section 151 Officer will agree an agenda with the Independent Member / Chair of the Pension Board prior to each Pension Board meeting. Any member of the Board shall be entitled to request that an item be placed on an agenda for a future meeting, subject to the Independent Member / Chair's approval.

11.6. The agenda and any papers for the Pension Board will be issued at least 3 working days in advance of the meeting except in the case of matters of urgency.

11.7. Draft minutes of each meeting including all actions and agreements will be recorded and circulated to all Board members within 10 working days after the meeting. These draft minutes will be subject to formal agreement by the Independent Member / Chair taking consideration of comments by Board members (which may be done electronically between meetings).

11.8. The minutes may, at the discretion of the Independent Member / Chair, be edited to exclude items on the grounds that they would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A (2) of that Act and/or they represent data covered by the Data Protection Act 1998.

12. Quorum

12.1. All Members of the Pension Board are expected to regularly attend meetings. Records of attendance of all Members will be maintained and reported to the Section 151 Officer on at least an annual basis.

12.2. The minimum attendance for a meeting of the Pension Board to go ahead is when there are at least 4 attendees, including at least:

- one Employer Representative and
- one Scheme Member Representative and
- the Independent Co-opted Member / Chair.

12.3. Subject to agreement by the Independent Member / Chair this could include remote attendance.

13. Voting

13.1. Voting will be by majority.

13.2. Employer and Scheme Member Board Members will each have an individual voting right. The Independent Member / Chair will not have a vote.

13.3. Voting will be by a show of hands.

13.4. The results of any voting outcomes will be reported in the Board minutes.

13.5. Any member of the Board can ask for the way in which they voted to be recorded in the minutes.

14. Remuneration and expenses

14.1 The expenses of the Pension Board are to be regarded as part of the costs of administration of the Dyfed Pension Fund.

14.2. All Employer and Scheme Member Representatives will be entitled to claim travel and subsistence allowances at the rates contained in the Councillor's & Co-opted Member's Scheme of Allowances.

14.3. The Independent Member / Chair will be entitled to an appropriate fee which will be agreed by the Section 151 Officer as well as travel and subsistence allowances at the rates contained in the Councillor's & Co-opted Member's Scheme of Allowances.

15. Budgets

15.1. The Board is to be provided with adequate resources to fulfil its role. In doing so the budget for the Board will be met from the Fund and determined by:

- The Administering Authority will allocate an annual budget which is managed by and at the discretion of the Board.

16. Conflicts of Interest

16.1. A conflict of interest is defined in the Public Service Pensions Act as: "in relation to a person, means a financial or other interest which is likely to prejudice the person's exercise of functions as a member of the board (but does not include a financial or other interest arising merely by virtue of membership of the scheme or any connected scheme)."

16.2. Each member of the Pension Board (as well as any other attendees participating in the meeting) will be expected to declare, on appointment and at each meeting, any interests which may lead to conflicts of interest in the subject area or specific agenda of that Pension Board.

16.3. The Independent Member / Chair of the Pension Board must be satisfied that the Board is acting within:

- the conflicts of interest requirements of the Public Service Pensions Act and the LGPS Regulations, and
- in the spirit of any national guidance or code of practice in relation to conflicts of interest at the Pension Board.

16.4. Each member of the Pension Board, or a person proposed to be appointed to the Board, (as well as attendees participating in the meeting) must provide the Independent Member / Chair of the Pension Board with such information as he or she reasonably requires for the purposes of demonstrating that there is no conflict of interest.

16.5. The Section 151 Officer and the Head of Administration and Law will jointly adopt the role of ensuring that the Independent Member / Chair of the Pension Board does not have a conflict of interest in the same way as the Independent Member / Chair does in relation to all other Pension Board members.

17. Knowledge and Skills

17.1. Under the requirements of the Public Service Pensions Act, a member of the Pension Board must be conversant with:

- the legislation and associated guidance of the LGPS, and
- any document recording policy about the administration, funding and investment adopted by the Dyfed Pension Fund.

17.2. In addition, a member of the Local Pension Board must have knowledge and understanding of –

- The law relating to pensions, and
- Any other matters which are prescribed in regulations.

17.3. It is for individual Pension Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Pension Board.

17.4. Pension Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date.

17.5. Pension Board members are therefore required to:

- Participate in training events (a written record of relevant training and development will be maintained).
- Undertake a personal training needs analysis or other method to identify gaps in skills, competencies and knowledge.
- Comply with Dyfed Pension Fund's Training Policy insofar as it relates to Pension Board members.

18. Attendance by others

18.1. The following will be entitled to attend Pension Board meetings in an observer capacity:

- Members of the Dyfed Pension Fund Panel,
- the Section 151 Officer, the Treasury and Pension Investments Manager and the Head of Administration and Law,
- other officers or advisers of Carmarthenshire County Council or other employers involved with the management of the Pension Fund subject to approval in advance by the Independent Member / Chair, or on request by the Independent Member / Chair,
- any other person requested to attend by the Independent Member / Chair,

- any other person subject to approval in advance by the Independent Member / Chair.

18.2. Any such attendees will be permitted to speak at the discretion of the Independent Member / Chair.

19. Publication of Pension Board Information

19.1. In accordance with the Public Service Pensions Act, Carmarthenshire County Council is required to publish information about the Pension Board including:

- who the Pension Board members are,
- representation on the Board,
- the role of the Pension Board,
- these Terms of Reference.

19.2. In accordance with good practice, Carmarthenshire County Council may publish other information relating to the Pension Board as considered appropriate from time to time and which may include:

- the agendas and minutes,
- training and attendance logs,
- an annual report on the work of the Pension Board.

19.3. All or some of this information may be published using the following means or other means as considered appropriate from time to time:

- on the Dyfed Pension Fund website,
- on the Carmarthenshire County Council website,
- within the Dyfed Pension Fund Annual Report and Accounts,
- within the Fund's Governance Policy and Compliance Statement.

19.4. Information may be excluded on the grounds that it would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 1998.

20. Annual Report

20.1. The Pension Board must produce an annual report of the Board.

20.2. The annual report must be provided to the Section 151 Officer, the Head of Administration and Law, the Pension Fund Panel, and will be published in the Fund's Annual Report and Accounts.

21. Receipt of advice and information

21.1. Pension Board members will receive the final reports, minutes and agendas relating to all Pension Fund Panel meetings and the Independent Member / Chair will be required to attend the Pension Fund Panel meetings as an observer.

21.2. Insofar as it relates to the role of the Pension Board, it may also;

- request and receive information and reports from the Pension Fund Panel or any other body or officer responsible for the management of the Fund,
- Examine decisions made or actions taken by the Pension Fund Panel or any other body or officer responsible for the management of the Fund.

21.3. Any further requests for information and advice are subject to the approval of the Section 151 Officer who will be required to consider positively all reasonable requests in relation to the role of the Pension Board whilst being mindful of value for money.

22. Acting in the interests of the entire pension fund

22.1. Though members of the Pension Board include representatives of specific categories of stakeholder (i.e. scheme members and employers) each member is required to have due regard to the Role of the Pension Board as outlined in this Terms of Reference.

22.2. All members are expected to work jointly in the best interest of the entire Pension Fund, rather than representing the interest of any individual stakeholders.

22.3. This should not prevent Members from sharing their knowledge on how matters might impact specific stakeholders of the Fund.

23. Accountability

23.1. The Pension Board will be collectively and individually accountable to Carmarthenshire County Council as Administrating Authority of the Dyfed Pension Fund.

24. Review, Interpretation and Publication of Terms of Reference

24.1. The Terms of Reference have been agreed by Carmarthenshire County Council. The Council will monitor and evaluate the operation of the Pension Board and may review this Terms of Reference from time to time.

24.2. This Terms of Reference will be incorporated into the Council's Constitution and will be publicly available as part of the Constitution as defined in the Council's Constitution and may be amended by the same means as permitted for the Constitution.

24.3. It will also form part of the Dyfed Pension Fund's Governance Policy and Compliance Statement which will be made available in accordance with the requirements of the LGPS Regulations.

25. Definitions and interpretation

Points of interpretation:

All references to officers are to officers within Carmarthenshire County Council unless otherwise stated.

The undernoted terms shall have the following meaning when used in this document:

<i>"Pension Board" or "Board"</i>	The local Pension Board for Carmarthenshire County Council, administering authority for the Dyfed Pension Fund as required under the Public Service Pensions Act 2013
<i>"Fund" or "Pension Fund"</i>	Dyfed Pension Fund
<i>"the LGPS Regulations"</i>	The Local Government Pension Scheme Regulations 2013 (as amended)
<i>the Public Service Pensions Act</i>	The Public Service Pensions Act 2013 (as amended)
<i>"Scheme Manager"</i>	Carmarthenshire County Council as administering authority of the Dyfed Pension Fund.
<i>"Chair"</i>	The appointed Chairperson of the Pension Board
<i>"LGPS"</i>	The Local Government Pension Scheme
<i>"Scheme"</i>	The Local Government Pension Scheme
<i>"Capacity"</i>	To have the time and resources to attend meetings, training, etc

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