

TUESDAY, 13 JULY 2021

TO: ALL MEMBERS OF THE DYFED PENSION FUND PENSION BOARD

I HEREBY SUMMON YOU TO ATTEND A **VIRTUAL MEETING** OF THE **DYFED PENSION FUND PENSION BOARD** WHICH WILL BE HELD IN THE **VIRTUAL MEETING AT 10.00 AM, ON TUESDAY, 20TH JULY, 2021** FOR THE TRANSACTION OF THE BUSINESS OUTLINED ON THE ATTACHED AGENDA

Wendy Walters

CHIEF EXECUTIVE



PLEASE RECYCLE

Democratic Officer:	Janine Owen
Telephone (direct line):	01267 224030
E-Mail:	JanineOwen@carmarthenshire.gov.uk

Wendy Walters Prif Weithredwr, *Chief Executive*,
Neuadd y Sir, Caerfyrddin. SA31 1JP
County Hall, Carmarthen. SA31 1JP

**DYFED PENSION FUND PENSION BOARD
MEMBERSHIP**

Gwyn Jones	Member Representative
Paul Ashley-Jones	Employer Member Representative
Cllr. Philip Hughes	Employer Member Representative
John Jones	Chair of the Board
Cllr Gareth Lloyd	Employer Member Representative
Mike Rogers	Pensioner Member Representative
Tommy Bowler	Union Member Representative

AGENDA

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7. EXCLUSION OF THE PUBLIC

THE REPORTS RELATING TO THE FOLLOWING ITEMS ARE NOT FOR PUBLICATION AS THEY CONTAIN EXEMPT INFORMATION AS DEFINED IN PARAGRAPH 14 OF PART 4 OF SCHEDULE 12A TO THE LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) (VARIATION) (WALES) ORDER 2007. IF, FOLLOWING THE APPLICATION OF THE PUBLIC INTEREST TEST, THE COMMITTEE RESOLVES PURSUANT TO THE ACT TO CONSIDER THESE ITEMS IN PRIVATE, THE PUBLIC WILL BE EXCLUDED FROM THE MEETING DURING SUCH CONSIDERATION.
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Dyfed Pension Fund Pension Board

Friday, 16 April 2021

PRESENT: John Jones (Chair);

Committee Members:

Mr Gwyn Jones	- Member Representative;
Mr Paul Ashley-Jones	- Employer Member Representative;
Cllr Philip Hughes	- Employer Member Representative;
Cllr Gareth Lloyd	- Employer Member Representative;
Mr Tommy Bowler	- Union Member Representative;

Also present as an observer:

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

The following Officers were in attendance:

R. Hemingway, Head of Financial Services
A. Parnell, Treasury & Pension Investments Manager
K. Gerard, Pensions Manager
M. Evans Thomas, Principal Democratic Services Officer
M. Owens, Assistant Accountant
S. Rees, Simultaneous Translator
J. Corner, Technical Officer
M.S. Davies, Democratic Services Officer
E. Bryer, Democratic Services Officer

Virtual Meeting - 10.00 - 11.45 am

1. APOLOGIES FOR ABSENCE

An apology for absence was received from Mr Mike Rogers (Pensioner Member Representative).

2. DECLARATIONS OF PERSONAL INTEREST

There were no declarations of personal interest made at the meeting.

3. MINUTES OF THE PENSION BOARD MEETING HELD ON THE 17TH FEBRUARY 2021

AGREED that the minutes of the meeting for the Pension Board held on the 17th February 2021 be confirmed as a correct record.

4. DYFED PENSION FUND COMMITTEE 25TH MARCH 2021

The Board received for consideration the following reports which had been considered by the Dyfed Pension Fund Committee at its meeting held on the 25th March 2021.

4.1. PENSION BOARD MINUTES 20TH NOVEMBER 2020

The Board noted the minutes of the Dyfed Pension Board meeting held on 20th November, 2020 had been received by the Dyfed Pension Fund Committee.

4.2. AUDIT PLAN 2021

The Board considered the Dyfed Pension Fund Budget Audit Plan which set out the proposed scope, when to be undertaken, cost and responsibilities.

In response to a question regarding the timing of the preparation of accounts, it was confirmed that expected delivery was the end of July 2021 in line with the Annual Report. The accounts would be submitted to the Governance & Audit Committee for approval in October 2021.

AGREED that the report be noted.

4.3. BUDGET MONITORING - 1ST APRIL 2020 TO 31ST DECEMBER 2020

The Board considered the Dyfed Pension Fund Budget Monitoring report which provided an update on the latest budgetary position in respect of the period 1st April 2020 – 31st December 2020.

It was asked if research and planning had been undertaken into the impact of long COVID-19 on the pension scheme. The Board was advised that to date only COVID-19 deaths had been monitored and that the impact of long COVID-19 hadn't filtered through yet.

AGREED that the report be noted.

4.4. DYFED PENSION FUND BUDGET 2021-2022

The Board considered the Dyfed Pension Fund Budget for 2021-22. It was noted that the cash related expenditure for 2021-22 had been set at £104.3m and the cash related income at £104.3m, resulting in a net budget of £0 which provided the Fund with flexibility to utilise investment income based on cash flow requirements.

AGREED that the Budget for 2021-22 be noted.

4.5. CASH RECONCILIATION AS AT 31 JANUARY 2021

The Board considered the Cash Reconciliation report which provided an update on the cash position in respect of the Dyfed Pension Fund. It was noted that, as at 31 January 2021, £14m 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.

The Board questioned the negative difference between the payments made and contributions received. It was acknowledged that this was a challenge for the Fund but that investment income received covered the shortfall.

AGREED that the report be noted.

4.6. PENSIONS ADMINISTRATION REPORT

The Board received a report providing an update on Pensions Administration. The report included updates on the activities within the Pensions administration service and included regulatory matters, employer cessation, breaches register, i-Connect, Data Quality reports, GMP reconciliation and workflows.

The Board expressed concern regarding the potential number of cases that would require intervention. It was advised that following the software update a review of the resources required would be undertaken.

The Board acknowledge that this was a positive report and complimented everyone involved.

AGREED that the report be noted.

4.7. BREACHES REPORT 2020-2021

The Board received for consideration the Breaches Report in relation to the Dyfed Pension Fund. It was noted that 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 Board asked if it would be feasible to include an additional column in the report to indicate the status of the breach so that it would be clear if the matter had been resolved or was still on-going. It was advised that this could be considered.

The Board noted that since the last meeting there had been a number of instances where employee/employer contributions had not been received on time. Those had now been received so no report had been sent to the Pensions Regulator.

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

4.8. RISK REGISTER 2021-2022

The Board was advised that the Risk Register was a working document that highlighted all the risks identified in relation to the functions of the Dyfed Pension Fund. It was advised that the risk register for 2021-2022 had been reviewed to ensure risks had been identified and assessed.

The issue of not being able to quickly identify changes from previous reports was raised again. It was advised that for future reports the header information currently provided to the Dyfed Pension Board Committee would also be included for the Board.

Agreed that the risk register report for 2021-2022 be noted.

4.9. GOVERNANCE POLICY AND COMPLIANCE STATEMENT 2021

The Board received the revised Governance Policy and Compliance Statement. A review had been undertaken on the Governance Policy and Compliance Statement of the Dyfed Pension Fund. The Governance Policy detailed arrangements in relation to:

- The Governance of the Fund
- Terms of Reference for the Pension Committee
- Delegation to the Director of Corporate Services and Head of Financial Services
- Committee meetings
- The Annual Consultative Meeting
- The Pension Board

The Compliance Statement set out the Fund's compliance with best practice principles in relation to structure, representation, selection, voting, training, meetings, access, scope and publicity.

It was asked if consideration had been given to limiting the number of years a Chair could be in appointment for. The Treasury & Pension Investments Manager advised that he would take forward for future discussions with the S151 officer and Democratic Services.

The Board suggested that the Pension Board section of the Governance Policy should reference that the Chair of the Pension Committee attends the Pension Board meetings and that the Board has authority (if necessary) to report to the committee.

AGREED that the report be noted.

4.10. BUSINESS PLAN 2021-2022

The Board received the Wales Pension Partnership Business Plan for the period 2021-2022 detailing how the Fund was to achieve its objectives and ensuring the allocation of sufficient resources to meet those objectives.

AGREED to note the Wales Pension Partnership Business Plan for the period 2021-22.

4.11. TRAINING PLAN 2021-2022

The Board received the Wales Pension Partnership Training Plan for the period 2021-2022 detailing meetings, training events and the members and officers anticipated to attend the events.

AGREED that the Wales Pension Partnership Training Plan for the period 2021-22 be noted.

4.12. WALES PENSION PARTNERSHIP (WPP) LINK AND RUSSELL UPDATE

The Board received an update report on the Wales Pension Partnership (WPP), on the milestones and progress of both the following Sub Funds together with the Engagement Protocol and the key meeting dates:-

- Tranche 3 – Fixed Income
- Tranche 4 – Emerging Markets
- Tranche 5 – Private Markets Strategy Development

The Committee noted the current Global Growth equity sub fund totalled £2.89bn and the Global Credit Fund £796m.

AGREED that the Wales Pension Partnership Link and Russell Update be noted.

4.13. DRAFT MINUTES OF THE PENSION COMMITTEE MEETING 25TH MARCH 2021

AGREED that the draft minutes of the meeting of the Dyfed Pension Fund Committee held on the 25th March 2021 be noted.

5. PENSION BOARD WORKPLAN 2021

The Board considered the Pension Board Workplan for 2021 which outlined the work of the Pension Board throughout 2021 and the items to be presented at each meeting.

It was asked that at a future meeting a report on the comparative costs of the Fund be included.

AGREED to note the workplan for 2021.

6. PENSION BOARD BUDGET MONITORING 1 APRIL 2020 - 31 MARCH 2021

The Board received the final Pension Board Budget Monitoring report and considered the budgetary position as at 31 March 2021.

The final position as at 31 March 2021 was an under spend compared to budget of £3,543.

The fee for the Chair exceeded the budget by £917 as the contract was extended and the fee was increased based on this extension. Training costs was underspent by £3,580 as the majority of training events attended by Board members were online and with no charge. There was no expenditure in relation to travel, subsistence or miscellaneous expenses due to COVID-19.

The liability insurance premium exceeded budget by £1,120. Insurance market rates had increased by approximately 20% over the last year.

RESOLVED to receive Pension Board Budget Monitoring 1 April 2020 – 31 March 2021.

7. EXCLUSION OF THE PUBLIC

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.

8. INDEPENDENT ADVISOR PERFORMANCE & RISK REPORT AT 31 DECEMBER 2020

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute Item 7 above, to consider this matter in private, with the public excluded from the meeting as disclosure would be likely to cause financial harm to the Pension Fund.

The Board received the Independent Investment Adviser Performance and Risk Report that provided information in relation to the investment managers' performance for the quarterly, 12 month and rolling 3-year period ending 31 December 2020 together with the global market background and issues for consideration.

RESOLVED that the Independent Investment Adviser Report as at 31 December 2020 be noted.

9. NORTHERN TRUST PERFORMANCE REPORT 31 DECEMBER 2020

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute Item 7 above, to consider this matter in private, with the public excluded from the meeting as disclosure would be likely to cause financial harm to the Pension Fund.

The Board received the Northern Trust Performance report for the Dyfed Pension Fund as at 31 December 2020, which provided performance analysis at a total fund level and by investment manager for the periods up to inception.

RESOLVED that the Northern Trust Performance report for the Dyfed Pension Fund as at 31 December 2020 be noted.

10. INVESTMENT MANAGER REPORTS TO 31 DECEMBER 2020

The Board received for consideration the following reports which had been considered by the Dyfed Pension Fund Committee at its meeting held on the 25th March 2021.

10.1. BLACKROCK

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute Item 7 above, to consider this matter in private, with the public excluded from the meeting as disclosure would be likely to cause financial harm to the Pension Fund.

The Board duly received the Investment Manager Briefing - BlackRock report for the Dyfed Pension Fund as at 31 December 2020, which provided portfolio update, investment pipeline, sustainable investing and portfolio holdings updates.

RESOLVED that the Investment Manager Briefing - BlackRock report for the Dyfed Pension Fund as at 31 December 2020 be noted.

10.2. SCHRODERS

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute Item 7 above, to consider this matter in private, with the public excluded from the meeting as disclosure would be likely to cause financial harm to the Pension Fund.

The Board considered the Schrodgers – Q4 2020 Investment Report which set out the performance as at 31 December 2020.

AGREED to note the report.

10.3. PARTNERS GROUP

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute Item 7 above, to consider this matter in private, with the public excluded from the meeting as disclosure would be likely to cause financial harm to the Pension Fund.

The Board considered the Partners Group – Quarterly Financials October to December 2020 report which set out the performance as at 31 December 2020.

AGREED to note the report.

10.4. WALES PENSION PARTNERSHIP - GLOBAL GROWTH FUND

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute Item 7 above, to consider this matter in private, with the public excluded from the meeting as disclosure would be likely to cause financial harm to the Pension Fund.

The Board considered the WPP Global Growth Fund – 31 December 2020 report which set out the performance as at 31 December 2020.

AGREED to note the report.

10.5. WALES PENSION PARTNERSHIP - GLOBAL CREDIT FUND

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute Item 7 above, to consider this matter in private, with the public excluded from the meeting as disclosure would be likely to cause financial harm to the Pension Fund.

The Board considered the WPP Global Credit Fund – 31 December 2020 report which set out the performance as at 31 December 2020.

AGREED to note the report.

11. INVESTMENT MANAGER BRIEFING - BLACKROCK

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute Item 7 above, to consider this matter in private, with the public excluded from the meeting as disclosure would be likely to cause financial harm to the Pension Fund.

The Board considered the BlackRock investment manager briefing as at 31 December 2020. The Briefing included:

- Portfolio update
- Investment Pipeline
- Sustainable investing update
- Portfolio holdings

AGREED to note the briefing.

12. EQUITY RESTRUCTURE PRE-TRANSITION ANALYSIS

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute Item 7 above, to consider this matter in private, with the public excluded from the meeting as disclosure would be likely to cause financial harm to the Pension Fund.

The Board considered the Pre-Transition Report which covered the following areas:

- Transition Approach and Portfolio Analysis
- Transaction Timeline

- Transition Benchmark and Trading Strategy
- Cost and Risk Analysis
- Other Considerations

AGREED to note the report.

CHAIR

DATE

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DYFED PENSION FUND PENSION BOARD 20TH JULY 2021

DYFED PENSION FUND COMMITTEE MEETING 16 JUNE 2021		
Recommendations / key decisions required: The Pension Board to note and comment on the minutes and actions of the Dyfed Pension Fund Committee meeting on 16 June 2021.		
Reasons: To inform the Pension Board of the meeting of the Dyfed Pension Fund Committee that was held on 16 June 2021.		
Relevant scrutiny committee to be consulted NA		
Exec. Board Decision Required	NA	
Council Decision Required	NA	
EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- NA		
Directorate: Name of Head of Service: Chris Moore Report Author: Chris Moore	Designations: Director of Corporate Services	Tel: 01267 224120 Email addresses: CMoore@carmarthenshire.gov.uk

EXECUTIVE SUMMARY

DYFED PENSION FUND PENSION BOARD 20TH JULY 2021

DYFED PENSION FUND COMMITTEE MEETING 16 JUNE 2021

A Pension Fund Committee meeting was held on 16 June 2021 and the following agenda items were considered and noted:

- 4.1 - Pension Board Minutes 17 February 2021
- 4.2 - Final Budgetary Position 2020-21
- 4.3 - EOY Cash Reconciliation as at 31 March 2021
- 4.4 - Pensions Administration Report
- 4.5 - Breaches Report 2021-22
- 4.6 - Risk Register 2021-22
- 4.7 - Wales Pension Partnership (WPP) Business Plan 2021-24
- 4.8 - Training Plan 2021-22

The draft minutes of the Pension Fund Committee meeting on 16 June 2021 is attached at 4.9 for information.

DETAILED REPORT ATTACHED?

Agenda Items 4.1 - 4.9

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	YES	NONE	YES	NONE	NONE

Finance

Budget Monitoring - Total expenditure was £101.3m and total income was £100.5m.

Cash Reconciliation - A sufficient cash balance is required to be held by Carmarthenshire to ensure the Fund can meet its immediate cash flow requirements.

Wales Pension Partnership (WPP) Business Plan 2021-24 - The Wales Pension Partnership business plan outlines the priorities for the WPP during 2021-24, ensuring that resources are allocated to meet our objectives.

Risk Management

Risk Register - The register is used to identify any risks relating to the functions of the Dyfed Pension Fund and highlights what measures are in place to mitigate these risks. Failure to manage the risks correctly could result in the Fund not meeting its objectives.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore

Director of Corporate Services

1. Scrutiny Committee

NA

2. Local Member(s)

NA

3. Community / Town Council

NA

4. Relevant Partners

NA

5. Staff Side Representatives and other Organisations

NA

**EXECUTIVE BOARD PORTFOLIO
HOLDER(S) AWARE/CONSULTED**

NA

Include any observations here

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

Title of Document	File Ref No.	Locations that the papers are available for public inspection
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Dyfed Pension Fund Pension Board

Wednesday, 17 February 2021

PRESENT: John Jones (Chair);

Committee Members:

Mr Gwyn Jones	- Member Representative;
Mr Paul Ashley-Jones	- Employer Member Representative;
Cllr Philip Hughes	- Employer Member Representative;
Cllr Gareth Lloyd	- Employer Member Representative;
Mr Tommy Bowler	- Union Member Representative;

Also in attendance:

Councillor Elwyn Williams – Chair of the Dyfed Pension Fund Committee;
A. Brown – Independent Investment Advisor;

The following Officers were in attendance:

R. Hemingway, Head of Financial Services;
A. Parnell, Treasury & Pension Investments Manager;
M. Owens, Assistant Accountant;
L. Davies, Simultaneous Translator;
E. Bryer, Democratic Services Officer;
M.S. Davies, Democratic Services Officer.

Virtual Meeting: 2.00pm - 3.20pm

1. APOLOGIES FOR ABSENCE

An apology for absence was received from Mr. M. Rogers [Pensioner Member Representative].

2. DECLARATIONS OF PERSONAL INTEREST

There were no declarations of personal interest made at the meeting.

3. MINUTES OF THE PENSION BOARD MEETING HELD ON THE 20TH NOVEMBER 2020

AGREED that the minutes of the meeting for the Pension Board held on the 20th November 2020 be confirmed as a correct record.

4. DYFED PENSION FUND COMMITTEE

4.1. BUDGET MONITORING 1 APRIL 2020 - 30 SEPTEMBER 2020

The Board considered the Dyfed Pension Fund Budget Monitoring report which provided an update on the latest budgetary position in respect of the period 1st April 2020 – 30th September 2020.

AGREED that the report be noted.

4.2. CASH RECONCILIATION AS AT 30 NOVEMBER 2020

The Board considered the Cash Reconciliation report which provided an update on the cash position in respect of the Dyfed Pension Fund. It was noted that, as at 30 November 2020, £22.634m 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.

4.3. BREACHES REPORT 2020-21

The Board received for consideration the Breaches Report in relation to the Dyfed Pension Fund. Section 70 of the Pension Act 2004 set out the legal duty to report breaches of the law.

Members were assured that there were no major breaches within the Fund.

AGREED that the report in relation to the Dyfed Pension Fund be noted.

4.4. RISK REGISTER 2020-21

The Board considered the risk register as at 29th December 2020. The Board was advised that whilst there was no specific reference in the to Covid 19 this may be reviewed in respect of the Risk Register for 2021/22. It was considered encouraging to note that attendances at the virtual national conferences and seminars arranged for members had been higher than usual.

In response to a query the Board was assured that Carmarthenshire County Council, as host authority to the Wales Pension Partnership, currently had sufficient staff resources to provide the necessary support.

AGREED that the report be noted and that any major changes to the register be highlighted in future reports.

4.5. OPERATOR UPDATE - LINK AND RUSSELL INVESTMENTS

The Board received an update on the progress of the Wales Pension Partnership in relation to the following Sub Funds together with the current fund holdings, fund launch progress and Link / Russell Investments Corporate Update and Engagement.

- Tranche 3 – Fixed Income;
- Tranche 4 – Emerging Markets;
- Tranche 5 – Private Markets strategy development.

The Board was assured that any acquisition of the Link Group should not impact on its commitment to the Wales Pension Partnership and the situation would be closely monitored.

The Chair pointed out that there was no reference in the LFS Engagement Protocol to the fact that Link and Russell held twice yearly meetings with Chairs of Pension Boards and asked that this be fed back.

AGREED that the report be received.

4.6. MINUTES OF THE PENSION COMMITTEE MEETING 11 JANUARY 2021

AGREED that the minutes of the meeting of the Dyfed Pension Fund Committee held on the 11th January 2021 be received.

5. EQUITY RESTRUCTURE

The Board received a report on proposals agreed by the Dyfed Pension Fund Committee for the re-structure of the Dyfed Pension Fund equity portfolio which took into account climate related risk and the establishment of the Wales Pension Partnership portfolios. The structure of the £1.27Bn Legacy BlackRock Equity portfolio would be reviewed to enable it to work harder to achieve the Fund's goal in terms of long-term performance and climate risk.

In response to a question relating to climate change and carbon emissions the Board was advised that these were issues which increased the risk of investing in certain areas. It was noted that the 'carbon footprint' issue had first been raised by the Dyfed Pension Committee in 2017 and a strategy was in place which was aimed at continually reducing it. In terms of 'localism' it was stated that whilst there had been investment in two solar panel farms in Pembrokeshire this had to be balanced against potential returns.

The Board welcomed the update and the progress being made.

AGREED that the report be noted and that further developments be reported at future meetings.

6. PENSION BOARD BUDGET 2021-22

The Board considered the Dyfed Pension Fund Budget for 2021-22 which had increased by approximately 15% from the 2020-21 budget as a result of the increased fees for the Pension Board Chair and Pension Board Liability Insurance.

AGREED that the Budget for 2020-21 be noted.

7. EXCLUSION OF THE PUBLIC

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.

8. INDEPENDENT ADVISER PERFORMANCE & RISK REPORT AT 30 SEPTEMBER 2020

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute Item 7 above, to consider this matter in private, with the public excluded from the meeting as disclosure would be likely to cause financial harm to the Pension Fund.

The Board received the Independent Investment Adviser Performance and Risk Report that provided information in relation to the investment managers' performance for the quarterly, 12 month and rolling 3-year period ending 30

September 2020 together with the global market background and issues for consideration.

RESOLVED that the Independent Investment Adviser Report as at 30 September 2020 be noted.

9. NORTHERN TRUST PERFORMANCE REPORT 30 SEPTEMBER 2020

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute Item 7 above, to consider this matter in private, with the public excluded from the meeting as disclosure would be likely to cause financial harm to the Pension Fund by prejudicing ongoing and future negotiations.

The Board considered the Northern Trust Performance report for the Dyfed Pension Fund as at 30 September 2020, which provided performance analysis at a total fund level and by investment manager for the periods up to inception.

RESOLVED that the Northern Trust Performance report for the Dyfed Pension Fund as at 30 September 2020 be received.

CHAIR

DATE

Dyfed Pension Fund						
Final Budgetary Position						
1st April 2020 - 31st March 2021						
	Budget Type	Actual 2019-2020	Budget 2020-2021	Actual 2020-2021	End of year variance	Assumptions/Comments
	Controllable / Non Controllable	£ '000 (a)	£ '000 (b)	£ '000 (e)	£ '000 (f)	%
Expenditure						
Benefits Payable	Both	89,766	89,869	89,783	-86	-0.1
Pensions Payable	Controllable	72,858	76,369	75,112	-1,257	
Commutation and lump sum retirement benefits	Non Controllable	14,708	12,000	11,724	-276	
Lump sum death benefits	Non Controllable	2,200	1,500	2,947	1,447	
Payments to and account of leavers	Non Controllable	3,597	2,620	3,596	976	37.3
Management Expenses		7,775	8,549	7,967	-582	-6.8
Computer Software	Controllable	338	361	366	5	
Printing charges	Controllable	13	20	13	-7	
Subscriptions, Legal fees, Conf Exps, Med Exps	Controllable	63	70	53	-17	
Fund Managers						
BlackRock	Controllable	1,703	1,443	1,345	-98	Underspend due to performance fee reduction. This is due to fund underperforming compared to index.
Schroders	Controllable	763	882	693	-189	Reduction in fees commencing Jan 2021.
Wales Pension Partnership	Controllable	2,600	3,510	3,272	-238	Corporate Bonds not pooled until July 2020.
Partners Group	Controllable	856	806	825	19	
Custodian						
Northern Trust	Controllable	30	31	39	8	
Actuary						
Mercer	Controllable	221	100	93	-7	
Performance Manager						
Northern Trust / PIRC / CEM	Controllable	10	26	14	-12	
Independent Advisor						
	Controllable	21	30	28	-2	
Other						
Euraplan, LSE, Pension Board	Controllable	21	23	44	21	
Central recharges	Non Controllable	1,108	1,219	1,154	-65	Underspend in Pensions Administration Team - due to vacancies.
Audit fees	Controllable	28	28	28	0	
Controllable Expenditure		79,525	83,699	81,925	-1,774	
Non Controllable Expenditure		21,613	17,339	19,421	2,082	
Total Expenditure		101,138	101,038	101,346	308	
Income						
Contributions						
Employer	Controllable	-60,238	-64,596	-62,455	2,141	-3.3
						Income below budget due to augmentation receipts being lower than budgeted. Augmentation income matches augmentation expenditure so corresponding underspend is included in Benefits Payable resulting in zero variance between income and expenditure.
Member	Controllable	-20,194	-21,148	-21,599	-451	2.1
Investment Income	Controllable	-16,822	-13,794	-13,259	535	-3.9
						Includes BlackRock SAIF, Schroders dividend income, WPP and Partners Group which is income reinvested.
Other Income	Controllable	0	0	-0	-0	0.0
Transfers in from other pension funds	Non Controllable	-6,839	-1,500	-3,196	-1,696	113.1
Controllable Income		-97,254	-99,538	-97,313	2,225	
Non Controllable Income		-6,839	-1,500	-3,196	-1,696	
Total Income		-104,093	-101,038	-100,509	529	
Controllable Total		-17,729	-15,839	-15,388	451	
Non Controllable Total		14,774	15,839	16,225	386	
Total		-2,955	0	837	837	
Cash Transfer to Fund Managers	Cash	0	0	0	0	
Net Total of Cash Related Items		-2,955	0	837	837	
Indirect Transactional Management Fees	Non Cash	3,670	2,840	7,500	4,660	164.1
						CIPFA Management cost guidance issued to show indirect transactional fees indirectly paid by the funds. This is an estimate as not all required information has been received from Fund Managers.
Investment Income	Non Cash	-3,670	-2,840	-7,500	-4,660	164.1
						Contra entry to the Indirect transactional fees
Realised gain/loss	Non Cash	-30,270	-50,000	-467,512	-417,512	835.0
						Non Controllable. No impact to cash. Gain as a result of Corporate Bond/Equity transition.
Net Total of Non-Cash Related Items		-30,270	-50,000	-467,512	-417,512	

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Agenda Item 4.3

<u>Dyfed Pension Fund Cash Reconciliation</u>		<u>End of Year 20-21</u>
Balance b/f 1st April 2020		£6,853,602.71
Investment trades		
Sales	1,642,283,868.77	
Purchases	-1,662,153,640.31	
	<hr/>	-£19,869,771.54
Contributions received	£86,458,143.21	
Payments made	-£96,577,277.14	
Dividend Income	£31,441,138.02	£21,322,004.09
		<hr/>
		£8,305,835.26
Total Available for Investment		<hr/> £8,305,835.26 <hr/>
Represented by :		
Cash at Carmarthenshire		£8,798,146.43
Cash due to be received/deducted		£0.00
CCC Debtors		£3,926,335.18
CCC Creditors		-£4,418,646.35
		<hr/>
		£8,305,835.26 <hr/>

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PENSIONS ADMINISTRATION REPORT – 16th June 2021

This report provides a progress update on a number of projects being simultaneously undertaken, along with providing information on relevant issues in the administration of scheme benefits.

1. Regulatory update –

- a. McCloud/Sargeant update – You will recall from the previous report that the remedy would require the recalculation all pensions (including dependants pensions), death grants, and deferred benefits calculated since 1st April 2014 for those that were active on 31st March 2012. This will require all employers to provide the hours each part time scheme member, including any changes, they have worked between 1st April 2014 to 31st March 2022. Meetings have been held with the larger employers to clarify the categories and members for which uploads are required. These Employers have also been provided with test data extracts to identify any issues. Our software supplier is finalising testing the ‘McCloud’ data upload facility. When this has been completed, a detailed project plan can be provided as it is currently anticipated that a significant number of cases will require manual intervention rather than automated update of hours. Regulatory clarity is also required to deal with data discrepancies and cases where the employer no longer exists or is not able to provide data. It is anticipated that following a consultation, amending regulations and guidance will be published next Spring.
- b. Funding Strategy Statement – A consultation has taken place due to regulatory changes which have come into force and provide greater flexibility to the Fund and employers in reviewing contributions and managing termination debts. These flexibilities introduced Debt Spreading Arrangements (DSA) and Deferred Debt Agreement (DDA) to assist exiting employers. The consultation period ended on 14th May 2021 and no issues were raised by Fund employers.

2. New Employer

An existing scheme employer has notified the Fund that a TUPE transfer of staff will take place and the new employer will seek admitted body status. An update will be provided at the next meeting.

3. Breaches Register

Regulation 18(5) of the LGPS Regulations 2013 prescribes that there is a time limit for payment of a refund of pension contributions:

“An administering authority shall refund contributions to a person entitled under paragraph (1) when the person requests payment, or on the expiry of a period of five years beginning with the date the person’s active membership ceased if no request is made before then or, if the person attains age 75 before then, on the day before attaining age 75.”

The National Technical Group recommend to SAB, to change the regulations concerning the payment of a refund to reflect the position prior to 1 April 2014 i.e. to remove the prescription that requires an administering authority to pay a refund on the expiry of a period of five years beginning with the date the person’s active membership ceased if no request is made before then.

In making this recommendation the group acknowledged that interest would be added up to the date of payment, as opposed to on the expiry of 5 years and if a fully completed mandate is not returned by the member, no further action would take place i.e. the group agreed not to waste time or money on using Tracing services in respect of members who have been contacted repeatedly and do not reply. The SAB have made recommendations to MHCLG.

The refunds scheduled to be automatically paid in March 2021, April 2021 and May 2021 have been included on the breaches register as the scheme members have not replied in order for the refund to be paid.

4. I-connect

In order to improve the timeliness of data flow from scheme employers to the administration section, a monthly update system called ‘i-connect’ has been implemented.

Further development work has continued with employers to ‘on board’ them in order that data can be transferred electronically. The table below shows the employers who are active on i-connect.

Employer	i-Connect status
ABERYSTWYTH TOWN COUNCIL	Active
BURRY PORT MARINA LTD	Active
CAREERS WALES WEST	Active
CARMARTHEN TOWN COUNCIL	Active
CARMARTHENSHIRE AVS	Active
CARMARTHENSHIRE C C	Active
COLEG SIR GAR	
CARMARTHENSHIRE FED OF YFC	Active
CEREDIGION AVO	Active
CEREDIGION C C	Active
COLEG CEREDIGION	
COOMB CHESHIRE HOME	Active
CWMAMMAN TOWN COUNCIL	Active
DYFED-POWYS POLICE	
GORSLAS COMMUNITY COUNCIL	Active
GRWP GWALIA	Active
IAITH CYFYNGEDIG	Active
KIDWELLY TOWN COUNCIL	Active
LLANBADARN FAWR COUMMUNITY	Active
LLANEDI COMMUNITY COUNCIL	Active
LLANELLI RURAL COUNCIL	Active
LLANELLI TOWN COUNCIL	Active
LLANGENNECH COMMUNITY COUNCIL	Active
LLANNON COMMUNITY COUNCIL	Active
LLESIANT DELTA WELLBEING LTD	Active
MENTER BRO DINEFWR	Active
MENTER CASTELL NEDD PT	Active
MENTER CWM GWENDRAETH	Active
MENTER GORLLEWIN SIR GAR	Active
MID & WEST WALES FIRE	
NARBERTH AND DISTRICT SPORTS ASSOC	Active
PEMBREY AND BURRY PORT TOWN COUNCIL	Active
PEMBROKE DOCK TOWN COUNCIL	Active
PEMBROKE TOWN COUNCIL	Active
PEMBROKESHIRE AVS	Active
PEMBROKESHIRE C C	Active
PEMBROKESHIRE COAST NAT PARK	Active
PEMBROKESHIRE COLLEGE	
PLANED	Active
TAI CEREDIGION	Active
TENBY TOWN COUNCIL	Active
TRINITY COLLEGE	Active
UNIVERSITY COLLEGE OF WALES	Active
WELSH BOOKS COUNCIL	Active
WEST WALES ACTION FOR MENTAL HEALTH	Active
VALUATION TRIBUNAL FOR WALES	Active
VISIT PEMBROKESHIRE	Active

5. GMP Reconciliation

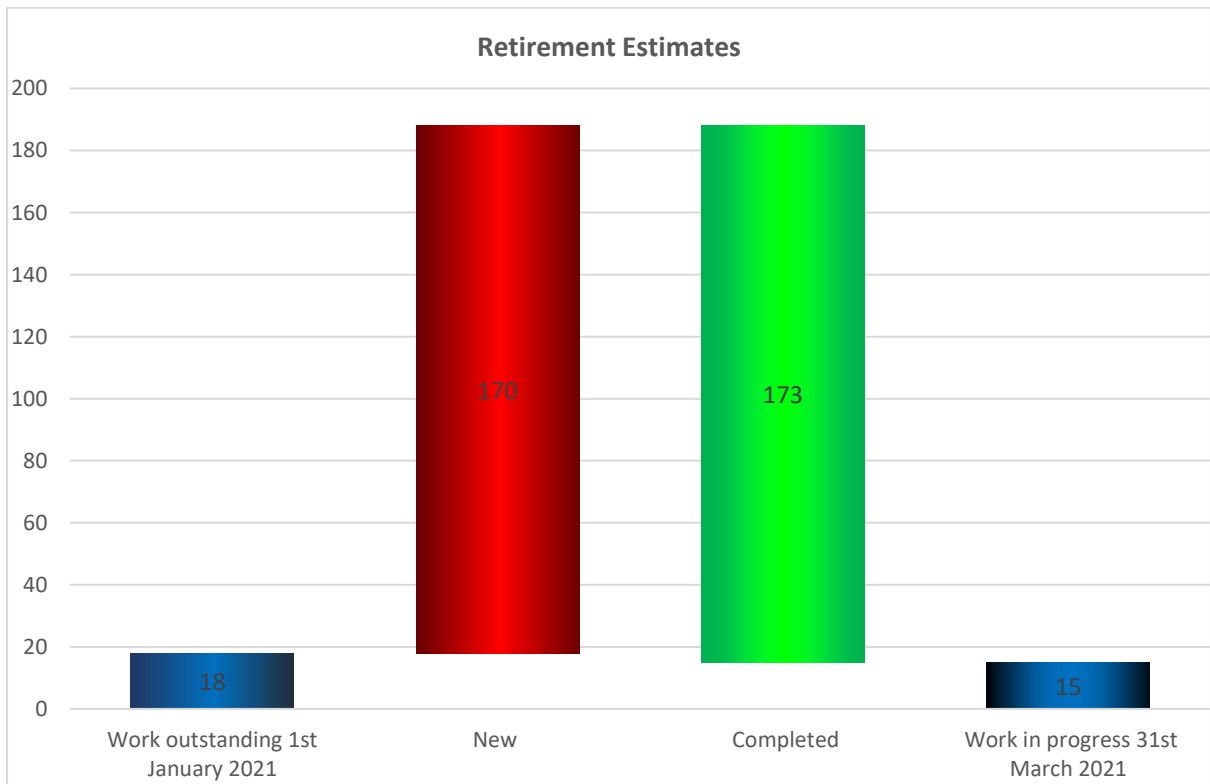
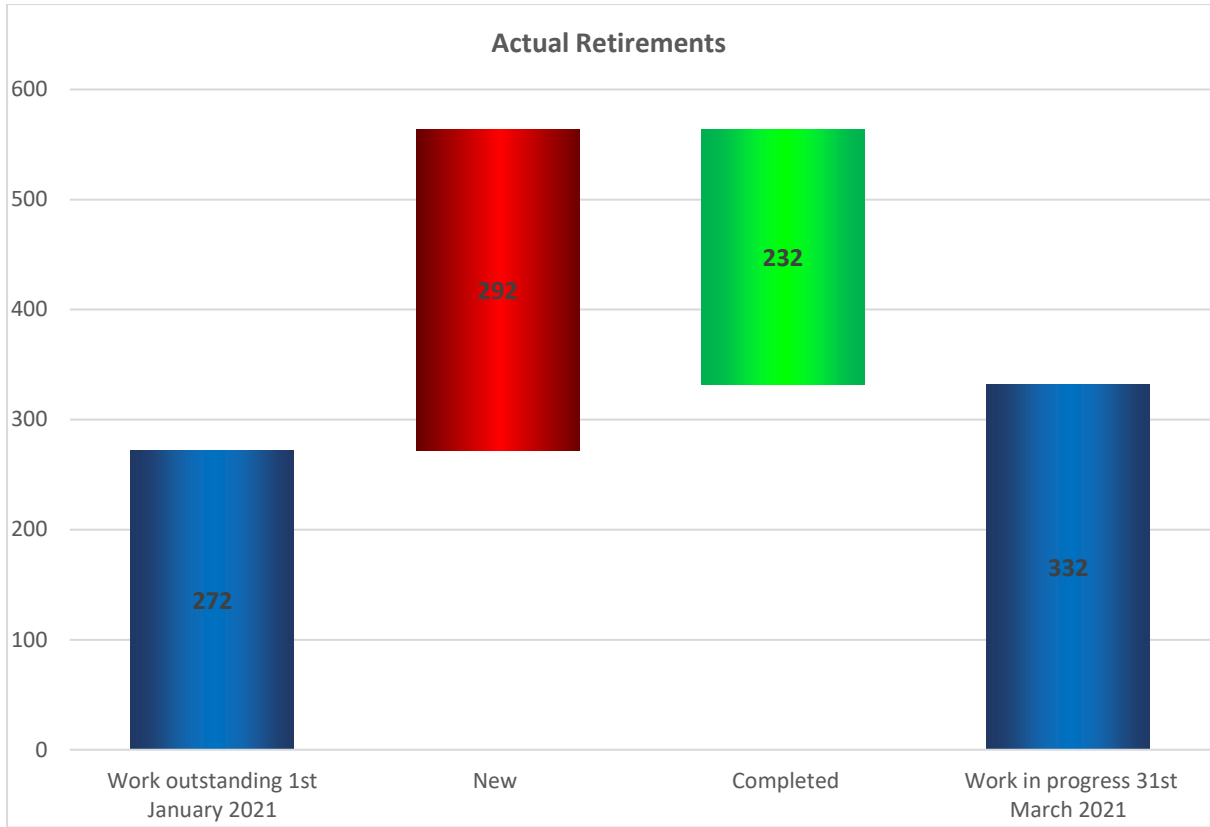
When a scheme member attains State Pension Age, they will be advised of the amount of Guaranteed Minimum Pension (GMP) which is included in their pension. The GMP relates to the part of the pension for the period between April 1978 and April 1997 for which they were 'contracted-out'. For this period, the Scheme has to guarantee that their pension will be at least the same as it would have been, had they not been 'contracted-out'. Contracting out ceased in April 2016. HMRC have now stated that they will not be sending a statement to all individuals affected specifying who is responsible for paying their Guaranteed Minimum Pension (GMP). The pensions section will continue to reconcile the GMP values it holds for members with those calculated by HMRC. It ensures that all individuals recorded by HMRC against the fund are correct. The pensions section has reconciled 99.76% of the records held. Further information has also been issued to HMRC in order that they can amend their records, unfortunately, a response remains outstanding. Reconciliation work has also been undertaken in respect of active scheme members and 99.40% have been reconciled. Unfortunately HMRC have not responded to all the outstanding queries and therefore the reconciled data remains the same as the previous report.

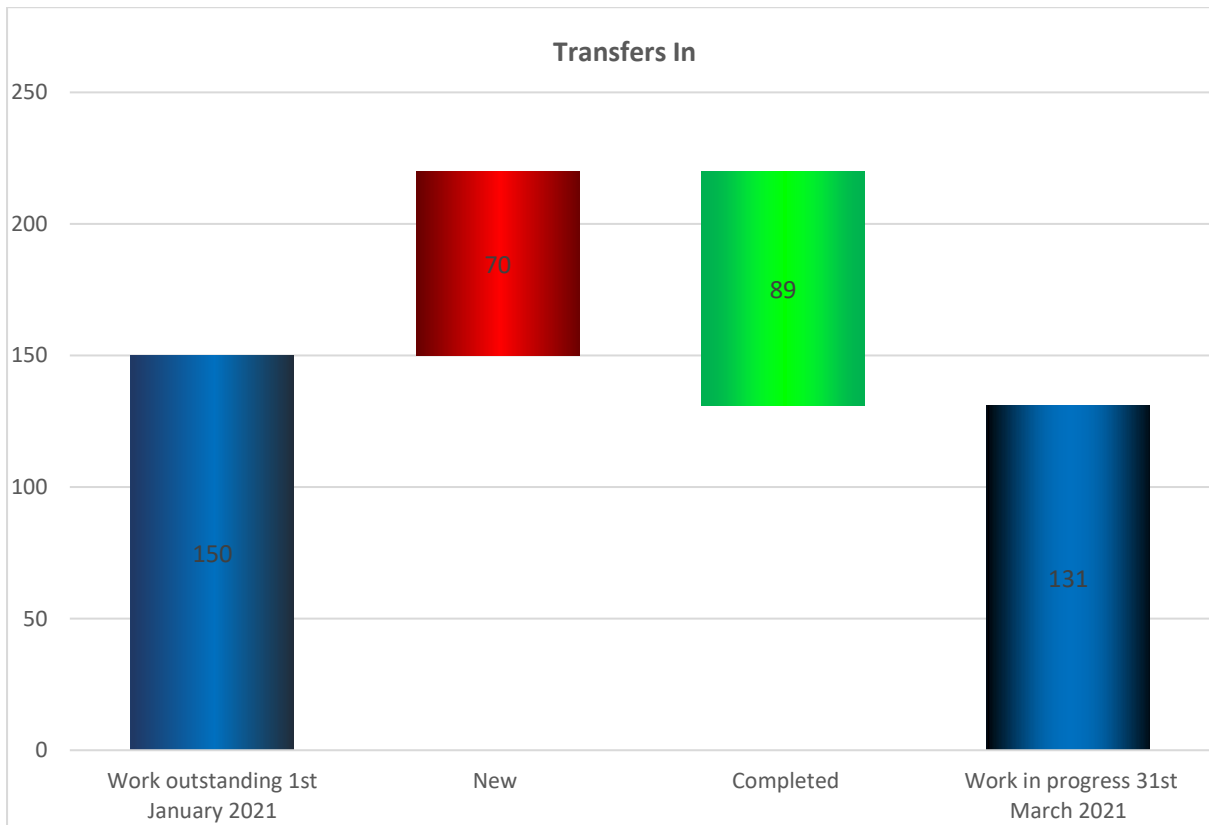
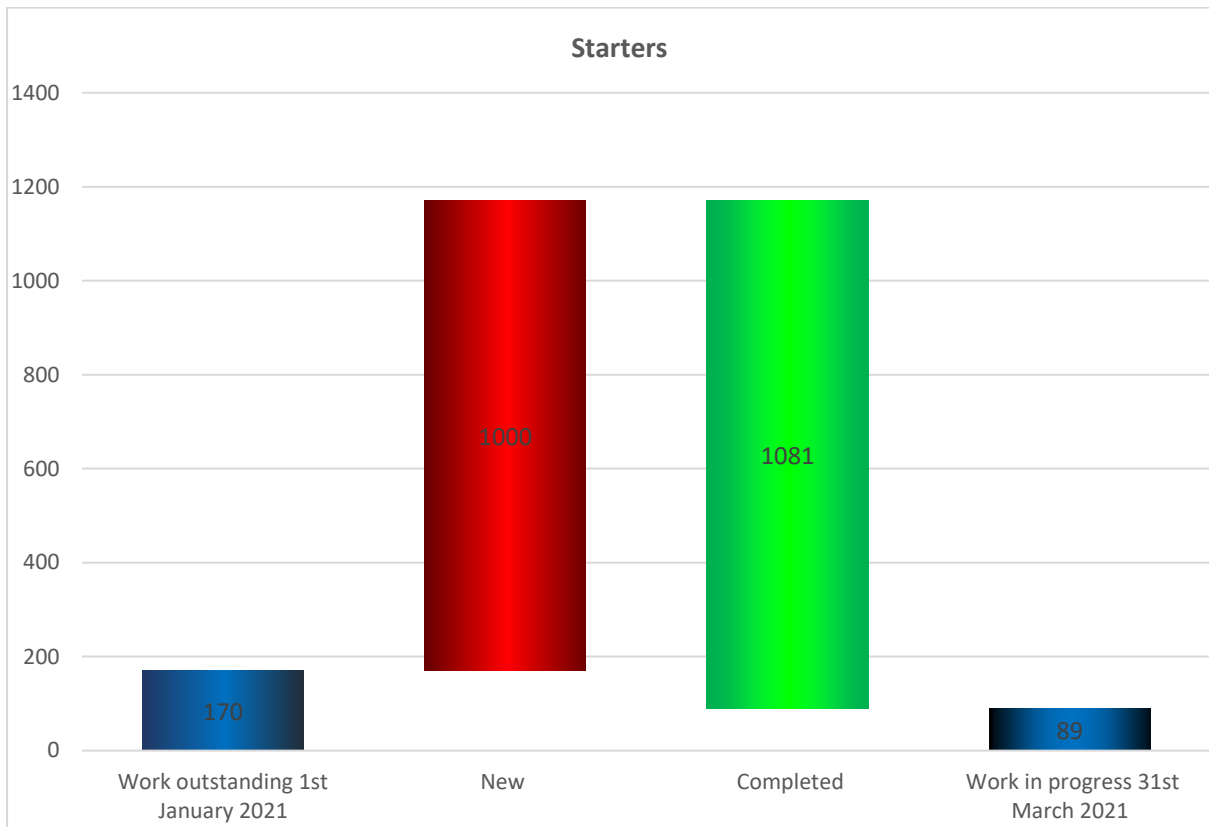
6. Workflow

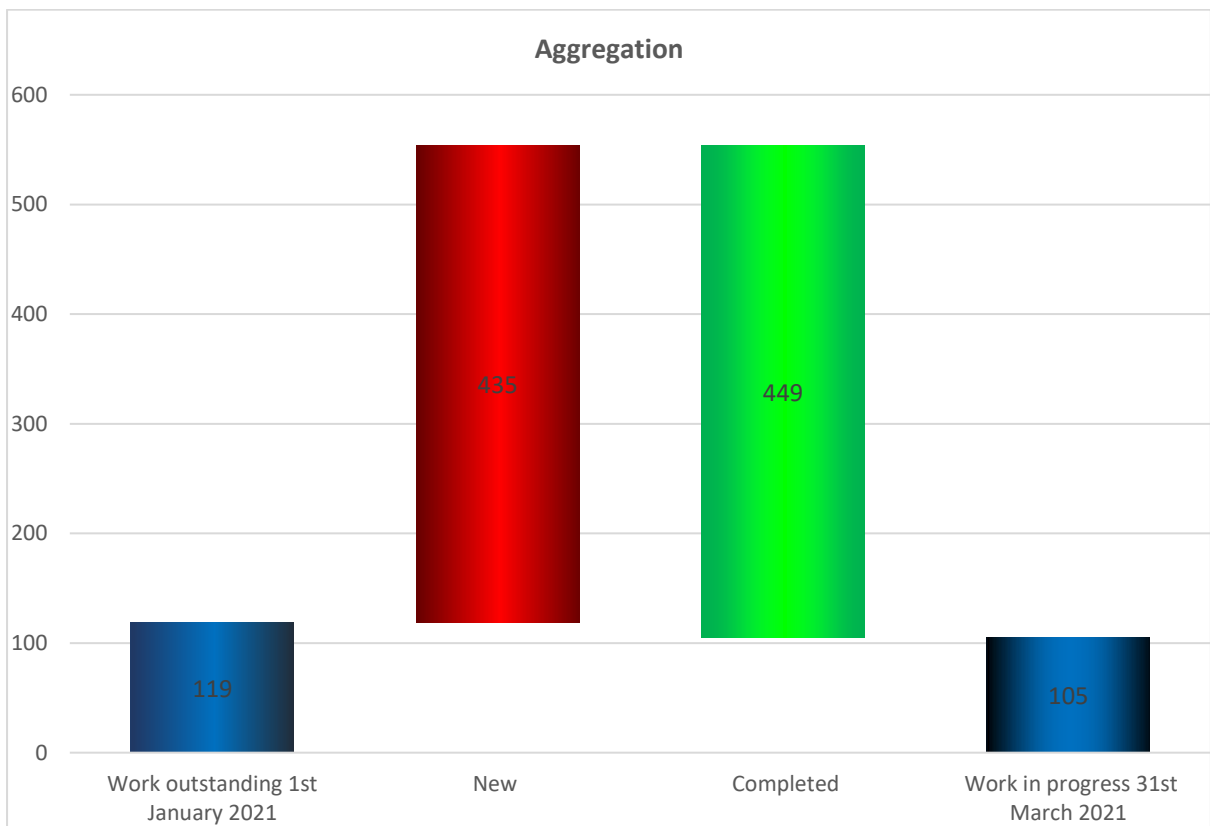
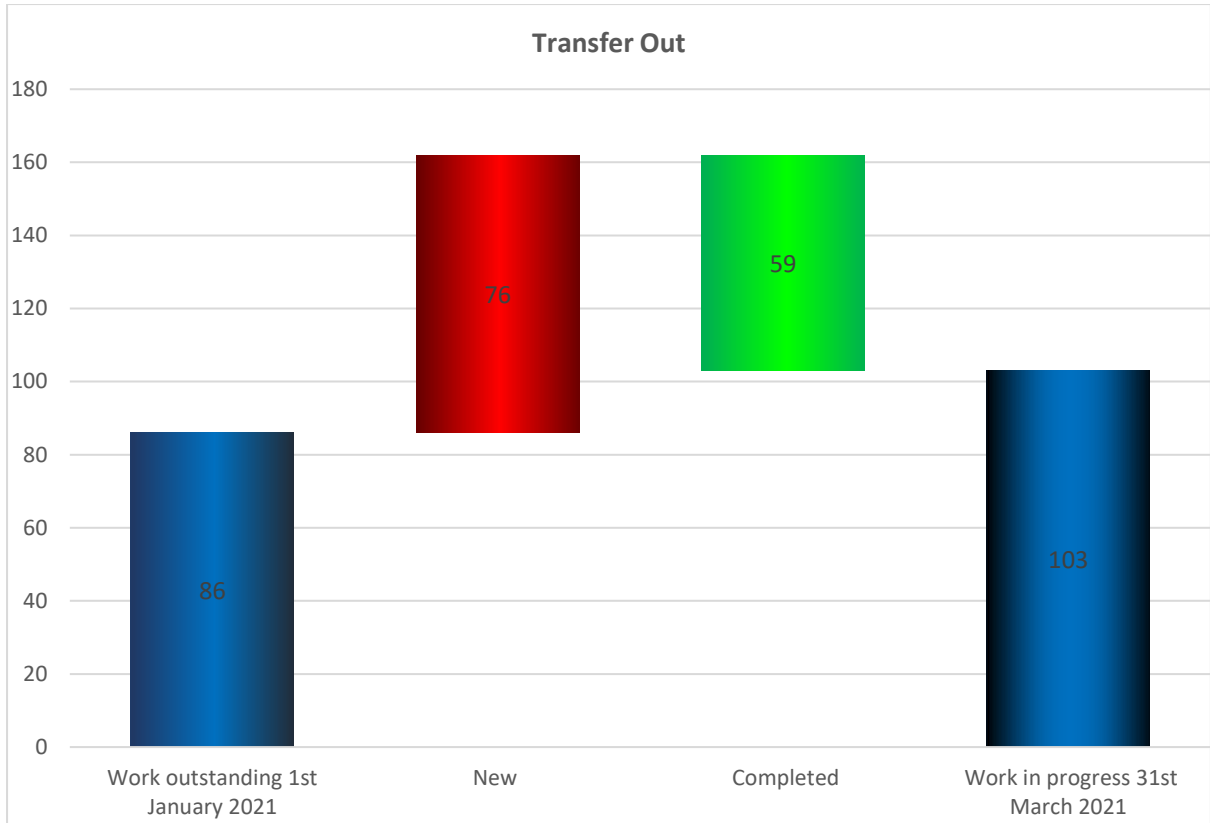
The tables overleaf detail the workflow statistics for the key tasks undertaken in the section for the period 1st January 2021 to 31st March 2021 in respect of the LGPS only. Please note that in circumstances where multiple iterations for the same calculation date have been undertaken, this is recorded as a single estimate. The workflow statistics are recorded on a quarterly basis.

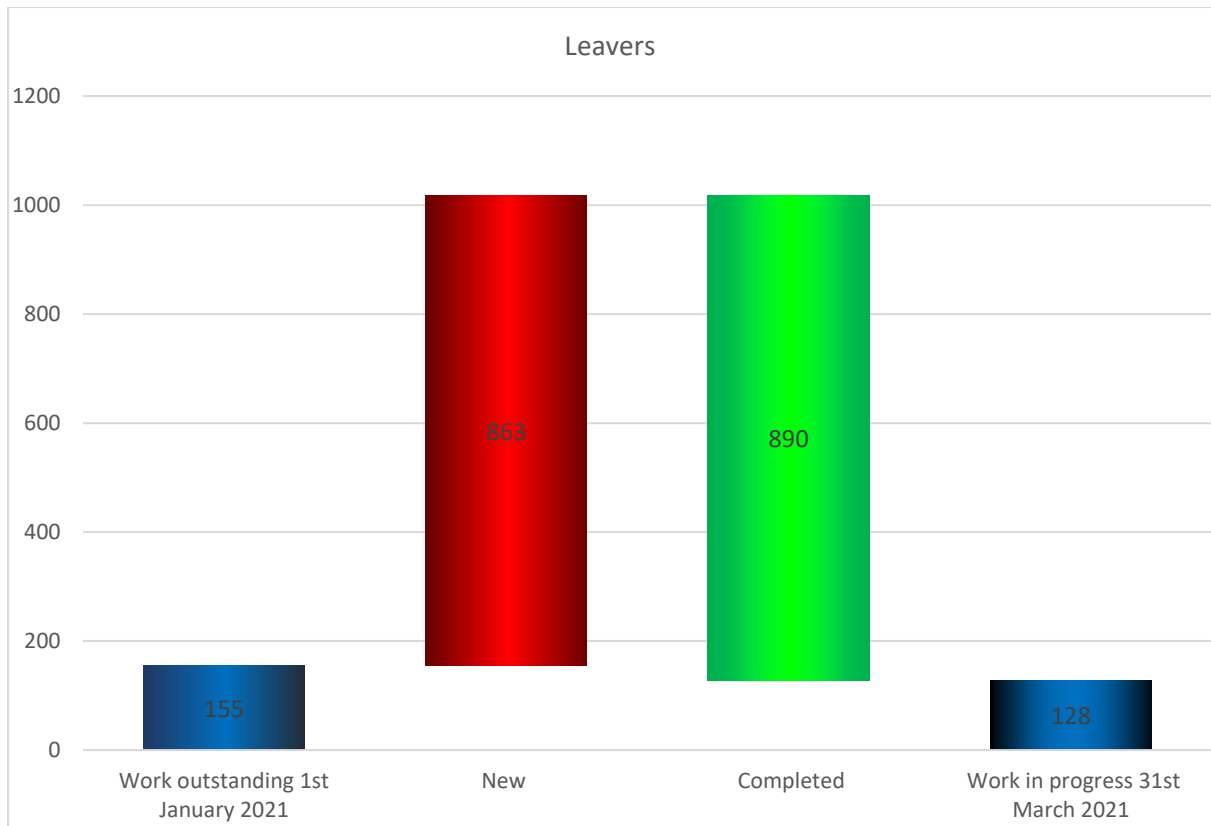
Kevin Gerard

Pensions Manager









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
90	2020-21	April 20 and May 20	Automatic payment of refund after 5 years for post 2014 leavers	Members have been contacted requesting bank details in order to pay refunds, however, no reply has been received from the scheme members. April - 9 members & total refunds = £627.51, May - 14 members & total refunds = £1289.69	No	Amber	No Report	The National Technical Group has recommended to the SAB that the regulations in respect of refunds is amended and reflects the position prior to April 2014.
91	2020-21	22/5/20	Contributions	April contributions (£284.81) received 4 days late. Cause: Difficulties between Accountant and Employer over who is responsible for accuracy and timing of payments. Effect: Payment has now been received.	No	Amber	No Report	Problems with differences between remittances and actual payments received and timing of payments has not been resolved. Accountant on Furlough Scheme at present. Underpayment for 19-20 still outstanding
92	2020-21	22/5/20	Contributions	April contributions (£21,425.90) received 14 days late. Cause: Payment not made by Finance Department Effect: Payment has now been received.	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
93	2020-21	22/5/20	Contributions (EES ONLY)	April EES contributions (£472.23) received 12 days late. Cause: Payment not made by Finance Department Effect: Payment has now been received.	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
94	2020-21	22/6/20	Contributions	May contributions (£21,168.63) received 2 days late. Cause: Payment runs now made fortnightly instead of weekly due to homeworking. Will put future payments on earlier run. Payment has now been received.	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
95	2020-21	22/7/20	PSD	June quarter PSD payment of £150 not received. Also underpayment of £435.34 from 2019-20 still not received. Another email sent 27th July to Accountant.	No	Amber	No Report	Accountant has replied stating that she will ask for underpayment to be paid in next payroll run. They do not have much contact with Employer at moment due to Covid 19 closure.
96	2020-21	June 20, July 20 & August 20	Automatic payment of refund after 5 years for post 2014 leavers	Members have been contacted requesting bank details in order to pay refunds, however, no reply has been received from the scheme members. June - 15 members & total refunds = £2625.12, July - 22 members & total refunds = £1734.26, August - 44 members & total refunds = £9653.66	No	Amber	No Report	The National Technical Group has recommended to the SAB that the regulations in respect of refunds is amended and reflects the position prior to April 2014.
97	2020-21	22/8/20	Contributions	July contributions (£21,673.12) received 2 days late. Cause: Payment runs now made fortnightly instead of weekly due to homeworking. Payment has now been received.	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
98	2020-21	22/9/20	Contributions & PSD	August contributions not yet received. Also, June quarter PSD payment of £150 not received as well as underpayment of £435.34 from 2019-20. Cause: Accountant has been on annual leave and difficulties between Accountant and Employer over who is responsible for accuracy and timing of payments is still ongoing	No	Amber	No Report	August contributions only received 6.10.20-awaiting further information from Accountant and Employer.
99	2020-21	22/10/20	Contributions & PSD	September contributions £262.73 received 4.11.20 (13 days late). Also, June & September qtrs PSD payment of £300 (£150x2) not received as well as underpayment of £435.34 from 2019-20. Cause: Accountant has been on annual leave and difficulties between Accountant and Employer over who is responsible for accuracy and timing of payments is still ongoing	No	Amber	No Report	Email sent 26 October to Accountant who will check outstanding balances and forward information to Employer. All liabilities for this admitted body have now been allocated to their guarantor.
100	2020-21	22/10/20	Contributions	September payment of £1,333.09 was received 23/10/20 (1 day late). Cause: Payment was put on hold as query with figures. Payment has now been received.	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.

101	2020-21	September, October, November & December 20	Automatic payment of refund after 5 years for post 2014 leavers	Members have been contacted requesting bank details in order to pay refunds, however, no reply has been received from the scheme members. September - 11 members & total refunds = £1746.78, October - 14 members & total refunds = £1694.06, November - 14 members and total refund = £2713.58, December - 15 members and total refund = £2737.93	No	Amber	No Report	The National Technical Group has recommended to the SAB that the regulations in respect of refunds is amended and reflects the position prior to April 2014.
102	2020-21	22/12/20	Contributions	November payment of £1,250.63 not yet received. Finance Manager is looking into this. PAYMENT RECEIVED 21.1.2021	No	Amber	No Report	There are no long term implications associated with this breach.
103	2020-21	19/1/21	Contributions	October - December qtr contributions of £2,329.44 received 8 days late. Cause: Cheque was posted on the 19.1.21 and not received until 27.1.21. Effect: Payment has now been received. Employer has been advised that contributions should be received by the 19th of the following month	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
104	2020-21	January 2021 & February 2021	Automatic payment of refund after 5 years for post 2014 leavers	Members have been contacted requesting bank details in order to pay refunds, however, no reply has been received from the scheme members. January - 12 members & total refunds = £2212.38, February - 22 members & total refunds = £6883.49	No	Amber	No Report	The National Technical Group has recommended to the SAB that the regulations in respect of refunds is amended and reflects the position prior to April 2014.
105	2020-21	22/4/21	Contributions	March payment of £5,689.78 was received 27/4/21 (5 days late). Payment has now been received.	No	Amber	No Report	There are no long term implications associated with this breach.
106	2020-21	22/4/21	Contributions	March payment of £1,452.45 was received 27/4/21 (5 days late). Payment has now been received.	No	Amber	No Report	There are no long term implications associated with this breach.
107	2020-21	March, April & May 2021	Automatic payment of refund after 5 years for post 2014 leavers	Members have been contacted requesting bank details in order to pay refunds, however, no reply has been received from the scheme members. March - 11 members & total refunds = £1603.09, April - 10 members & total refunds = £2975.15, May - 15 members & total refunds = £4516.59	No	Amber	No Report	The National Technical Group has recommended to the SAB that the regulations in respect of refunds is amended and reflects the position prior to April 2014.

DYFED PENSION FUND COMMITTEE

Date 16/06/2021

Risk Register 2021-2022		
To ensure that all risks are correctly identified and assessed		
Recommendations / key decisions required: To advise the Committee that the risk register for 2021-2022 has been reviewed to ensure risks are identified and assessed.		
Reasons: To ensure all risks are correctly identified and assessed.		
Relevant scrutiny committee to be consulted: NA		
Exec. Board Decision Required :		NA
Council Decision Required :		NA
EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- NA		
Directorate: Corporate Services Name of Head of Service: Chris Moore Report Author: Chris Moore	Designations: Director of Corporate Services, Carmarthenshire County Council	Tel Nos. 01267 224120 E Mail Address: CMoore@carmarthenshire.gov.uk

**EXECUTIVE SUMMARY
DYFED PENSION FUND COMMITTEE
DATE 16/06/2021**

Risk Register 2021-2022

The Risk Register is a working document that highlights all the risks identified in relation to the functions of the Dyfed Pension Fund. This is regularly monitored and reviewed.

The register includes:

- 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 risks have been reviewed and there have been no changes to the Risk Register since the previous Committee meeting.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	YES	NONE	NONE

Risk Management Issues

The register is used to identify any risks relating to the functions of the Dyfed Pension Fund and highlights what measures are in place to mitigate these risks. Failure to manage the risks correctly could result in the Fund not meeting its objectives.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore

Director of Corporate Services

1. Scrutiny Committee

NA

2. Local Member(s)

NA

3. Community / Town Council

NA

4. Relevant Partners

NA

5. Staff Side Representatives and other Organisations

NA

**EXECUTIVE BOARD PORTFOLIO
HOLDER(S) AWARE/CONSULTED**

NA

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

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

Risk Register 2021-22

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

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

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlle d Risk Rating
CSV400001 - Failure to comply with LGPS regulations as well as other overriding regulations	Substantial 4	Unlikely 2	Medium 8	<ul style="list-style-type: none"> • Altair Development Officer undertakes Altair system checks to ensure compliance with LGPS regulations <i>Implemented</i> • Network Groups (Altair & LGPC) <i>Implemented</i> • 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. <i>Implemented</i> • Continue to act as an "Early Adopter" in conjunction with the system provider to ensure system meets regulatory requirements <i>Implemented</i> 	Pensions Manager		Substantial 4	Improbable 1	Low 4

Risk Register 2021-22

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

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

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk Controls Controlle d Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> • Technical Officer ensures legislative accuracy of calculations <i>Implemented</i> 	Pensions Manager				
CSV400002 - Failure to respond to major change to the LGPS following Public Sector Pension Review	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> • Participation in all high level Government discussions and consultations <i>Implemented</i> • Ensure best practice is implemented and DPF is seen as a centre of excellence for pension administration <i>Implemented</i> • Continue to be recognised nationally by peers as one of the leaders in pension administration and facilitate site visits <i>Implemented</i> 	Pensions Manager and Treasury & Pensions Investments Manager Pensions Manager Pensions Manager		Substantial 4	Improbable 1	Low 4

Risk Register 2021-22

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

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

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk Controls Controlle d Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> • Society of Welsh Treasurers review the suitability of existing and any new pension fund arrangements <i>Implemented</i> • CIPFA Pensions Network membership <i>Implemented</i> • Technical Officer ensures legislative accuracy of calculations <i>Implemented</i> 	<p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager</p>				
CSV400003 - Failure to process accurate pension benefits payments, including lump sum payments, in a timely manner	Significant 3	Unlikely 2	Medium 6	<ul style="list-style-type: none"> • Segregation of duties and authorisation of benefits following calculation by Senior Pensions Officer <i>Implemented</i> 	Pensions Manager		Significant 3	Improbable 1	Very Low 3

Risk Register 2021-22

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

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

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> • Altair Development Officer is responsible for regular system checks regarding calculations <i>Implemented</i> • Communication&Training Officer liaises closely with all employing authorities to ensure timely submission of information to DPF <i>Implemented</i> • Payroll deadline procedures in place <i>Implemented</i> • Item in Business Continuity/Disaster Recovery Plan <i>Implemented</i> • Participate in National Fraud Initiative (NFI) <i>Implemented</i> 	Pensions Manager				

Risk Register 2021-22

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

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

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> Life Certificates exercise carried out for all cheque payments <i>Implemented</i> Undertake reviews of monthly performance to ensure service standards are maintained <i>Implemented</i> IT Contingency/Resilience Plan in place <i>Implemented</i> 	Pensions Manager				
CSV400004 - 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	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Contributions monitoring procedures <i>Implemented</i> 	Pensions Manager and Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

Risk Register 2021-22

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

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

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk Controls Controlle d Risk Rating
	Impact	Probability				Current Risk Rating	Impact	
<p>communicate with employers effectively; failure of key systems such as on-line banking and/or financial ledger.</p> <p>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.</p>				<ul style="list-style-type: none"> Formal timescales for receipt of contributions <i>Implemented</i> Budget set and monthly monitoring against the budget <i>Implemented</i> Escalation of non receipt of contributions <i>Implemented</i> Systems Audit undertaken by Internal Audit and External Auditors <i>Implemented</i> 				

Risk Register 2021-22

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

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

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk Controls
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlle d Risk Rating
CSV400005 - Failure to keep pension records up to date and accurate	Significant 3	Possible 3	Medium 9	<ul style="list-style-type: none"> Senior Officers liaise closely with employing authorities to ensure timely and accurate submission of data to DPF <i>Implemented</i> i-Connect ensures that data from employers is identified by a direct transfer from payroll on a monthly basis <i>Implemented</i> Data accuracy checks undertaken by the pension section prior to continual validation on workflow system <i>Implemented</i> Data integrity validation is performed monthly by Altair Development Officer <i>Implemented</i> 	<p>Pensions Manager</p> <p>Pensions Manager</p> <p>Pensions Manager</p> <p>Pensions Manager</p>		Significant 3	Improbable 1	Very Low 3

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

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

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> • Data validation checks also undertaken by the DPF's partners (e.g.the Actuary at Valuation) <i>Implemented</i> • Additional validation carried out through NFI <i>Implemented</i> • Opportunity to escalate non-compliance <i>Implemented</i> 	Pensions Manager Pensions Manager Pensions Manager				
CSV400006 - Failure to hold personal data securely	Substantial 4	Unlikely 2	Medium 8	<ul style="list-style-type: none"> • Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls <i>Implemented</i> • Disaster Recovery Plan for pensions system <i>Implemented</i> 	Pensions Manager Pensions Manager		Significant 3	Improbable 1	Very Low 3

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

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk Controls Controlle d Risk Rating
	Impact	Probability				Current Risk Rating	Impact	
			<ul style="list-style-type: none"> • Authorised users have unique usernames and passwords must be changed every 60 days <i>Implemented</i> • Documentation is scanned on to the pensions system and paper copies are held for a period of 3 months before shredding <i>Implemented</i> • Compliance with the Data Protection Act 1998 <i>Implemented</i> • Compliance with the Authority's in-house IT policies <i>Implemented</i> • Systems and Payroll audit undertaken annually <i>Implemented</i> 	Pensions Manager				

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Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk Controls
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlle d Risk Rating
CSV400007 - Loss of funds through fraud or misappropriation in administration related functions	Substantial 4	Unlikely 2	Medium 8	<ul style="list-style-type: none"> Internal and external audit checks performed to ensure that appropriate and effective controls are in place <i>Implemented</i> Segregation of duties and authorisation of benefits following calculation by Senior Pensions Officer and Pensions Officer <i>Implemented</i> Altair Development Officer undertakes data integrity checks <i>Implemented</i> Systems and Payroll audit undertaken annually <i>Implemented</i> 	Pensions Manager Pensions Manager Pensions Manager Pensions Manager		Moderate 2	Unlikely 2	Low 4
CSV400008 - Normal operations disrupted by uncontrollable external factors Service delivery threats from fire,	Substantial 4	Possible 3	High 12				Significant 3	Improbable 1	Very Low 3

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

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Control (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
<p>bomb, extreme weather, electrical faults etc.</p> <p>Insufficient daily back up, disaster recovery, and IT cover to support systems.</p> <p>Temporary loss of ability to provide service to stakeholders.</p>				<ul style="list-style-type: none"> Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls <i>Implemented</i> Disaster Recovery Plan for pensions system with the software provider <i>Implemented</i> Pension Software is a hosted system provided by Aquila Heywood and is a tier 4 design data centre with ISO27001 accreditation. <i>Implemented</i> 	Pensions Manager				
<p>CSV400009 - Inability to keep service going due to loss of main office, computer system, or staff</p>	Moderate 2	Unlikely 2	Low 4	<ul style="list-style-type: none"> Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls <i>Implemented</i> 	Pensions Manager		Moderate 2	Improbable 1	Very Low 2

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Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> Pension Software is a hosted system provided by Aquila Heywood and is a tier 4 design data centre with ISO27001 accreditation. <i>Implemented</i> 	Pensions Manager				
CSV400010 - 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 <i>Implemented</i> Specific courses / seminars attended by officers to further their knowledge and understanding <i>Implemented</i> 	Pensions Manager Pensions Manager		Significant 3	Improbable 1	Very Low 3
CSV400011 - 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	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 <i>Implemented</i> 	Pensions Manager and Treasury & Pensions Investments Manager		Significant 3	Unlikely 2	Medium 6

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Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
Pensions Regulations. Significant knowledge gap left if experts leave.				<ul style="list-style-type: none"> • Enhance training by bespoke sessions / courses / workshops <i>Implemented</i> • Specific relevant qualifications for administration and investment staff <i>Implemented</i> • External consultants and independent adviser available for short term assistance <i>Implemented</i> 	Pensions Manager and Treasury & Pensions Investments Manager Pensions Manager and Treasury & Pensions Investments Manager Pensions Manager and Treasury & Pensions Investments Manager				
CSV400012 - 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 <i>Implemented</i> 	Pensions Manager		Substantial 4	Improbable 1	Low 4

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Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
<p>CSV400013 - Failure to communicate properly with stakeholders Lack of clear communications.</p> <p>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.</p> <p>Communication with investment managers, custodian, independent adviser, fund employers, pensioners, scheme members, actuary and government organisations.</p>	<p>Significant</p> <p>3</p>	<p>Unlikely</p> <p>2</p>	<p>Medium</p> <p>6</p>	<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 <i>Implemented</i> Comprehensive website is continually updated and developed <i>Implemented</i> My Pension Online is used to enhance the service provided to scheme members <i>Implemented</i> Quarterly meetings with independent adviser and investment managers <i>Implemented</i> 	<p>Pensions Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager</p> <p>Treasury & Pensions Investments Manager</p>		<p>Significant</p> <p>3</p>	<p>Improbable</p> <p>1</p>	<p>Very Low</p> <p>3</p>

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Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> • Communications Policy in place <i>Implemented</i> • Annual Employer & Consultative Meeting <i>Implemented</i> 	<p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p>				
<p>CSV400014 - No appropriate procedures for Employer bodies transferring out of the pension fund or Employer bodies closing to new membership</p>	<p>Significant</p> <p>3</p>	<p>Possible</p> <p>3</p>	<p>Medium</p> <p>9</p>	<ul style="list-style-type: none"> • Inter valuation monitoring and rate reassessment if appropriate <i>Implemented</i> • Identification of any issue and resolution via regular site visits by Communication & Training Officer <i>Implemented</i> 	<p>Pensions Manager</p> <p>Pensions Manager</p>		<p>Significant</p> <p>3</p>	<p>Unlikely</p> <p>2</p>	<p>Medium</p> <p>6</p>

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Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> Requirement for employing authorities to issue termination forms for each active member <i>Implemented</i> Validation of membership numbers <i>Implemented</i> Employer covenant checks <i>Implemented</i> 	Pensions Manager				
<p>CSV400015 - Liquidity/cashflow risk - insufficient funds to meet liabilities as they fall due</p> <p>Failure of employers to pay contributions on time; low dividend income; significant number of liabilities paid out at the same time.</p> <p>Immediate cash contribution would be required via employers; delay in the payment of promised liabilities; negative</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Monthly cash and dividend reconciliations <i>Implemented</i> Quarterly monitoring of investment managers by Pension Committee <i>Implemented</i> 	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

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Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
publicity and an adverse audit report.				<ul style="list-style-type: none"> Appointment of custodian <i>Implemented</i> 	Treasury & Pensions Investments Manager				
CSV400016 - 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 <i>Implemented</i> Regulatory control reports from investment managers, custodian, etc., are also reviewed by audit. <i>Implemented</i> Due diligence is carried out whenever a new manager is appointed. <i>Implemented</i> Reliance also placed in Financial Conduct Authority registration. <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

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	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> Quarterly monitoring by Pension Committee and Independent Adviser <i>Implemented</i> 	Treasury & Pensions Investments Manager				
CSV400017 - 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 <i>Implemented</i> Quarterly monitoring by Pension Fund Committee <i>Implemented</i> Internal Audit and Wales Audit Office review <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		Significant 3	Improbable 1	Very Low 3
CSV400018 - Significant rises in employer contributions due to increases in liabilities or fall in assets Scheme liabilities increase disproportionately as a result of	Substantial 4	Likely 4	Significant 16	<ul style="list-style-type: none"> Use qualified actuary who uses assumptions and recommends appropriate recovery period and strategy <i>Implemented</i> 	Treasury & Pensions Investments Manager		Significant 3	Possible 3	Medium 9

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	Impact	Probability					Impact	Probability	
<p>increased longevity or falling bond yields. Poor economic conditions, incorrect investment strategy, poor selection of investment managers.</p> <p>Poor / negative returns leading to potential increase in employer's costs.</p>				<ul style="list-style-type: none"> Quarterly monitoring of investment managers by Pension Committee <i>Implemented</i> Diversified Strategic Asset Allocation <i>Implemented</i> 	Treasury & Pensions Investments Manager				
<p>CSV400019 - Lack of expertise on Pension Fund Committee and/or amongst Officers</p> <p>Lack of training, continuous professional development and 4 year election cycle.</p> <p>Flawed recommendations given to Pension Fund Committee which, unchallenged, could lead to incorrect decisions being made.</p>	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. <i>Implemented</i> Members given induction training on joining Committee with subsequent opportunities to attend other specialist training. <i>Implemented</i> 	Treasury & Pensions Investments Manager		Significant 3	Possible 3	Medium 9

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	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> Members' training plan and Governance Policy established <i>Implemented</i> Specialist assistance available from consultants and independent adviser <i>Implemented</i> 	Treasury & Pensions Investments Manager				
CSV400020 - Failure of Investment Strategy to deliver investment objectives Inaccurate triennial valuation assumptions used. Incorrect recovery period used. Funding level decreases; employer contribution rates become unacceptable, causing potential increase in employer's costs.	Significant 3	Likely 4	High 12	<ul style="list-style-type: none"> Qualified Actuary makes assumptions and recommends appropriate recovery period and strategy. <i>Implemented</i> Independent Investment adviser employed to assist the committee in making informed decisions. <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		Significant 3	Possible 3	Medium 9

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	Impact	Probability	Current Risk Rating				Impact	Probability	Controlle d Risk Rating
<p>CSV400021 - Prolonged failure of investment managers to achieve the returns specified on their mandates</p> <p>Under-performance by the investment managers; lack of monitoring and challenging by the Committee.</p>	Substantial 4	Likely 4	Significant 16	<ul style="list-style-type: none"> Quarterly monitoring of investment managers and performance company reports by investment team and Pension Committee <i>Implemented</i> 	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8
<p>CSV400022 - Concentration risk - single asset class having disproportionate impact on investment objectives</p> <p>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>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Establish & review diversified strategic asset allocation <i>Implemented</i> Proactive in decision making <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

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	Impact	Probability	Current Risk Rating				Impact	Probability	Controlle d Risk Rating
CSV400023 - Counterparty risk - risk of other party in a transaction failing to meet its obligation to the fund This arises from deposits held with banks and other financial institutions, as well as credit exposures to the fund's members and employers. Loss of capital; decrease in asset values; cost of legal proceedings; adverse publicity.	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Set appropriate parameters with fund managers and custodian to limit exposure to default risk <i>Implemented</i> 	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8
CSV400024 - Interest rate risk Arises from risk of exposure to significant interest rate movements on investments. Bond yields and cash decrease in value.	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Establish & review diversified strategic asset allocation <i>Implemented</i> 	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8
CSV400025 - Discount rate risk Use of inappropriate discount rate to estimate future liabilities. Funding level decreases; employer contribution rates become	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Engage qualified actuary to make assumptions <i>Implemented</i> 	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

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	Impact	Probability					Impact	Probability	
unacceptable, causing potential increase in employers' costs.				<ul style="list-style-type: none"> Engage independent adviser to assist the committee in making informed decisions <i>Implemented</i> 	Treasury & Pensions Investments Manager				
<p>CSV400026 - 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>	<p>Substantial 4</p>	<p>Possible 3</p>	<p>High 12</p>	<ul style="list-style-type: none"> Establish & review a diversified strategic asset allocation. <i>Implemented</i> Anticipate long term returns on a prudent basis. <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		<p>Substantial 4</p>	<p>Unlikely 2</p>	<p>Medium 8</p>
<p>CSV400027 - 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</p>	<p>Substantial 4</p>	<p>Possible 3</p>	<p>High 12</p>	<ul style="list-style-type: none"> Establish & review diversified (within regions) strategic asset allocation <i>Implemented</i> 	Treasury & Pensions Investments Manager		<p>Substantial 4</p>	<p>Unlikely 2</p>	<p>Medium 8</p>

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	Impact	Probability					Impact	Probability	
increase in employers' costs.									
<p>CSV400028 - 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>	<p>Substantial</p> <p>4</p>	<p>Possible</p> <p>3</p>	<p>High</p> <p>12</p>	<ul style="list-style-type: none"> Timetabled Audit Committee cycles <i>Implemented</i> Liaise with external audit <i>Implemented</i> Establish closedown timetable <i>Implemented</i> Establish WAO working paper guidance & planning document <i>Implemented</i> Excellent time management skills <i>Implemented</i> 	<p>Treasury & Pensions Investments Manager</p> <p>Treasury & Pensions Investments Manager</p> <p>Treasury & Pensions Investments Manager</p> <p>Treasury & Pensions Investments Manager</p> <p>Treasury & Pensions Investments Manager</p>		<p>Substantial</p> <p>4</p>	<p>Unlikely</p> <p>2</p>	<p>Medium</p> <p>8</p>

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	Impact	Probability	Current Risk Rating				Impact	Probability	Controlle d Risk Rating
CSV400029 - Adequate skilled resources not available for accounts preparation Lack of training; loss of expert knowledge; annual or study leave. Qualified audit report; unsatisfactory internal audit report; failure to meet statutory closure deadlines; employee stress.	Significant 3	Likely 4	High 12	<ul style="list-style-type: none"> • Appropriate Treasury & Pension Investments structure in place <i>Implemented</i> • Arrange training courses and seminars, and mentoring <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		Significant 3	Possible 3	Medium 9
CSV400030 - Failure to recover all debts Lack of communication between fund officers and administering authority officers (debtors); lack of monitoring / recovery procedures. Loss of income to the Fund; loss of stakeholder confidence in the ability of the administering authority; potential increase in costs to Fund employers	Substantial 4	Likely 4	Significant 16	<ul style="list-style-type: none"> • Use of specialist debt recovery section within the administering authority <i>Implemented</i> • Monthly monitoring of debts due <i>Implemented</i> 	Pensions Manager and Treasury & Pensions Investments Manager Pensions Manager and Treasury & Pensions Investments Manager		Moderate 2	Improbable 1	Very Low 2

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	Impact	Probability	Current Risk Rating				Impact	Probability	Controlle d Risk Rating
CSV400031 - Officers acting outside delegated authority Threat of officers making unauthorised decisions or payments. Loss of income to fund; loss of stakeholder confidence in the ability of the administering authority; potential increase in costs to fund employers	Substantial 4	Unlikely 2	Medium 8	<ul style="list-style-type: none"> Undertake regular review of Standing Orders & Constitution <i>Implemented</i> Report to Executive Board <i>Implemented</i> Monitoring officer role <i>Implemented</i> 	Pensions Manager and Treasury & Pensions Investments Manager Pensions Manager and Treasury & Pensions Investments Manager Pensions Manager and Treasury & Pensions Investments Manager		Substantial 4	Improbable 1	Low 4
CSV400032 - Non-performance by Officers and Committee Members Lack of training for officers and members; turnover in officers and members; lack of appraisals; lack of PI monitoring; time constraints for	Substantial 4	Possible 3	High 12				Substantial 4	Unlikely 2	Medium 8

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	Impact	Probability				Current Risk Rating	Impact	
<p>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>			<ul style="list-style-type: none"> Establish performance measurement system <i>Implemented</i> Pension Committee member assessments <i>Implemented</i> Officer appraisals in October and March annually <i>Implemented</i> Regular internal and external audits <i>Implemented</i> 	<p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p>				

Risk Register 2021-22

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

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

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> Establish & review training plan for officers and members <i>Implemented</i> 	Pensions Manager and Treasury & Pensions Investments Manager				
<p>CSV400033 - Failure to operate strict financial and budgetary controls</p> <p>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	Possible 3	High 12	<ul style="list-style-type: none"> Quarterly monitoring of budgets <i>Implemented</i> Quarterly forecasting and profiling of budgets <i>Implemented</i> Closure of accounts to Audit Committee <i>Implemented</i> Monthly reconciliations of contributions, dividends, and pension payroll <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

Risk Register 2021-22

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

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

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlle d Risk Rating
CSV400034 - Insufficient resources to provide information requirements for the Wales Pension Partnership on the management of the fund	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 <i>Implemented</i> 	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8
CSV400035 - Coronavirus - COVID19 Service delivery threats from COVID-19 and / or similar pandemics. Insufficient daily back up, disaster recovery, and IT cover to support systems and staff. Temporary loss of ability to provide service to stakeholders.	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls. Remote working arrangements with access to key systems through CCC IT equipment and software. <i>Implemented</i> 	Pensions Manager and Treasury & Pensions Investments Manager		Significant 3	Unlikely 2	Medium 6

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Wales Pension Partnership Business Plan 2021 -2024

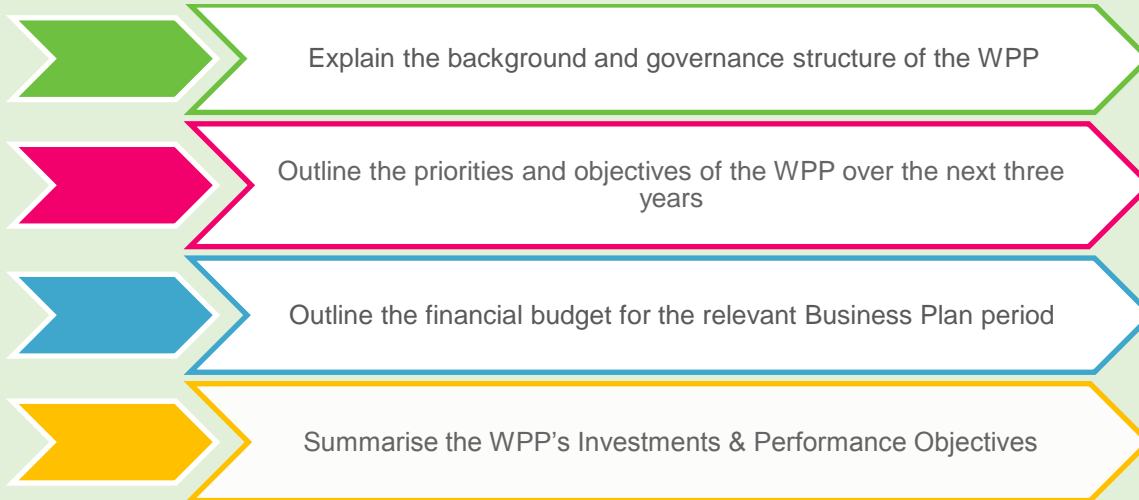


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Introduction

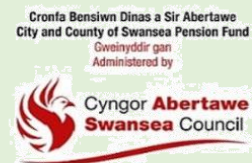
This is the business plan for the Wales Pension Partnership ('WPP'), the business plan details the WPP's priorities and areas of focus for 2021/22, 2022/23 and 2023/24. The business plan is constantly monitored and will be formally reviewed and agreed every year. The purpose of the business plan is to:



About the Wales Pension Partnership

Established in 2017, the WPP is a collaboration of the eight LGPS funds (Constituent Authorities) covering the whole of Wales and is one of eight national Local Government Pension pools. We have a long, successful history of collaboration, including examples that pre-date the Government's pooling initiative. We are proud of our unique identity as a Pool – our Constituent Authorities represent and span the entirety of Wales. Being democratically accountable means, we provide the best of strong public sector governance and transparency.

Our operating model is designed to be flexible and deliver value for money. We appointed an external fund Operator and make use of external advisers to bring best of breed expertise to support the running of the Pool, this includes Hymans Robertson who have been appointed as the WPP's Oversight Advisor. The Operator is Link Fund Solutions and they have partnered with Russell Investments to deliver effective investment management solutions with the aim of achieving strong net of fee performance for all the Constituent Authorities. We have a shared vision and agreement on the means and pace at which this vision will be achieved. The eight LGPS Funds (Constituent Authorities) of the Wales Pension Partnership are:



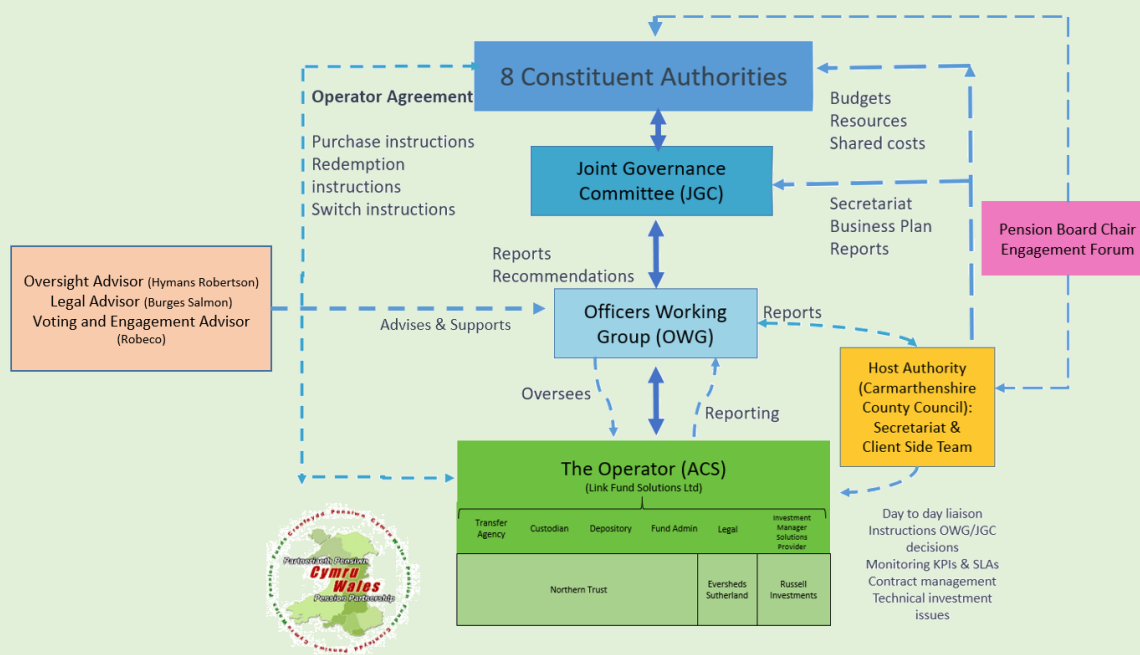
Governance

The WPP is responsible for ensuring that its business is conducted in accordance with regulation and guidance. We must also ensure that: public money is safeguarded and properly accounted for, used economically, efficiently and effectively to ensure value for money. We also strive for continuous improvement and to conform with industry best practice.

The WPP details how it deals with all aspects of Governance through its Inter Authority Agreement (IAA), which defines the standards, roles and responsibilities of the Constituent Authorities, its Members, Committees and Officers. The IAA includes a Scheme of Delegation outlining the decision-making process, taking into account the relevant legislation. In line with its belief that good governance should lead to superior outcomes for stakeholders, the WPP has put in place a robust governance structure, which has been designed to:



The diagram below shows WPP's governance structure:



The Constituent Authorities sit at the top of the WPP's governance structure. They retain control of all activity carried out by the WPP and remain responsible for approving this Business Plan, which outlines the WPP's budget and workplan, as well as its beliefs and objectives. The Constituent Authorities are heavily involved in all aspects of the WPP's governance structure, while the WPP's Joint Governance Committee and Officers Working Group are comprised respectively of elected councillor and officer representatives from the Constituent Authorities.

The WPP believes in being open and transparent as well as regularly engaging with its key stakeholders. As such the WPP ensures the meetings of the Joint Governance Committee are accessible to the public via a live webcast stream. Meeting papers are also made publicly available. Local Pension Board engagement days are also held regularly as a means of fostering stakeholder engagement. The WPP recognises the importance of all of its stakeholders to reflect this the WPP has put in place an Engagement Protocol Framework, this is carried out via the following engagement mechanisms:

Engagement mechanisms	Frequency
Strategic Relationship Review meeting	Bi-Annual
JGC Engagement	Quarterly
Manager Performance Meetings/ Calls	Quarterly
Training Events	Quarterly
OWG Engagement	Every 2/3 Months
Bi-Weekly Meetings	Every 2 Weeks
Annual Shareholder Day	Annual
Pension Fund Committees	Annual
Manager Engagement Days	Annual
Member Communications	Annual
Pension Board Engagement	Every 6 Months
Engagement via the website & LinkedIn	Continuous
Constituent Authority Annual Requirements & Ambitions Questionnaire	Annual

Risk Management

The Wales Pension Partnership ('WPP') recognises that it faces numerous risks which, if left unmanaged, can limit the WPP's ability to meet its objectives and to act in the best interest of its stakeholders and beneficiaries. However, the WPP also understands that some risks cannot be fully mitigated and that in these instances' risks need to be embraced through active and effective management.

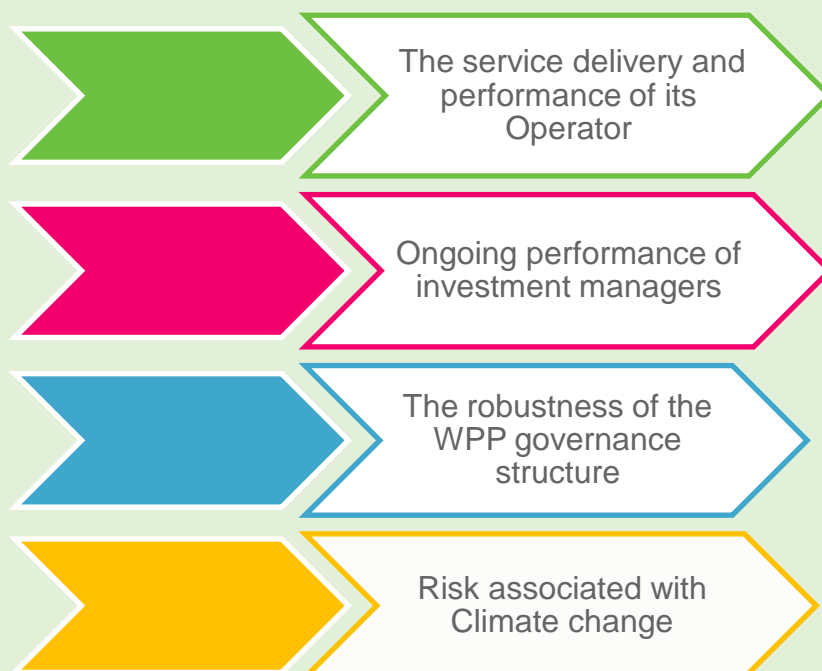
Risk management is a critical element of WPP's commitment to good governance, the WPP has developed a structured, extensive and robust risk strategy. This strategy will be embedded into the WPP's governance framework to ensure better decision-making, improved outcomes for stakeholders and greater efficiency.

The WPP's risk strategy seeks to identify and measure key risks and ensure that suitable controls and governance procedures are in place to manage these risks. The WPP believes that risks are fluid in nature and that the severity and probability of risks can change rapidly and without warning. To reflect this belief, the WPP's Risk Policy has been developed in such a way that risks can be anticipated and dealt with in a swift, effective manner to minimise potential loss or harm to the WPP and its stakeholders.

To deliver on its objectives, the WPP needs to carry out activities or seize opportunities that subject it to risk. The extent to which the WPP is able to effectively balance risk and return will depend on the success of its Risk Policy. It is critical that prior to making decisions the WPP understands the associated risks and considers the means by which these risks could be managed.

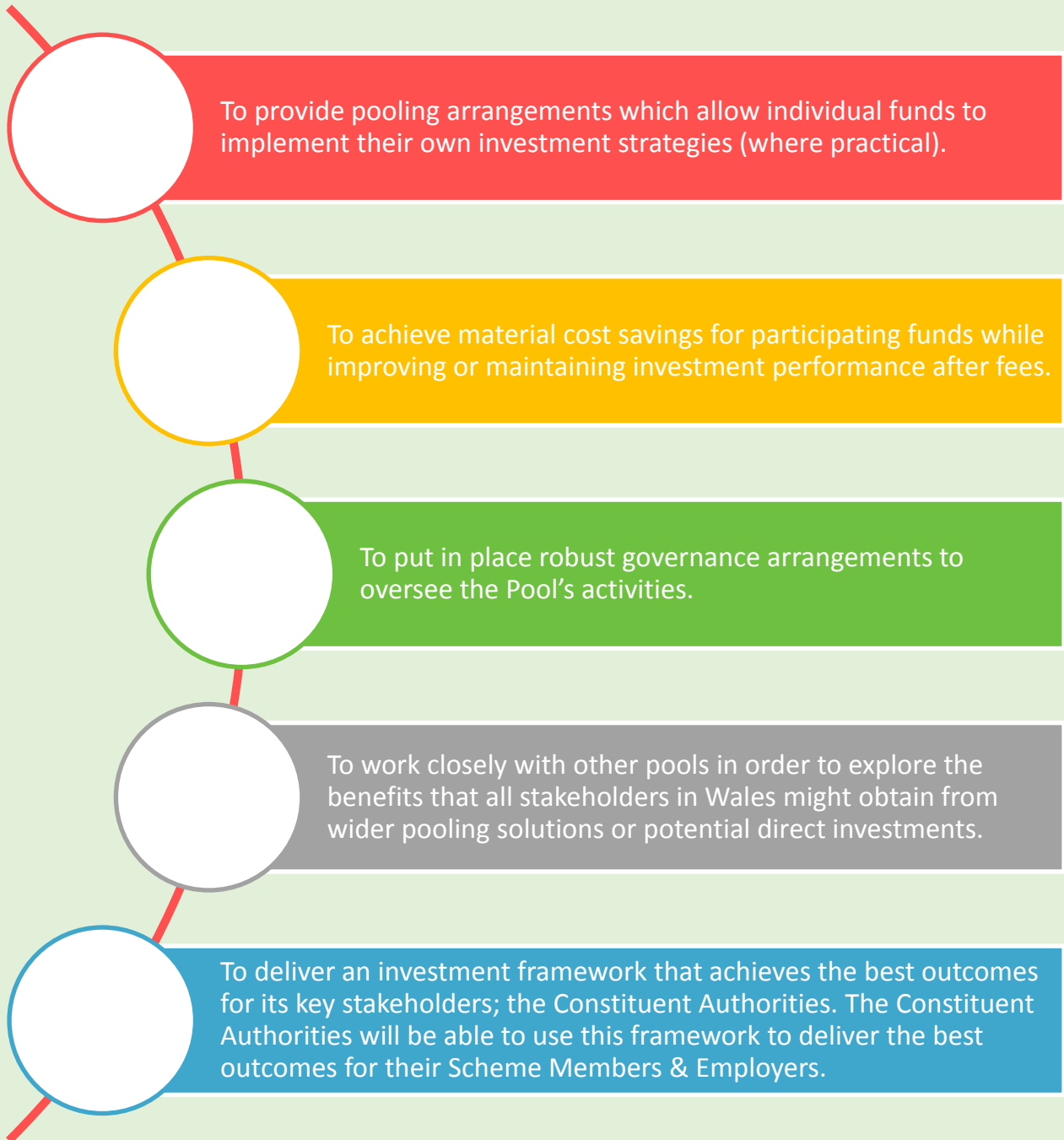
The greatest risk to the WPP's continued operation is its ability to deliver on its primary objectives. The WPP's Business Plan is an additional means through which the WPP will give special recognition to risks that pose a material threat to the delivery of its objectives and the actions required to manage these risks.

During the course of this business plan the WPP will seek to develop mechanisms, frameworks and process for managing the following key risks:



Objectives

The WPP is proud to represent the eight Constituent Authorities and recognises its duty to ensure the needs and requirements of all stakeholders are met. The WPP, through consultation with all eight Constituent Authorities, has formulated a list of primary objectives these can be summarised as follows:



The eight Constituent Authorities recognise that their strength derives from their shared beliefs and their ability to work together to deliver on their unified objectives for the benefit of all WPP stakeholders.

Beliefs

The WPP's Beliefs reflect the collaborative nature and shared values of the Constituent Authorities, they are as follows:

The WPP's role is to facilitate and provide an investment pooling platform through which the interests of the Constituent Authorities can be implemented.

Good governance should lead to superior outcomes for the WPP's stakeholders.

Internal collaboration between the Host and Constituent Authorities is critical to achieving the WPP's objectives. External collaboration may also be beneficial in delivering cost savings and better outcomes for stakeholders.

Responsible Investment and effective Climate Risk mitigation strategies, alongside consideration and evidential management of broader Environmental, Social and Governance issues, should result in better outcomes for the WPP's stakeholders.

Effective internal and external communication is vital to achieving the WPP's objectives.

External suppliers can be a cost-effective means of enhancing the WPP's resources, capabilities and expertise.

Fee and cost transparency will aid decision making and improve stakeholder outcomes.

Continuous learning, innovation and development will help the WPP and its Constituent Authorities to evolve.

A flexible approach to the WPP pool structure and implementation methods will enable the WPP pool to adapt in future and continue to meet the needs of its stakeholders.

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

Policies

The WPP believes that good governance should lead to superior outcomes for the WPP’s stakeholders. In recognition of this belief, the WPP, in consultation with the Constituent Authorities, has developed a robust governance structure and framework and a set of governing policies. In all instances the WPP’s policies and procedures have been developed to either complement or supplement the existing procedures and policies of the Constituent Authorities. The WPP understands the importance of formulating and codifying its policies and procedures. This process allows the WPP, and the Constituent Authorities, to:



The WPP’s key policies, registers and plans are listed below and can be found on the WPP website.



The WPP’s policies are reviewed on at least an annual basis and the WPP will continually assess whether any additional policies, registers or plans are required. The WPP workplan includes a number of additional governance documents that will be developed, these will be made available on the WPP website once completed. The policies play a vital role in the WPP’s governance arrangements and have been formulated with the sole purpose of providing a codified framework which will ensure that the WPP achieves its objectives in an effective and transparent means.

Work Plan

The tables below show the key priorities and objectives that the WPP aims to complete over the next three years.

Governance

The WPP believes that good governance leads to better outcomes for its stakeholders, as such it will further develop its governance framework by developing additional policies, registers, plans and carrying out ongoing reviews of its existing governance documents and structure.

Work to be completed	2021 - 2022	2022 - 2023	2023 - 2024
Appoint a Scheme Member Representative to the Joint Governance Committee	✓		
Development of a WPP Rebalancing & Alteration Policy	✓		
Formulate a Responsibilities Matrix for WPP Sub-Funds	✓		
Development of a WPP Complaints Policy		✓	
Development of a WPP Breach and Errors Policy		✓	
Develop 'Pre-sign-off Checklist Reports' for WPP Sub Funds	✓	✓	
Development of a WPP Business Continuity Plan	✓	✓	
Review of Inter Authority Agreement	✓	✓	✓
Annual review of WPP's policies and plans	✓	✓	✓
Quarterly reviews of the Risk Register	✓	✓	✓

Ongoing Establishment

The WPP is proud of its progress to date in regard to the pooling of assets and will continue to allocate resources to ensure that all suitable assets are pooled. To date the WPP has pooled 62% of its assets and by the end of March 2022 the WPP plans to have pooled c70% of its assets.

Work to be completed	2021 - 2022	2022 - 2023	2023 - 2024
Launch of Emerging Markets Sub-Fund	✓		
Launch of Private Debt & Infrastructure Sub-Funds	✓		
Formulate the WPP's Property requirements and optimal means of implementation	✓	✓	
Review and develop a mechanism to pool any suitable non-pooled assets		✓	✓
Launch of Private Equity Sub-Fund		✓	✓
Launch of other Private Market sub-funds (TBC)			✓
Consultation with CAs on need for further sub-funds	✓	✓	✓

Operator Services

The Operator, alongside the third parties that it employs on behalf of the WPP, are critical to the ongoing activities of the WPP, therefore service delivery of the Operator and third-party suppliers pose a material risk to the WPP. The WPP will prioritise the development of a framework that will allow it to monitor and evaluate the Operator's service delivery, this framework will be imbedded into the WPP risk monitoring mechanisms.

Work to be completed	2021 - 2022	2022 - 2023	2023 - 2024
WPP Operator Oversight Framework	✓		
Review of Operator's contract	✓		
Review of Operator KPI reporting	✓		
Market Review of developments within the Operator market	✓		
Setting up and implementing a framework for monitoring the performance of Russell as investment advisors to Link	✓	✓	

Communication and Training

The WPP wants to ensure that internal stakeholders and external parties are aware of the WPP's progress and will publish numerous report and updates to ensure that it proactively communicates its progress to stakeholders. The WPP is very proud of the work it carries out on behalf of its stakeholders and will provide a summary and detailed report on its endeavours over the past 12 months in the form of the WPP Annual Update and Report. The WPP will also formulate its first WPP's Annual Responsible Investment Progress Report during the course of this year to articulate and provide detail on how the WPP is positioned from a Responsible Investment perspective and what work it has completed over the past year to further the WPP's Responsible Investment credentials.

Work to be completed	2021 - 2022	2022 - 2023	2023 - 2024
Formulation of the WPP's Annual Responsible Investment Progress Report	✓	✓	✓
Formulation of the WPP's Annual Training Plan	✓	✓	✓
Formulation of the WPP's Annual Update	✓	✓	✓
Formulation of the WPP's Annual Report	✓	✓	✓

Investments and Reporting

The WPP focus is primarily focused on providing investment solutions that are aligned to the requirements of the Constituent Authorities. The WPP will continue to formulate innovative and optimal WPP Sub Funds for Constituent Authority use. The WPP recognises the importance of ensuring that existing investment solutions remain optimal and aligned to Constituent Authority requirements, while also delivering the investment return expectations of the Constituent Authorities.

Responsible Investment continues to be of the utmost important to the WPP and its Constituent Authorities. During this workplan the WPP will allocate resources to ensure that it has market leading level of stewardship. The WPP wishes to demonstrate its stewardship credentials by becoming a signatory to the UK Stewardship Code this year. The WPP will continue to consult with the Constituent Authorities and is hoping that its consultation activities will allow it to put in place minimum Climate Risk and ESG standards within its WPP Sub-Funds within the next year. The WPP will also enhance its ESG and Climate Risk reporting and its oversight and reporting of investment managers.

Work to be completed	2021 - 2022	2022 - 2023	2023 - 2024
Development of Investment Manager performance reporting, including ESG metrics and climate change risk	✓		
Finalise Voting & Engagement Reporting Requirements	✓		
Become a signatory to the UK Stewardship Code	✓		
Formulate WPP Engagement Priorities and Implementation Framework	✓	✓	
Review the compatibility of WPP Sub-Fund Benchmarks with WPP's Responsible Investment and Climate Risk Beliefs	✓	✓	
Consider additional reporting that demonstrates WPP's commitment to Responsible Investment (e.g. TCFD Reporting)		✓	✓
Annual review of WPP's Cost Transparency Requirements	✓	✓	✓
Annual market benchmarking exercise of WPP Sub-Fund Investment Performance	✓	✓	✓
Consult with Constituent Authorities regarding minimum ESG/ RI standards and their climate ambitions	✓	✓	✓

Resources, budget and fees

The WPP recognises that insufficient resources poses a significant risk to its ability to deliver an investment framework that achieves the best outcomes for its key stakeholders, the WPP will carry out the following pieces of work to guarantee that it has suitable resources to deliver on this commitment.

Work to be completed	2021 - 2022	2022 - 2023	2023 - 2024
Annual review of resources and capacity	✓	✓	✓
Formulation of Annual WPP Budget	✓	✓	✓
Review and Monitoring of Fees (including Link & Russell)	✓	✓	✓

Training Plan

It is best practice for WPP personnel to have appropriate knowledge and understanding of:

- the regulations and markets relating to pensions;
- the pooling of Local Authority Pension Schemes; and
- relevant investment opportunities.

The WPP's training plan is designed to supplement existing Constituent Authority training plans. Local level training needs will continue to be addressed by Constituent Authorities while the WPP training plan will offer training that is relevant to the WPP's pooling activities.

WPP personnel should obtain a degree of knowledge and understanding that ensures they are able to carry out their duties associated with the WPP. WPP personnel should also be aware of the WPP's framework, beliefs, policies, governance matrix, the decision-making process and decision logging process.

To aid WPP personnel, the Host Authority will arrange quarterly training sessions which will cover major areas such as investments, administration, regulation requirements, government guidance and market developments. The WPP's training events will primarily focus on meeting the training needs of members of the OWG and JGC, however Constituent Authorities are encouraged to invite Pension Committee Members, as well as Pension Board Representatives if they believe that the training would be beneficial to these individuals.

We have set out below a list of training topics which the Host Authority will arrange training for during the 2021/2022 financial year. The topics outlined below are based on the responses received from the 2020/21 WPP training requirements questionnaire/ assessment, which is issued to the Joint Governance Committee ('JGC') and Officers Working Group ('OWG') on an annual basis.

Product Knowledge

- Private Market – Asset Classes & Implementation
- Private Market - Fund Wrappers & Governance

Responsible Investment

- Responsible Investment Indices and Solutions
- Responsible Investment Reporting

Investment Performance and Risk Management

- Performance Reporting & Manager Benchmarking
- Roles & Responsibilities within the ACS

Guidance, Regulatory Requirements and Best Practice

- Good Governance
- Cost transparency

Budget

The table below outlines the WPP's budget for the next three years.

	2021-22	2022-23	2023-24
	£'000	£'000	£'000
Host Authority *	182	212	217
External Advisors *	680	680	680
TOTAL to be recharged	862	892	897
Operator Services **	28,447	34,614	37,975
TOTAL to be deducted from the NAV	28,447	34,614	37,975

**Host Authority and External Advisor costs are to be funded equally by all eight of the WPP's Constituent Authorities and these will be recharged on an annual basis.*

***Operator Services costs are based on each Constituent Authority's percentage share of WPP assets (held with the Operator) and are deducted directly from the Net Asset Value (NAV) of the Constituent Authority's assets (held with the Operator).*

Investments & Performance

The WPP's Constituent Authorities have total assets of circa £17.5bn (as at 31 March 2020). The Constituent Authorities' passive investments are effectively within the Pool but are held by the respective WPP authorities in the form of insurance policies.

The Officers Working Group receives quarterly, six monthly and annual performance reports, the group reviews and challenges the performance of Investment Managers on behalf of the WPP. The WPP hosts annual manager engagement days, which are used to challenge managers and to facilitate engagement with Constituent Authority Pension Committee and Board Members and the WPP's Investment Managers. The Constituent Authorities also carry out their own analysis of WPP's investment performance at local level, this will include manager attendance at Pension Committees. Below we outline the WPP's existing Sub-Funds.

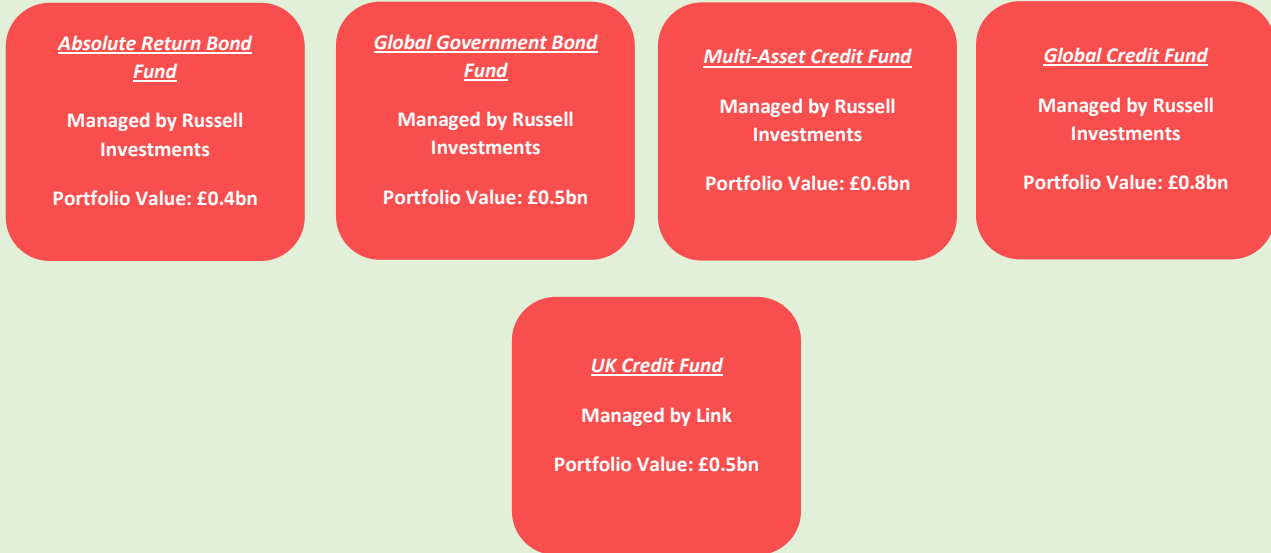
Equity Sub-Funds



* Portfolio Values as at launch date

Sub Fund	Performance Benchmark	Participating Funds	Managers	Launch Date
Global Growth	MSCI ACWI ND	RCT, Dyfed, Gwynedd and Powys	Baillie Gifford, Veritas and Pzena	Feb 19
Global Opportunities	MSCI ACWI ND	Swansea, Torfaen, Gwynedd, RCT and Clwyd	Morgan Stanley, Numeric, Sanders, Jacobs Levy, SW Mitchell, NWQ and Oaktree	Feb 19
UK Opportunities	FTSE All Share	Cardiff and Torfaen	Majedie, Lazard, Baillie Gifford, Ninety-One and Liontrust	Sept 19

Fixed Income Sub-Funds



* Portfolio Values as at launch date

Sub Fund	Performance Benchmark	Participating Funds	Managers	Launch Date
Global Credit	Bloomberg Barclays Global Aggregate Credit Index (GBP Hedged)	Cardiff, Dyfed, Powys and Torfaen	Western, Logan Circle, Fidelity and T Rowe Price	July 20
Global Government	FTSE World Government Bond Index (GBP Hedged)	Cardiff and Torfaen	Bluebay and Colchester	July 20
Multi-Asset Credit	ICE BofA SONIA + 4% p.a.	Cardiff, Clwyd, Gwynedd, Powys, and Swansea	ICG, Man GLG, BlueBay, Barings and Voya	July 20
Absolute Return Bond Fund	ICE BofA SONIA + 2% p.a.	Gwynedd, Powys and Swansea	Wellington, Putnam, Aegon and Insight	Sept 20
UK Credit Fund	ICE BofA ML Eur-Stg plus 0.65%	RCT	Fidelity	July 20

Contact Details

If you require further information about anything in or related to this business plan, please contact the Wales Pension Partnership:

Postal Address - Wales Pension Partnership

Carmarthenshire County Council

Treasury & Pension Investments Section

County Hall

Carmarthen

SA31 1JP

E-mail - WalesPensionPartnership@carmarthenshire.gov.uk

Telephone - (01267) 224136

Further information on the WPP and ongoing updates on the WPP's progress can be found on the website and LinkedIn page.

The website can be found here:

<https://www.walespensionpartnership.org/>



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DYFED PENSION FUND

Committee Members and Officers Training 2021-2022

Committee Members

Councillor Elwyn Williams (EW) – Chair
 Councillor Deryk Cundy (DC) – Committee Member
 Councillor Jim Jones (JJ) – Committee Member
 Councillor Dai Thomas (DT) – Substitute Committee Member

Officers

Chris Moore (CM) – Director of Corporate Services
 Randal Hemingway (RH) – Head of Financial Services
 Anthony Parnell (AP) – Treasury & Pension Investments Manager
 Kevin Gerard (KG) – Pensions Manager
 Martin Morgan (MM) – Deputy Pensions Manager
 Martin Owens (MO) – Assistant Accountant

<u>Date</u>	<u>Subject</u>	<u>Provider</u>	<u>Venue</u>	<u>Attendees</u>
18 - 19 May 2021	LA Conference	PLSA	Virtual Meeting	All members & officers
16 June 2021	Committee Meeting		Virtual Meeting	CM, RH, AP, KG, MO & all members
5 – 7 July 2021	Strategic Investment LAPF Forum		The Grove Hotel, Herts	AP
14 July 2021	Business Meeting	LAPFF	Virtual Meeting	AP & EW
8 - 9 September 2021	Investment Summit	LGC	Leeds	RH, AP, DT & DC
6 October 2021	AGM & Business Meeting	LAPFF	London	AP & EW
7 October 2021	ACM		Llanelli	All members & officers
8 October 2021	Committee Meeting		Llanelli	CM, RH, AP, KG, MO & all members
26 October 2021	Fundamentals Training	LGPC	Cardiff	DC & DT
November 2021 (tbc)	Pension Managers Conference	SWPE	TBC	KG & MM
23 November 2021	Fundamentals Training	LGPC	Cardiff	DC & DT

3 December 2021	Committee Meeting		Carmarthen	CM, RH, AP, KG, MO & all members
8 – 10 December 2021	Annual Conference	LAPFF	Bournemouth	CM & DC
15 December 2021	Fundamentals Training	LGPC	Cardiff	DC & DT
January 2022 (tbc)	Pension Fund Accounts	CIPFA	London	MO
January 2022 (tbc)	ESG issues	LAPFF	London	AP & DC
March 2022 (tbc)	Committee Meeting		Carmarthen	CM, RH, AP, KG, MO & all members

Note: The Committee reserves the right to occasionally vary the attendees at the training sessions. Courses/conferences may arise at short notice and when this occurs the Director of Corporate Services has the authority to approve attendance with Executive Board /Leader being notified retrospectively.

Dyfed Pension Fund Committee

Wednesday, 16 June 2021

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

Councillors:

D.M. Cundy and T.J. Jones;

Also in attendance:

A. Brown, Independent Investment Advisor;

The following Officers were in attendance:

C. Moore, Director of Corporate Services

K. Gerard, Pensions Manager

A. Parnell, Treasury & Pension Investments Manager

M. Owens, Assistant Accountant

A. Eynon, Principal Translator

J. Owen, Democratic Services Officer

M.S. Davies, Democratic Services Officer.

Virtual Meeting: 10.00am - 11.40am

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. DECLARATIONS OF PERSONAL INTERESTS

There were no declarations of personal interest.

3. MINUTES OF THE MEETING OF THE COMMITTEE HELD ON THE 25TH MARCH 2021

UNANIMOUSLY RESOLVED that the minutes of the meeting of the Committee held on the 25th March, 2021 be signed as a correct record.

4. DYFED PENSION FUND PENSION BOARD MINUTES 17TH FEBRUARY 2021

UNANIMOUSLY RESOLVED that the minutes of the Dyfed Pension Fund Pension Board meeting held on the 17th February, 2021 be received.

5. FINAL BUDGETARY POSITION 1 APRIL 2020 - 31 MARCH 2021.

The Committee received the final Dyfed Pension Fund Budgetary position for 2020-21 as at 31st March 2021 which showed an over spend compared to budget of £837k on cash items. Total expenditure had been £101.3m and total income had been £100.5m.

UNANIMOUSLY RESOLVED that the final Dyfed Pension Fund Budget Monitoring Report for the period 1st April 2020 to 31st March 2021 be received.

6. CASH RECONCILIATION AS AT 31 MARCH 2021

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

that, as at 31 March 2021, £8.8 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.

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

7. PENSIONS ADMINISTRATION REPORT

The Committee received a report providing an update on Pensions Administration. The report included updates on the activities within the Pensions Administration service and included regulatory matters, employer cessation, breaches register, i-Connect, Data Quality reports, GMP reconciliation and workflows.

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

8. BREACHES REPORT 2021-2022

The Committee received for consideration the Breaches Report in relation to the Dyfed Pension Fund. The Committee noted that 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 were 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 couple of instances where employee/employer contributions had not been received on time. No report had had to be sent to the Pensions Regulator.

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

9. RISK REGISTER 2021-2022

The Committee was advised that the Risk Register was a working document that highlighted all the risks identified in relation to the functions of the Dyfed Pension Fund. It was advised that the risk register for 2021-2022 had been reviewed and there had been no changes since the previous committee meeting.

The risks would continue to be reviewed on a quarterly basis and any amendments would be drawn to the Committee's attention.

UNANIMOUSLY RESOLVED that the risk register report for 2021-2022 be approved.

10. WALES PENSION PARTNERSHIP (WPP) BUSINESS PLAN 2021-2024

The Committee received for consideration the Wales Pension Partnership Business Plan for the period 2021-2024 detailing how the Fund would achieve its goals.

UNANIMOUSLY RESOLVED that the Wales Pension Partnership Business Plan for 2021-24 be approved.

11. TRAINING PLAN 2021-2022

The Committee received for consideration an update on the Wales Pension Partnership Training Plan for the period 2021-2022 detailing meetings, training events and the members and officers anticipated to attend the events.

UNANIMOUSLY RESOLVED that the Wales Pension Partnership Training Plan update be noted.

12. EXCLUSION OF THE PUBLIC

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.

13. INDEPENDENT ADVISOR PERFORMANCE & RISK REPORT AT 31 MARCH 2021

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute Item 12 above, to consider this matter in private, with the public excluded from the meeting as disclosure would be likely to cause financial harm to the Pension Fund by prejudicing ongoing and future negotiations.

The Committee received the Independent Investment Adviser Report which provided information in relation to the investment managers' performance for the quarterly, 12 month and rolling 3 year periods ending 31 March, 2021.

UNANIMOUSLY RESOLVED that the Independent Investment Adviser Report as at 31 March 2021 be noted.

14. NORTHERN TRUST PERFORMANCE REPORT AT 31 MARCH 2021

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute Item 12 above, to consider this matter in private, with the public excluded from the meeting as disclosure would be likely to cause financial harm to the Pension Fund by prejudicing ongoing and future negotiations.

The Committee considered the Northern Trust Performance report for the Dyfed Pension Fund as at 31 March 2021, which provided performance analysis at a total fund level and by investment manager for the periods up to inception.

UNANIMOUSLY RESOLVED that the Northern Trust Performance report for the Dyfed Pension Fund as at 31 March 2021 be received.

15. INVESTMENT MANAGER REPORTS TO 31 MARCH 2021

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute Item 12 above, to consider this matter in private, with the public excluded from the meeting as disclosure would be likely to cause financial harm to the Pension Fund by prejudicing ongoing and future negotiations.

The Committee considered the investment managers reports which set out the performance of each manager as at 31 March 2021.

- BlackRock – Quarterly Report 31 March 2021;
- Schroders – Q1 2021 Investment Report;
- Partners Group – Quarterly Report Q1 2021;
- WPP Global Growth Fund – 31 March 2021;
- WPP Global Credit Fund – 31 March 2021.

UNANIMOUSLY RESOLVED that the investment manager reports for the Dyfed Pension Fund be received.

16. CEM BENCHMARKING REPORT 2019-2020

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute Item 12 above, to consider this matter in private, with the public excluded from the meeting as disclosure would be likely to cause financial harm to the Pension Fund by prejudicing ongoing and future negotiations.

The Committee considered the CEM Benchmarking report 2019-2020 for the Dyfed Pension Fund which included an independent assessment of value-for-money by comparing costs and performance with other pension funds.

UNANIMOUSLY RESOLVED that the CEM Benchmarking report 2019-2020 for the Dyfed Pension Fund be noted.

CHAIR

DATE

DYFED PENSION FUND PENSION BOARD 20TH JULY 2021

PENSION BOARD WORK PLAN 2021		
Recommendations / key decisions required: The Board to note the Pension Board Work Plan for 2021.		
Reasons: To provide the Board with the Work Plan for 2021.		
Relevant scrutiny committee to be consulted NA		
Exec. Board Decision Required		NA
Council Decision Required		NA
EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- NA		
Directorate: Name of Head of Service: Chris Moore Report Author: Chris Moore	Designations: Director of Corporate Services	Tel: 01267 224120 Email addresses: CMoore@carmarthenshire.gov.uk

EXECUTIVE SUMMARY

DYFED PENSION FUND PENSION BOARD 20TH JULY 2021

PENSION BOARD WORK PLAN 2021

The attached report outlines the work of the Pension Board throughout 2021 and the items to be presented at each meeting. The Work Plan is reviewed at each Board meeting and is revised as necessary.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: **C Moore**

Director of Corporate Services

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

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: **C Moore**

Director of Corporate Services

1. Scrutiny Committee- NA
2. Local Member(s) - NA
3. Community / Town Council - NA
4. Relevant Partners - NA
5. Staff Side Representatives and other Organisations - NA

EXECUTIVE BOARD PORTFOLIO HOLDER(S) AWARE/CONSULTED

N/A

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

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Dyfed Pension Fund Pension Board 2021 Work Plan (January to December)

	17 February 2021	16 April 2021	20 July 2021	November 2021
Pension Fund Committee meetings	11 January 2021	25 March 2021	16 June 2021	October 2021
Investments	> Independent Investment Adviser report > Performance Report - 30/09/20	> Independent Investment Adviser report > Performance Report - 31/12/20	> Independent Investment Adviser report > Performance Report - 31/03/21 > CEM Benchmarking Report 2019/20	> Independent Investment Adviser report > Performance Report - 30/06/21
Administration	> Administration update	> Administration update	> Administration update	> Administration update
Governance	> Scheme Advisory Board/LGA updates > Committee minutes > Wales Pension Partnership update > Breaches Log > Declaration of Interest > Review TOR	> Scheme Advisory Board/LGA updates > Committee minutes > Wales Pension Partnership update > Breaches Log > Declaration of Interest > DPF Business Plan 2021/22	> Scheme Advisory Board/LGA updates > Committee minutes > Wales Pension Partnership update > Breaches Log > Declaration of Interest	> Scheme Advisory Board/LGA updates > Committee minutes > Wales Pension Partnership update > Breaches Log > Declaration of Interest > 2022 Work Plan
Audit & Risk Management	> Risk Register > Internal Audit reports	> Risk Register > Internal Audit reports > AW Audit Plan 2020/21	> Risk Register > Internal Audit reports	> Risk Register > Internal Audit reports
Accounts & Budget	> DPF Budget Monitoring > Pension Board Budget Monitoring > Pension Board Budget 2021/22	> DPF Budget Monitoring > Pension Board Budget Monitoring	> DPF Budget Monitoring > Pension Board Budget Monitoring	> DPF Budget Monitoring > Pension Board Budget Monitoring > Statement of Accounts 2020/21 > Audit of Accounts Report (ISA 260)
Training	> Training programme > Equity Restructure including Low Carbon	> Training programme > Training Needs Analysis 2021/22	> Training programme	> Training programme

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Times may change, depending on timing of items going to the Pension Committee meetings

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DYFED PENSION FUND PENSION BOARD DATE 20TH JULY 2021

PENSION BOARD BUDGET MONITORING 1 APRIL 2021 – 30 JUNE 2021

Recommendations / key decisions required:

The Board to receive the Pension Board Budget Monitoring report for the period 1 April 2021 – 30 June 2021

Reasons:

To provide the Board with the budgetary position as at 30 June 2021.

Relevant scrutiny committee to be consulted

NA

Exec. Board Decision Required NA

Council Decision Required NA

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- NA

Directorate:	Designations:	Tel: 01267 224120
Name of Head of Service:	Director of Corporate Services	Email addresses:
Chris Moore		CMoore@carmarthenshire.gov.uk
Report Author: Chris Moore		

EXECUTIVE SUMMARY

DYFED PENSION FUND PENSION BOARD 20TH JULY 2021

PENSION BOARD BUDGET MONITORING 1 APRIL 2021 – 30 JUNE 2021

The position as at 30 June 2021 was that there had been no Pension Board expenditure in the first quarter of 2021-22. The forecasted expenditure for the year is a £4.5k underspend compared to budget.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report :

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	YES	NONE	NONE	NONE	NONE

Finance

The report provides the Pension Board budget position as at 30 June 2021. Forecasted expenditure for the year is £4.5k under budget.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: **C Moore**

Director of Corporate Services

1. Scrutiny Committee NA
2. Local Member(s) NA
3. Community / Town Council NA
4. Relevant Partners NA
5. Staff Side Representatives and other Organisations NA

EXECUTIVE BOARD PORTFOLIO HOLDER(S) AWARE/CONSULTED

N/A

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

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Dyfed Pension Board

Budget Monitoring Report

1 April 2021 - 30 June 2021

	Budget 2021-22	Actual expenditure	Forecast Commitments	Forecast expenditure at year end	End of year variance		Assumptions/Comments
	£	£	£	£	£	%	
Chair Annual Fee	12,000	0	12,000	12,000	0	0.0	New contract commenced 1 April 2021
Training costs	4,000	0	1,000	1,000	-3,000	-75.0	
Travel, Subsistence & Miscellaneous Expenses	2,000	0	500	500	-1,500	-75.0	
Liability Insurance	6,160	0	6,160	6,160	0	0.0	
Expenditure	24,160	0	19,660	19,660	-4,500	-19%	

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Agenda Item 8

By virtue of paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972 as amended by the Local Government (Access to Information) (Variation) (Wales) Order 2007.

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Agenda Item 9

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Agenda Item 10

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Agenda Item 11

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