

DYFED PENSION FUND PENSION BOARD

Tuesday, 24 April 2018

PRESENT: Mr John Jones [Chair]

Mr I. Eynon [Pembrokeshire County Council – Employer Rep];
Mr M. Miles [Mid & West Wales Fire & Rescue Service – Employer Rep];
Ms C. Davies [Pembrokeshire County Council – Employee Rep].

Also Present:

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

The following Officers were in attendance:

C. Moore, Director of Corporate Services;
K. Gerard, Pensions Manager
C. Moore, Director of Corporate Services
A. Parnell, Treasury & Pensions Investments Manager;
T. L. Williams, Assistant Accountant;
J. Owen, Democratic Services Officer.

Committee Room 1, 3 Spilman Street, Carmarthen – 3:00pm - 4:00pm.

1. APOLOGIES

Apologies for absence were received from Mr Mike Rogers [Pensioner Rep] and Councillor P.M. Hughes [Carmarthenshire County Council – Employer Rep].

The Chair reported that Ms Catherine Davies would be leaving the Board due to a new position which would leave 2 x vacancies on the Board (including Mr Mark Miles and the Union Representative). The Treasury & Pension Investments Manager stated that the Employee Representative vacant position would be included within the annual newsletter to be circulated by 30th April 2018 with applications due in by 31st May 2018. The Director of Corporate Services added that the advertisement would be advertised and open to include all members and that it was hoped that the Board would be up to full membership by the next meeting in July 2018.

2. DECLARATIONS OF PERSONAL INTEREST.

There were no declarations of personal interest.

3. MINUTES OF THE PENSION BOARD MEETING 18TH JANUARY 2018

AGREED that the minutes of the Pension Board meeting held on 18th January, 2018 be confirmed as correct record.

4. DYFED PENSION FUND COMMITTEE MEETING 14TH MARCH 2018

The Board received for consideration the following reports which had been considered by the Dyfed Pension Fund Committee at its meeting held on 14th March, 2018:-

4.1. AUDIT PLAN 2018

The Board considered the 2018 Audit Plan for the Dyfed Pension Fund which had been prepared by the Wales Audit Office. The Auditor General, as the auditor for the Dyfed Pension Fund, must discharge his statutory duties and obligations under the Public Audit (Wales) Act 2004 and the plan detailed the work to be carried out in order to discharge those responsibilities.

The Board noted that the Audit Committee at its meeting on the 23rd March 2018 formally adopted the 2018 Audit Plan.

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

In response to a query raised regarding the financial audit risk relating to the establishment of the Wales Pension Partnership (WPP), the Director of Corporate Services confirmed that the audit of the WPP would be undertaken by the Wales Audit Office team responsible for the Dyfed Pension Fund audit as Carmarthenshire County Council was the host authority for the WPP.

AGREED that the report be noted.

4.2. BUDGET MONITORING AS AT 28TH FEBRUARY 2018

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 as at 28th February, 2018.

AGREED that the report be noted.

4.3. DYFED PENSION FUND BUDGET 2018-2019

The Committee considered the Dyfed Pension Fund Budget for 2018/19.

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

A query was raised in relation to the increased costs attributed to the Wales Pension Partnership expenditure in 2018/19. The Treasury & Pension Investments Manager explained that the £200k was the Dyfed Pension Fund's share (1/8) of total cost and including the host authority costs, the operator fees, custodian fees and depository fees of the WPP.

4.4. CASH RECONCILIATION AS AT 31ST JANUARY 2018

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 January 2018.

Following a query, the Treasury & Pensions Investments Manager explained that the £5.3m 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.

To ensure that the report contains pertinent breaches, Members of the Board requested that the 2016/17 breaches be removed from future reports and for breaches to be reported in chronological order.

AGREED that the report be noted.

4.6. RISK REGISTER

The Board 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 is regularly monitored and reviewed included the following information:-

- 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)

The following queries were raised in relation to the report:-

Reference was made to CSV400012-Failure to appropriately attract, manage, develop and retain staff at all levels. It was asked, if the high turnover of staff had been addressed and if steps had been introduced in order to reduce staff turnover? The Pensions Manager confirmed that it was hoped that the all vacant posts would be filled by the end of next week and that staff vacancies had also arisen due to temporary posts being made permanent.

It was further queried if the assessment of current risk rating of 'improbable' within the probability segment was set at the appropriate level for the identified risk. The Pensions Manager stated that he felt the given rating of improbable was acceptable due to the impending appointments being made. It was commented that this risk should continue to be monitored. The Director of Corporate Services added that as a result of systems and processes becoming more efficient, workforces decrease to match the reduction in workload.

AGREED that the risk register be noted.

4.7. GOVERNANCE POLICY AND COMPLIANCE STATEMENT

The Board received the Dyfed Pension Funds Governance Policy and Compliance Statement for 2018 to which minor amendments had been made to reflect constitutional changes including its renaming from a Panel to a Committee of the Council.

AGREED that the Governance Policy and Compliance Statement be noted.

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

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

The Board noted that the 'opt up' had been completed by eight of the listed institutions, the remaining two applications in respect of Standard Life (via Schroders) and Russell Investments were currently awaiting completion.

AGREED that the MIFID II update be noted.

5. WALES PENSION PARTNERSHIP UPDATE

The Board received a report on the Wales Pension Partnership which provided an update on the milestones and progress to date.

The Board noted key updates which included:-

- Key Milestones
- Progress to date
 - Initial Fund Submission
 - Investment Manger
 - Scheme Documents
 - Reporting
 - Governance
- Next steps

AGREED that the Wales Pension Partnership update be received.

6. MINUTES OF THE DYFED PENSION FUND COMMITTEE HELD ON 14TH MARCH 2018

The Board received the minutes of the Dyfed Pension Fund Committee meeting held on 14th March, 2018.

NOTED.

7. ANY OTHER ITEMS OF BUSINESS THAT BY REASONS OF SPECIAL CIRCUMSTANCES THE CHAIR DECIDES SHOULD BE CONSIDERED AS A MATTER OF URGENCY PURSUANT TO SECTION 100B(4)(B) OF THE LOCAL GOVERNMENT ACT, 1972.

There were no any other items of business raised.

CHAIR

DATE