

**TUESDAY, 18 JANUARY 2022**

**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 AT  
2.00 PM, ON TUESDAY, 25TH JANUARY, 2022 FOR THE TRANSACTION  
OF THE BUSINESS OUTLINED ON THE ATTACHED AGENDA**

*Wendy Walters*

**CHIEF EXECUTIVE**



**PLEASE RECYCLE**

<b>Democratic Officer:</b>	<b>Martin S. Davies</b>
<b>Telephone (direct line):</b>	<b>01267 224059</b>
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Wendy Walters Prif Weithredwr, *Chief Executive*,  
Neuadd y Sir, Caerfyrddin. SA31 1JP  
County Hall, Carmarthen. SA31 1JP

<b>DYFED PENSION FUND PENSION BOARD MEMBERSHIP</b>
--

**Vacancy**

**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**

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THE REPORTS RELATING TO THE FOLLOWING ITEMS ARE NOT FOR PUBLICATION AS THEY CONTAIN EXEMPT INFORMATION AS DEFINED IN PARAGRAPH 14 OF PART 4 OF SCHEDULE 12A TO THE LOCAL GOVERNMENT ACT 1972 AS AMENDED BY THE LOCAL GOVERNMENT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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Tuesday, 9 November 2021

**PRESENT:** John Jones (Chair)

**Committee Members:-**

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

**Also present as an observer:-**

Cllr D.E. Williams – Chair of the Dyfed Pension Fund Committee  
Mr A. Brown – Independent Investment Advisor

**The following Officers were in attendance:**

R. Hemingway, Head of Financial Services  
A. Parnell, Treasury & Pension Investments Manager  
K. Gerard, Pensions Manager  
S. Rees, Simultaneous Translator  
M. Owens, Pension Investment Officer  
E. Bryer, Democratic Services Officer  
K. Thomas, Democratic Services Officer

**Virtual Meeting - 2.00 - 3.30 pm**

**1. APOLOGIES FOR ABSENCE**

An Apology for absence was received from Mr Mike Rogers – Pensioner Member Representative.

The Chair referred to the meeting that day being Mr Gwyn Jones' last meeting and, on behalf of the board, expressed his appreciation for his valued and professional contribution to the Board's work during his term of office.

**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 JULY 2021**

**AGREED that the minutes of the meeting for the Pension Board held on the 20th July 2021 be confirmed as a correct record.**

**4. DYFED PENSION FUND COMMITTEE 8TH OCTOBER 2021**

Reference was made to the Director of Corporate Services comment within minute 8 of the meeting of the Dyfed Pension Fund Committee relating to the Draft Investment Strategy Statement 2021 and to a meeting to be arranged with representatives of Divest Dyfed. It was noted the meeting would be held in

December 2021 and a reported back to a future Dyfed Pension Fund Committee meeting.

**AGREED that the draft minutes of the meeting of the Dyfed Pension Fund Committee held on the 8th October 2021 be noted.**

#### **4.1. AUDIT OF FINANCIAL STATEMENTS REPORT 2020-21 (ISA 260)**

The Board received the Audit of Financial Statements Report for the Dyfed Pension Fund prepared by Audit Wales detailing the matters arising from the audit which required reporting under ISA 260.

It was noted that the Auditor General was responsible for providing an opinion on whether the financial statements of the Dyfed Pension Fund gave a true and fair view of their financial position as at 31 March 2021 and of its income and expenditure for the year end. An unqualified audit report on the financial statements had been issued and the finalised report had been considered by the Audit and Governance Committee on 12 October 2021.

Audit Wales had found that there were no misstatements identified in the financial statements which remained uncorrected. A number of minor presentational errors in the draft financial statements had been corrected by management.

The Head of Financial Services advised that at the time of the Audit one outstanding issue relating to Additional Voluntary Contributions (AVC's), which was a national issue, had now been resolved

**AGREED that the Audit of Financial Statement Report 2020/21 be received.**

#### **4.2. STATEMENT OF ACCOUNTS 2020-21**

The Board considered the Dyfed Pension Fund Draft Statement of Accounts for 2020/21, produced in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2020-21, detailing the financial position, performance and financial viability for the year 2020-21 together with the results of stewardship of management i.e. – accountability of management for the resources entrusted to it and the disposition of its assets at the period end.

In response to a question, it was confirmed that the increased management expenses had occurred as a result of transitions between different funds and were reported in accordance with the Code of Transparency

**AGREED that the report be noted.**

#### **4.3. DYFED PENSION FUND PENSION BOARD MINUTES 16 APRIL 2021**

The Board noted the minutes of the Dyfed Pension Board meeting held on 16th April, 2021 had been received by the Dyfed Pension Fund Committee.

#### **4.4. BUDGET MONITORING 1 APRIL 2021 - 30 JUNE 2021**

The Board considered the Dyfed Pension Fund Budget Monitoring report which provided an update on the latest budgetary position in respect of the period 1<sup>st</sup>

April 2021 – 30<sup>th</sup> June 2021.

Overall total expenditure was estimated at £102.8m and total income was estimated at £104.8m resulting in a positive cash flow position of £2m.

Reference was made to the report covering the period April – June 2021 and to the confirmation some of the data detailed therein had been updated to the end of September 2021. It was suggested that if updated information was provided within future reports an explanatory note to that effect be included for clarity.

**AGREED that the report be noted.**

1. that the report be noted.
2. That, for clarity, if updated information was provided within future budget monitoring reports an explanatory note be added to that effect.

**4.5. CASH RECONCILIATION AS AT 30 JUNE 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 30 June 2021, £11m 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.**

**4.6. DRAFT INVESTMENT STRATEGY STATEMENT 2021**

The Board received a report which provided the 2021 Draft Investment Strategy Statement for approval. The Statement of the Dyfed Pension Fund which was required by regulation 7 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016, detailed the current investment strategy of the Fund, provided transparency in relation to how the Fund's investments were managed, acted as a high-level risk register, and had been designed to be informative for all stakeholders. It was also noted that the Strategy replaced the Fund's Statement of Investment Principles.

**AGREED that the Draft Investment Strategy Statement 2021 be noted.**

**4.7. UPDATED FUNDING STRATEGY STATEMENT**

The Board received a report which provided an updated Funding Strategy Statement from that originally approved by the Pension Committee on the 2<sup>nd</sup> March 2020, and reflected the new employer flexibilities of Debt Spreading Arrangements and Deferred Debt Agreements

The Statement detailed a clear and transparent funding strategy that identified how each Fund employer's pension liabilities would be met going forward.

**AGREED that the Updated Funding Strategy Statement be noted.**

**4.8. 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, new employer, breaches register, i-Connect, GMP reconciliation and workflows.

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

#### **4.9. BREACHES REPORT 2021-22**

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.

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

#### **4.10. RISK REGISTER 2021-22**

The Board was advised that the Risk Register 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 meeting.

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

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

#### **4.11. OPERATOR UPDATE**

The Board received an update on the progress of the Wales Pension Partnership in relation to the Sub Funds together with the current fund holdings, fund launch progress and Link / Russell Investments Corporate Update and Engagement, as presented to the Joint Governance Committee on the 22<sup>nd</sup> September 2021.

In addition the Board considered the Corporate and Engagement update including the engagement protocol and key meeting dates.

**AGREED that the Operator Update report be received and the milestones and progress of the Wales Pension Partnership be noted.**

#### **4.12. TRAINING PLAN 2021-22**

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

**AGREED that the Dyfed Pension Fund Training Plan for the period 2021-22 be noted.**

### **5. PENSION BOARD WORK PLAN 2022**



The Board considered the Pension Board Workplan for 2022 which outlined the work of the Pension Board throughout 2022 and the items to be presented at each meeting.

**AGREED to note the workplan for 2022.**

**6. PENSION BOARD BUDGET MONITORING 1 APRIL 2021 - 30 SEPTEMBER 2021**

The Board received the final Pension Board Budget Monitoring report and considered the budgetary position as at 30 September 2021. The final position as at 30 September 2021 was an under spend compared to budget of £4.6k.

**AGREED to receive Pension Board Budget Monitoring 1 April 2021 – 30 September 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 TO 30 JUNE 2021**

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 adversely impact upon the Pension Fund by putting investment performance at risk.

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 June 2021 together with the global market background and issues for consideration.

**AGREED to note the Independent Investment Adviser Report as at 30 June 2021.**

**9. EQUITY RESTRUCTURE - PHASE II**

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 adversely impact upon the Pension Fund by putting investment performance at risk.

The Board received a report on the Equity Restructure Phase II which provided proposals regarding the second phase of the Fund's proposed actions aimed at reducing carbon footprint and improving the cashflow generated from the portfolio.

The report had been approved by the Dyfed Pension Fund Committee on the 8<sup>th</sup> October 2021.

**AGREED** that the proposals as set out in the Equity Restructure Phase II report be noted.

#### **10. NORTHERN TRUST PERFORMANCE REPORT TO 30 JUNE 2021**

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 adversely impact upon the Pension Fund by putting investment performance at risk.

The Board received the Northern Trust Performance report for the Dyfed Pension Fund as at 30 June 2021, which provided performance analysis at a total fund level and by investment manager for the periods up to inception.

**AGREED** to note the Northern Trust Performance report for the Dyfed Pension Fund as at 30 June 2021.

#### **11. INVESTMENT MANAGER REPORTS TO 30 JUNE 2021**

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 adversely impact upon the Pension Fund by putting investment performance at risk.

The Board received for consideration reports provided by the Investment Managers which set out the performance of each manager as at 30 June 2021:

- BlackRock – Quarterly Report 30 June 2021;
- Schroders – Q2 2021 Investment Report 30 June 2021;
- Partners Group – Quarterly Report 30 June 2021;
- Wales Pension Partnership Global Growth Fund – 30 June 2021;
- Wales Pension Partnership Global Credit Fund – 30 June 2021.

**AGREED** to note the Investment Manager reports for the Dyfed Pension Fund.

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**CHAIR**

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**DATE**

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<b>DYFED PENSION FUND COMMITTEE MEETING</b> <b>3 DECEMBER 2021</b>		
<b>Recommendations / key decisions required:</b> The Pension Board to note and comment on the minutes and actions of the Dyfed Pension Fund Committee meeting on 3 December 2021.		
<b>Reasons:</b> To inform the Pension Board of the meeting of the Dyfed Pension Fund Committee that was held on 3 December 2021.		
Relevant scrutiny committee to be consulted  NA		
Cabinet Decision Required		NA
Council Decision Required		NA
CABINET 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**  
**25/01/2022**

**Dyfed Pension Fund Committee Meeting 3 December 2021**

A Pension Fund Committee meeting was held on 3 December 2021 and the following agenda items were considered and noted:

- Dyfed Pension Fund Pension Board Minutes 20 July 2021
- Budget Monitoring 1 April 2021 – 30 September 2021
- Cash Reconciliation as at 30 September 2021
- Pensions Administration Report
- Breaches Report 2021-22
- Risk Register 2021-22
- Wales Pension Partnership (WPP) Operator Update
- Wales Pension Partnership Inter-Authority Agreement (IAA) Addendum
- Training Plan 2021-22
- Carbon Footprint Update

The draft minutes of the Pension Fund Committee meeting on 3 December 2021 are attached for information.

**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
<b>NONE</b>	<b>YES</b>	<b>YES</b>	<b>NONE</b>	<b>YES</b>	<b>NONE</b>	<b>NONE</b>

## Legal

WPP Addendum - The Inter-Authority Agreement is a legal document, and any changes require unanimous agreement from all eight of the Constituent Authorities.

## Finance

Budget Monitoring - Overall, the Fund needs to maintain a positive cash flow balance to meet its obligations. The cash flow projection was positive by £5.1m as at 30 September 2021.

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

## 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

**CABINET MEMBER 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

20 JULY 2021

**PRESENT:** John Jones (Chair);

**Committee Members:**

Cllr Philip Hughes	- Employer Member Representative;
Cllr Gareth Lloyd	- Employer Member Representative;
Mr Tommy Bowler	- Union Member Representative;
Mr. M. Rogers	- Pensioner Member Representative.

**Also present as an observer:**

Cllr. D.E. Williams, Chair of the Dyfed Pension Fund Committee;  
Mr A. Brown – Independent Investment Advisor;

**The following Officers were in attendance:**

C. Moore, Director of Corporate Services;  
A. Parnell, Treasury & Pension Investments Manager;  
K. Gerard, Pensions Manager;  
M. Owens, Assistant Accountant;  
A. Eynon, Simultaneous Translator;  
M.S. Davies, Democratic Services Officer;  
J. Owen, Democratic Services Officer.

**Virtual Meeting:10:00am - 11:21am**

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mr Gwyn Jones (Member Representative) and Mr Paul Ashley-Jones (Employer 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 16<sup>TH</sup> APRIL 2021**

**AGREED** that the minutes of the meeting for the Pension Board held on the 16<sup>th</sup> April 2021 be confirmed as a correct record.

**4. DYFED PENSION FUND COMMITTEE MEETING - 16 JUNE 2021**

**4.1. PENSION BOARD MINUTES 17 FEBRUARY 2021**

The Board noted the minutes of the Dyfed Pension Board meeting held on 17<sup>th</sup> February, 2021 had been received by the Dyfed Pension Fund Committee.

#### **4.2. FINAL BUDGETARY POSITION 2020-21**

The Board received the final Dyfed Pension Fund Budgetary position for 2020-21 as at 31<sup>st</sup> 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.

**AGREED that the report be noted.**

#### **4.3. CASH RECONCILIATION AS AT 31 MARCH 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 March 2021, £8.8m 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.**

#### **4.4. 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, new employer, breaches register, i-Connect, Data Quality reports, GMP reconciliation and workflows.

Reference was made to the Regulatory update. In response to a query raised in relation to the McCloud/Sargeant update, the Pensions Manager explained that meetings had taken place with 3 of the largest employers in order to clarify the categories and members for which uploads were required. and that it was anticipated that following a consultation amended regulations and guidance would be published in April 2022.

Following concern raised regarding the amount of work that would be generated in terms of collecting data for employees who have worked between 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2022, the Pensions Manager stated that it was necessary to recalculate the benefits, and that this would be completed in due course by way of a detailed project plan.

**AGREED that the report be noted.**

#### **4.5. BREACHES REPORT 2021-22**

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 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.**

#### **4.6. RISK REGISTER 2021-22**

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. It was reported that there had been no changes since the previous committee meeting.

It was highlighted to Board Members that the reports header information had included information that was currently provided to the Dyfed Pension Board Committee.

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

#### **4.7. WALES PENSION PARTNERSHIP (WPP) BUSINESS PLAN 2021-24**

The Board received the Wales Pension Partnership (WPP) Business Plan for the period 2021-2024 detailing how the Fund was to achieve its objectives and ensuring the allocation of sufficient resources to meet those objectives.

In response to a query raised in relation to a policy on voting shares the Treasury & Pension Investments Manager explained that that WPP had appointed Robeco UK as the voting and engagement provider and that they provide regular updates on voting activity in addition to providing quarterly and annual reports.

**AGREED to note the Wales Pension Partnership Business Plan for the period 2021-24.**

#### **4.8. TRAINING PLAN 2021-22**

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.**

#### **4.9. DRAFT MINUTES OF THE PENSION COMMITTEE MEETING 16 JUNE 2021**

**AGREED** that the draft minutes of the meeting of the Dyfed Pension Fund Committee held on the 16<sup>th</sup> June 2021 be noted.

#### **5. PENSION BOARD WORK PLAN 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.

**AGREED** to note the workplan for 2021.

#### **6. PENSION BOARD BUDGET MONITORING 1 APRIL 2021 - 30 JUNE 2021**

The Board received the final Pension Board Budget Monitoring report and considered the budgetary position as at 30 June 2021. The final position as at 30 June 2021 was an under spend compared to budget of £4.5k.

**AGREED** to receive Pension Board Budget Monitoring 1 April 2020 – 30 June 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 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 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 March 2021 together with the global market background and issues for consideration.

**AGREED** to note the Independent Investment Adviser Report as at 31 March 2021.

## **9. NORTHERN TRUST PERFORMANCE REPORT 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 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 March 2021, which provided performance analysis at a total fund level and by investment manager for the periods up to inception.

**AGREED to note the Northern Trust Performance report for the Dyfed Pension Fund as at 31 March 2021.**

## **10. INVESTMENT MANAGER REPORTS 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 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 for consideration reports provided by the Investment Managers which set out the performance of each manager as at 31 March 2021. The following appendices were considered:-

- Appendix A - BlackRock – Quarterly Report 31 March 2021
- Appendix B - Schroders – Q1 2021 Investment Report
- Appendix C - Partners Group – Quarterly Report Q1 2021
- Appendix D - WPP Global Growth Fund – 31 March 2021
- Appendix E - WPP Global Credit Fund – 31 March 2021

**AGREED to note the Investment Manager reports - Appendix A-E for the Dyfed Pension Fund.**

## **11. CEM BENCHMARKING REPORT 2019-20**

**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 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.

**AGREED to note the CEM Benchmarking report 2019-2020 for the Dyfed Pension Fund.**

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**CHAIR**

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**DATE**

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Dyfed Pension Fund									
Budget Monitoring									
1st April 2021 - 30th September 2021									
	Budget Type	Actual 2020-2021	Budget 2021-2022	Total income/ expenditure to date	Forecast Commitments	Forecast 2021-2022	End of year variance		Assumptions/Comments
	Controllable / Non Controllable	£ '000 (a)	£ '000 (b)	£ '000 (c)	£ '000 (d)	£ '000 (e)	£ '000 (f)	%	
Expenditure									
Benefits Payable	Both	89,783	92,363	43,986	46,571	90,557	-1,806	-2.0	3% included at budget setting, projected increase for year is 1%
Pensions Payable	Controllable	75,112	78,863	38,124	38,933	77,057	-1,806		
Commutation and lump sum retirement benefits	Non Controllable	11,724	12,000	5,732	6,268	12,000	0		
Lump sum death benefits	Non Controllable	2,947	1,500	130	1,370	1,500	0		Forecast in line with budget
Payments to and account of leavers	Non Controllable	3,596	3,120	2,177	943	3,120	0	0.0	Forecast in line with budget
Management Expenses		7,967	8,829	2,891	6,184	9,075	246	2.8	
Computer Software	Controllable	366	383	4	379	383	0		
Printing charges	Controllable	13	20	7	13	20	0		
Subscriptions, Legal fees, Conf Exps, Med Exps	Controllable	53	70	19	51	70	0		
Fund Managers									
BlackRock	Controllable	1,345	1,300	123	1,401	1,524	224		Market value higher than budgeted
Schroders	Controllable	693	580	141	471	612	32		Additional allocation of assets to Schroders approved, projected fees reflect this higher allocation to year-end.
Wales Pension Partnership	Controllable	3,272	4,030	1,044	3,151	4,195	165		Market value higher than budgeted
Partners Group	Controllable	825	950	195	580	775	-175		Market value lower than budgeted
Custodian									
Northern Trust	Controllable	39	31	8	23	31	0		
Actuary									
Mercer	Controllable	93	100	57	43	100	0		
Performance Manager									
Northern Trust / PIRC / CEM	Controllable	14	26	0	26	26	0		
Independent Advisor	Controllable	28	30	7	23	30	0		
Other									
Euraplan, LSE, Pension Board	Controllable	44	27	23	4	27	0		
Central recharges	Non Controllable	1,154	1,254	1,254	0	1,254	0		
Audit fees	Controllable	28	28	9	19	28	0		
Controllable Expenditure		81,925	86,438	39,761	45,117	84,878	-1,560		
Non Controllable Expenditure		19,421	17,874	9,293	8,581	17,874	0		
Total Expenditure		101,346	104,312	49,054	53,698	102,752	-1,560		
Income									
Contributions									
Employer	Controllable	-62,455	-66,893	-41,756	-23,993	-65,749	1,144	-1.7	Advance payments made resulting in discounted contributions; Carms CC, Ceredigion CC, Pembs CC and Dyfed Powys Police in 2021-22.
Member	Controllable	-21,599	-22,121	-3,966	-18,886	-22,852	-731	3.3	Employee pensionable pay higher than anticipated at budget setting.
Investment Income	Controllable	-13,259	-12,298	-9,637	-6,623	-16,260	-3,962	32.2	Includes BlackRock, SAIF and Schroders dividend income.
Other Income	Controllable	0	0	0	0	0	0	0.0	
Transfers in from other pension funds	Non Controllable	-3,196	-3,000	-2,003	-997	-3,000	0	0.0	
Controllable Income		-97,313	-101,312	-55,359	-49,502	-104,861	-3,549		
Non Controllable Income		-3,196	-3,000	-2,003	-997	-3,000	0		
Total Income		-100,509	-104,312	-57,362	-50,499	-107,861	-3,549		
Controllable Total		-15,388	-14,874	-15,598	-4,385	-19,983	-5,109		
Non Controllable Total		16,225	14,874	7,290	7,584	14,874	0		
Total		837	0	-8,308	3,199	-5,109	-5,109		
Cash Transfer to Fund Managers	Cash	0	0	24,078	0	24,078	24,078		
Net Total of Cash Related Items		837	0	15,770	3,199	18,969	18,969		
Indirect Transactional Management Fees	Non Cash	6,662	3,500	0	3,500	3,500	0	0.0	CIPFA Management cost guidance issued to show indirect transactional fees indirectly paid by the funds
Investment Income	Non Cash	-6,662	-3,500	0	-3,500	-3,500	0	0.0	Contra entry to the Indirect transactional fees
Realised gain/loss	Non Cash	-467,512	-50,000	-5,110	0	-5,110	44,890	-89.8	Non Controllable. No impact to cash.
Net Total of Non-Cash Related Items		-467,512	-50,000	-5,110	0	-5,110	44,890		

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## Dyfed Pension Fund Cash Reconciliation

September 2021

Balance b/f 1st April 2021		£8,305,835.28
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### ***Investment trades***

Sales	84,154,538.64	
Purchases	-112,419,523.49	
		-£28,264,984.85

Contributions received	£55,040,245.60	
Payments made	-£46,865,693.57	
Dividend Income	£13,835,283.84	£22,009,835.87
		£2,050,686.30

<b>Total Available for Investment</b>		<b>£2,050,686.30</b>
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### ***Represented by :***

Cash at Carmarthenshire		£2,413,629.14
Cash due to be received/deducted		£0.00
CCC Debtors		£217,006.30
CCC Creditors		-£579,949.14
		£2,050,686.30
		£0.00

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## PENSIONS ADMINISTRATION REPORT – 3<sup>rd</sup> December 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 1<sup>st</sup> April 2014 for those that were active on 31<sup>st</sup> March 2012. This will require all employers to provide the hours each part time scheme member, including any changes, they have worked between 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2022. Meetings have been held with all employers to clarify the categories and members for which uploads are required. All Employers have also been provided with data extracts to undertake data comparisons and identify any issues. Our software supplier is continuing to test 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. Resources have been increased in respect of Immediate Detriment cases for the Police and Firefighters Pension Schemes.
- b. Exit Payment Cap – it is anticipated that the exit payment cap of £95,000 will be reintroduced by the end of the year.

### 2. 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 September 2021, October 2021 and November 2021 have been included on the breaches register as the scheme members have not replied in order for the refund to be paid.

### 3. 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
ADAPT	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

#### 4. GMP Reconciliation

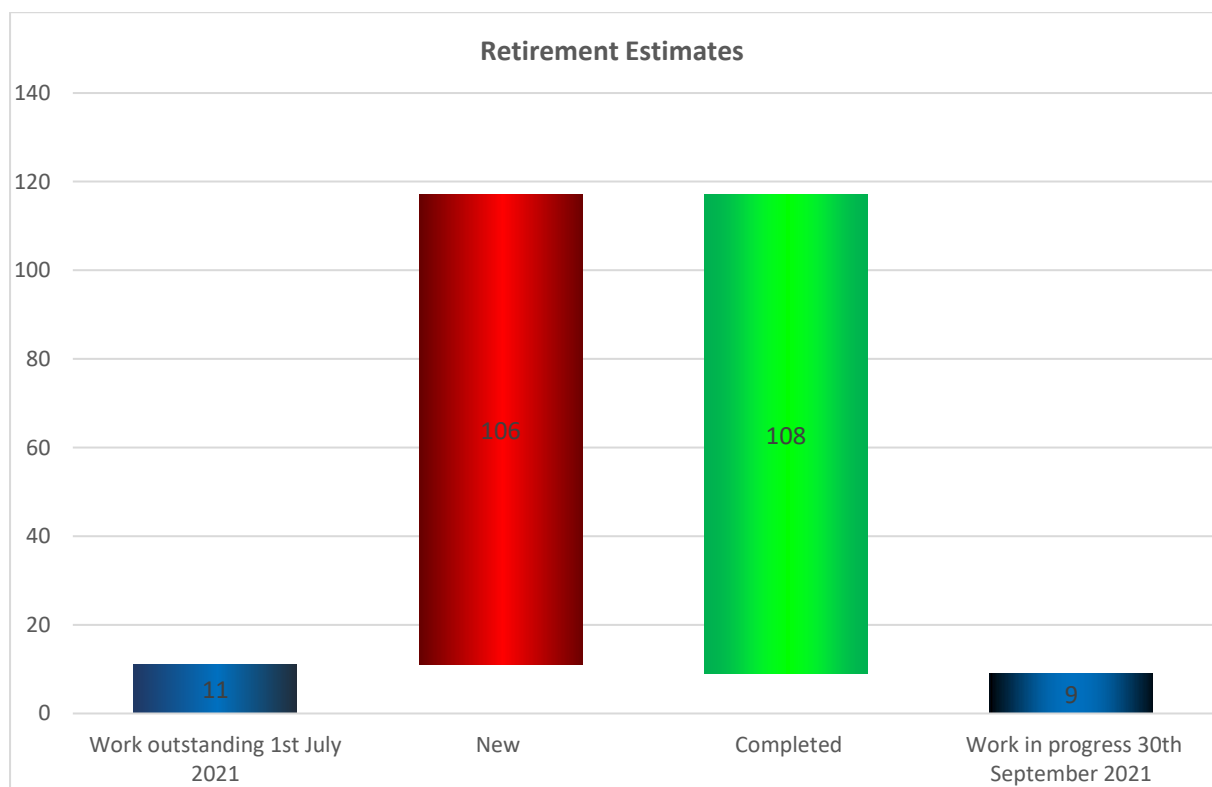
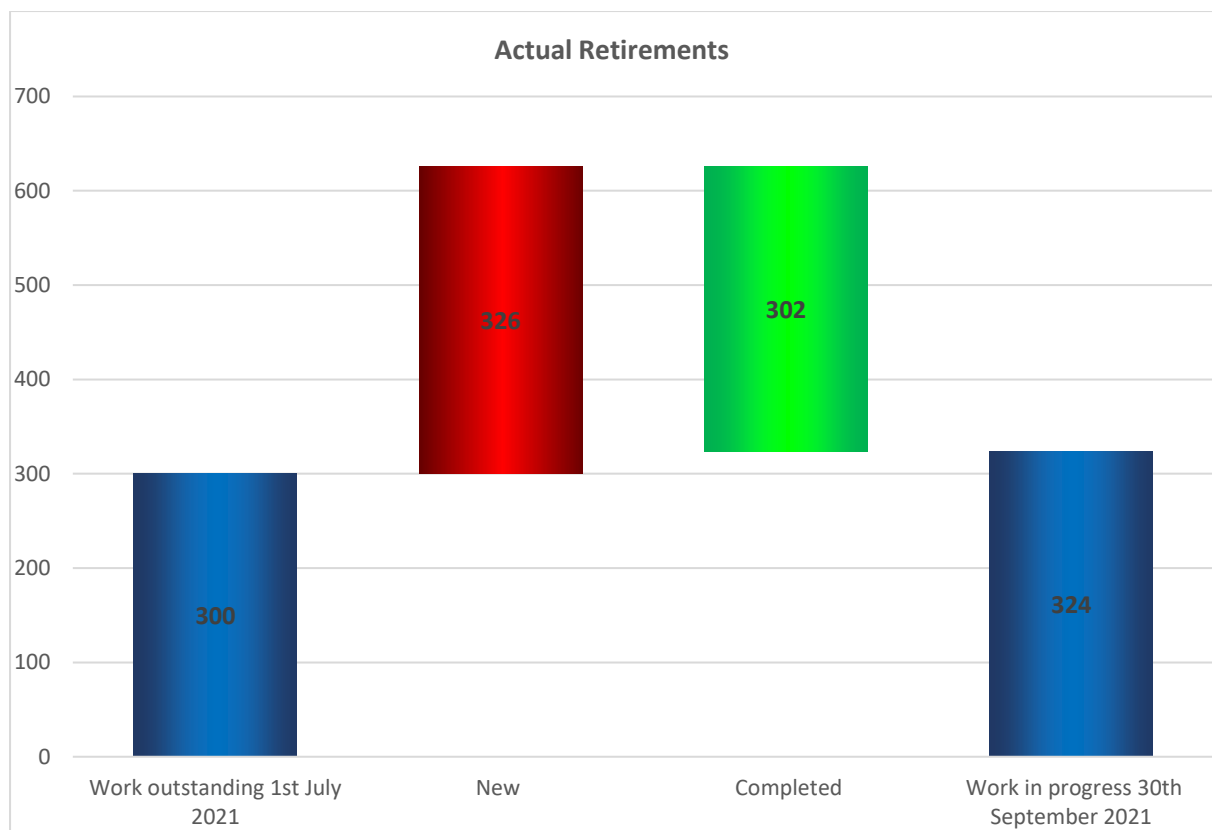
When a scheme member attains State Pension Age, they will be advised of the amount of Guaranteed Minimum Pension (GMP) which is included in their pension. The GMP relates to the part of the pension for the period between April 1978 and April 1997 for which they were 'contracted-out'. For this period, 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.

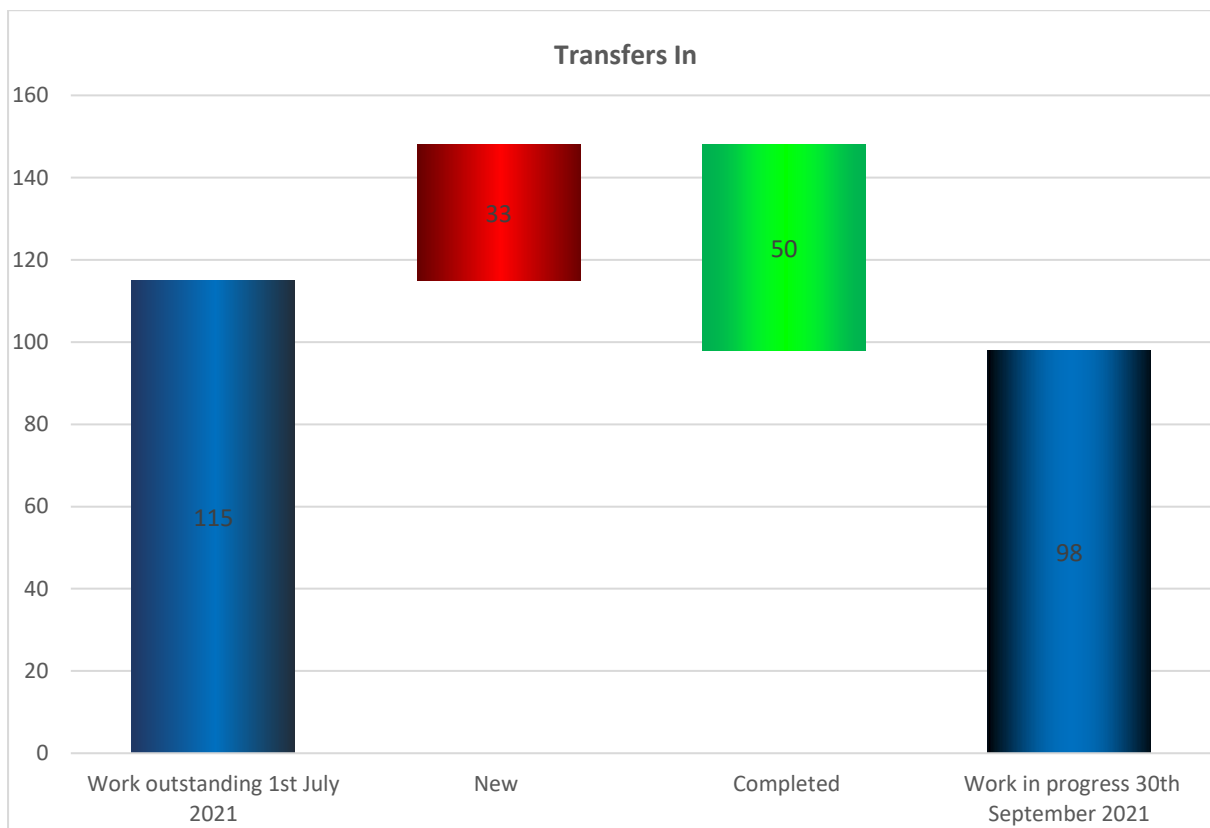
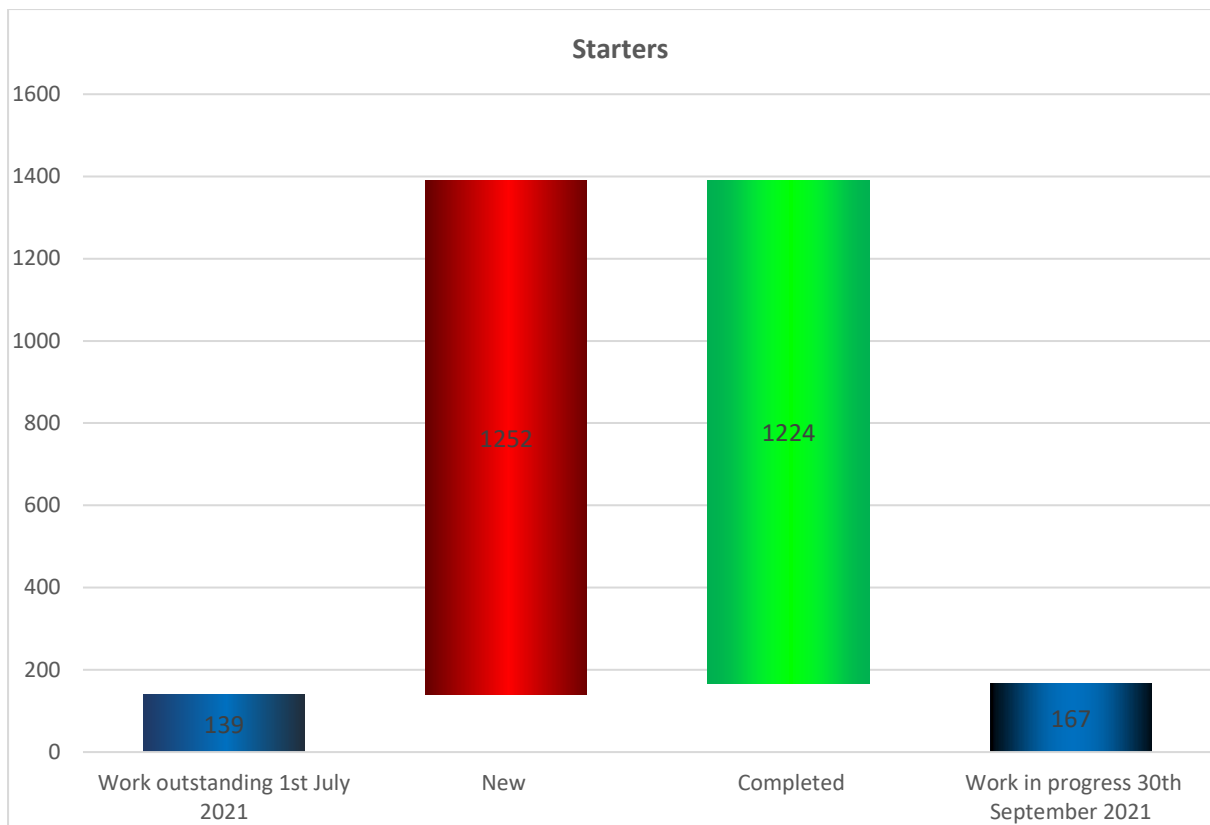
## 5. Workflow

The tables overleaf detail the workflow statistics for the key tasks undertaken in the section for the period 1<sup>st</sup> July 2021 to 30<sup>th</sup> September 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.

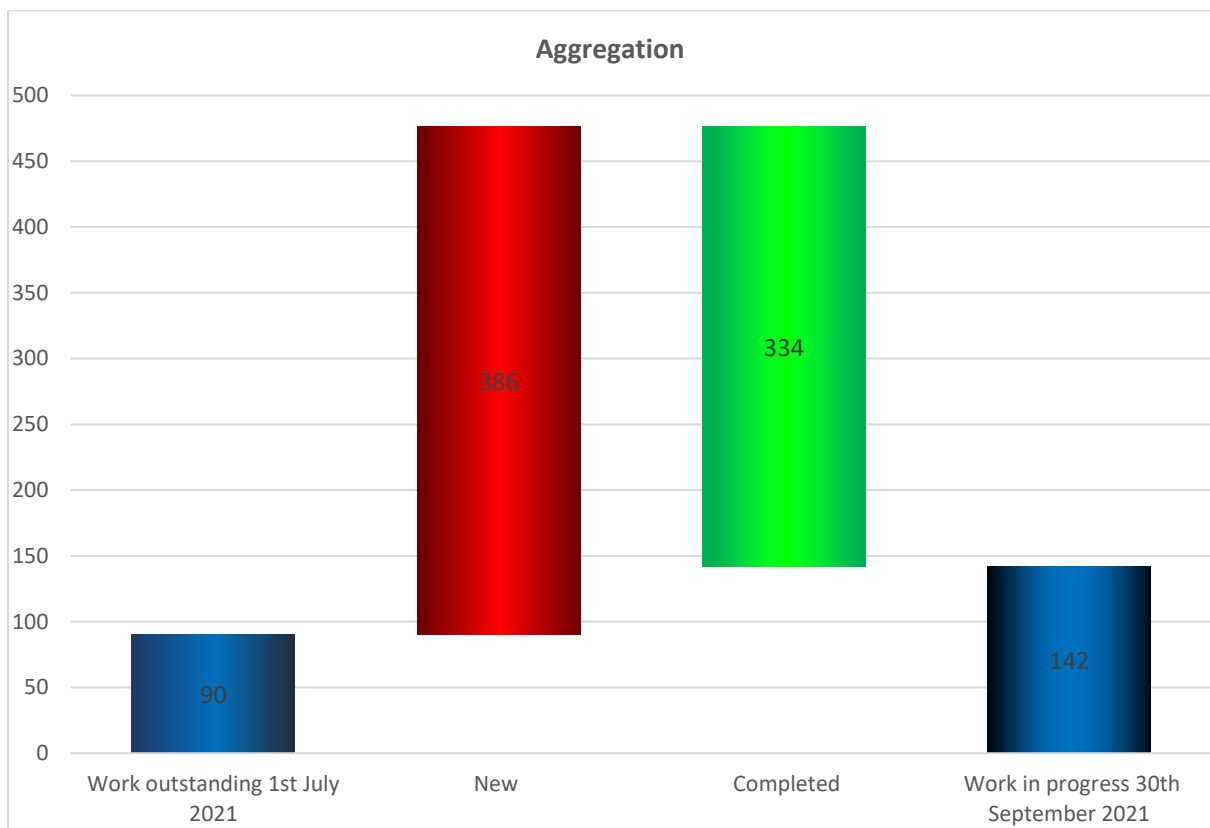
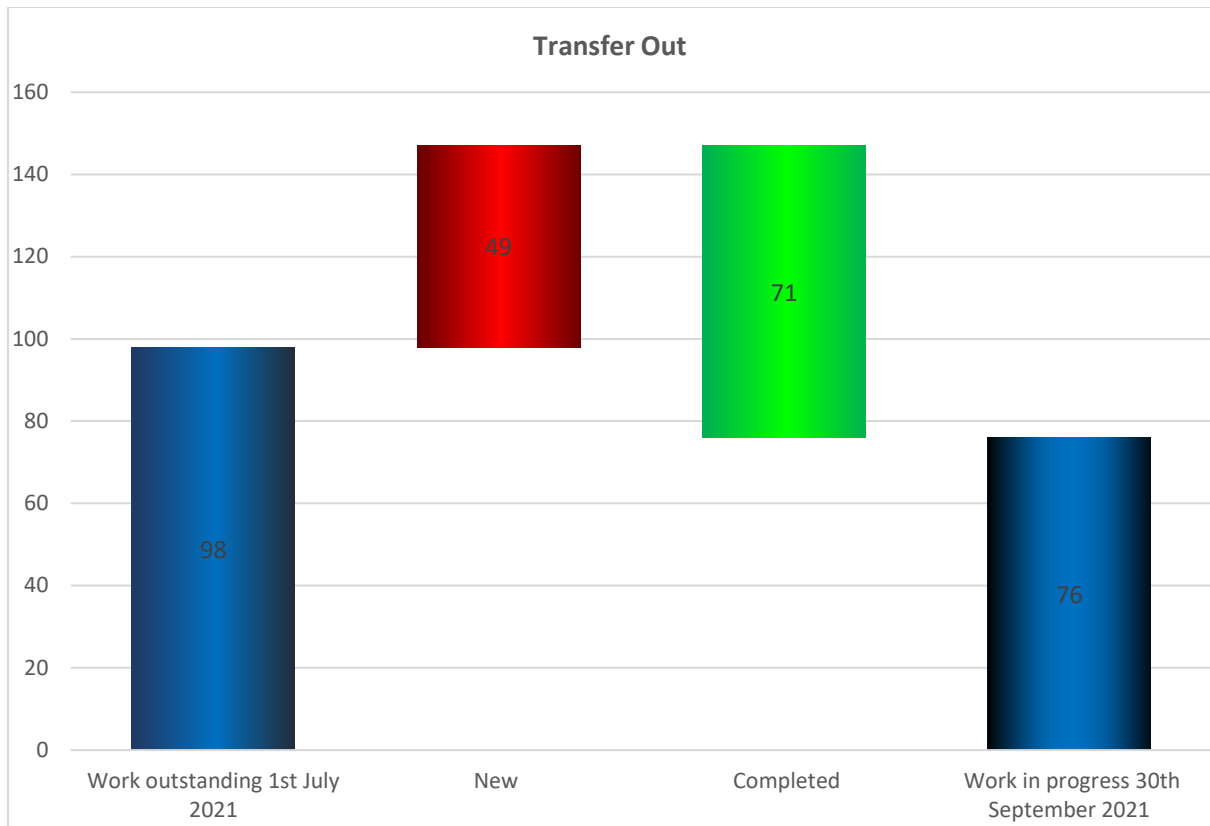
Kevin Gerard

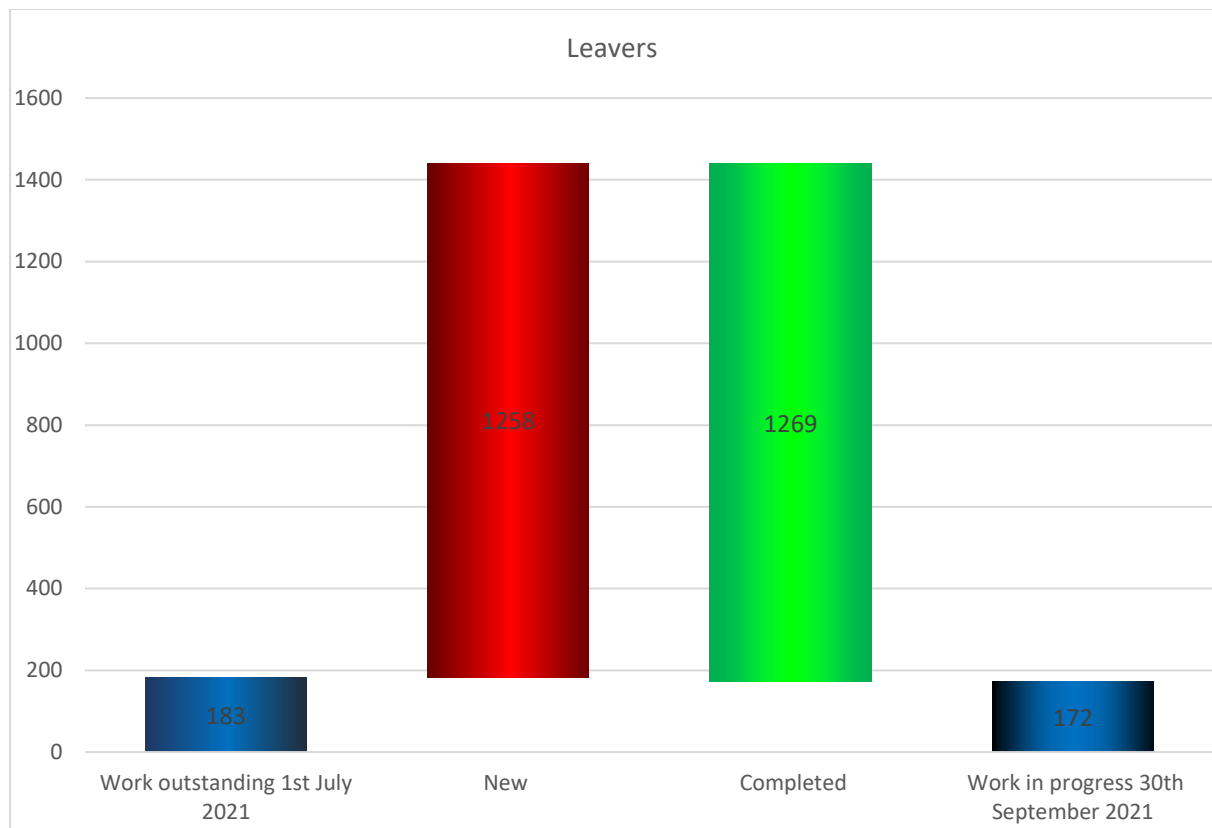
Pensions Manager











### 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
107	2021-22	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.
108	2021-22	22/8/21	Contributions	July payment of £26,726.68 was received 23/8/21 (1 day late) due to availability of signatory for payment run. Payment has now been received.	No	Amber	No Report	There are no long term implications associated with this breach.
109	2021-22	June, July & August 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. June - 21 members & total refunds = £3755.39, July - 16 members & total refunds = £3465.60, August - 44 members & total refunds = £12799.01	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.
110	2021-22	22/10/21	Contributions	July-September payment of £448.41 was received 26/10/21 (4 days late). Cause: New clerk in accountants didn't know that they had to inform the Employer to make the payment. Payment has now been received.	No	Amber	No Report	There are no long term implications associated with this breach.
111	2021-22	September, October & November 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. September - 16 members & total refunds = £2863.97, October - 17 members & total refunds = £2927.85, November - 14 members & total refunds = £2128.38	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.
112	2021-22	22/10/21	Contributions	September payment of £1,250.63 not yet received. Finance Manager has been contacted by telephone and email.	No	Amber	No Report	There are no long term implications associated with this breach.

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## Risk Register 2021-22

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

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

Date: 19 November, 2021

Risk  (Threat to achievement of business objective)	Assessment of Uncontrolled Controls (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlled Controls (Assume CONTROLLED in place)		Risk Controls
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlled 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"> <li><b>Altair Development Officer undertakes Altair system checks to ensure compliance with LGPS regulations</b> <i>Implemented</i></li> <li><b>Network Groups (Altair &amp; LGPC)</b> <i>Implemented</i></li> <li><b>Communication &amp; Training Officer</b> Communication &amp; 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></li> <li><b>Continue to act as an "Early Adopter" in conjunction with the system provider to ensure system meets regulatory requirements</b> <i>Implemented</i></li> </ul>	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: **19 November, 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 Controlled Risk (Assume CONTROLLED Controls in place)		
	Impact	Probability				Impact	Probability	Controlled Risk Rating
				• 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"> <li>Participation in all high level Government discussions and consultations <i>Implemented</i></li> <li>Ensure best practice is implemented and DPF is seen as a centre of excellence for pension administration <i>Implemented</i></li> <li>Continue to be recognised nationally by peers as one of the leaders in pension administration and facilitate site visits <i>Implemented</i></li> </ul>	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: **19 November, 2021**

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

# Risk Register 2021-22

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

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

Date: **19 November, 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 Controlled Risk (Assume CONTROLLED Controls in place)			
	Impact	Probability				Current Risk Rating	Impact	Probability	Controlled Risk Rating
				<ul style="list-style-type: none"><li>Altair Development Officer is responsible for regular system checks regarding calculations <i>Implemented</i></li><li>Communication&amp;Training Officer liaises closely with all employing authorities to ensure timely submission of information to DPF <i>Implemented</i></li><li>Payroll deadline procedures in place <i>Implemented</i></li><li>Item in Business Continuity/Disaster Recovery Plan <i>Implemented</i></li><li>Participate in National Fraud Initiative (NFI) <i>Implemented</i></li></ul>	Pensions Manager				



# Risk Register 2021-22

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

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

Date: **19 November, 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 Controlled Risk (Assume CONTROLLED Controls in place)		
	Impact	Probability				Impact	Probability	Controlled Risk Rating
				<ul style="list-style-type: none"> <li>Life Certificates exercise carried out for all cheque payments <i>Implemented</i></li> <li>Undertake reviews of monthly performance to ensure service standards are maintained <i>Implemented</i></li> <li>IT Contingency/Resilience Plan in place <i>Implemented</i></li> </ul>	Pensions Manager  Pensions Manager  Pensions Manager			
<b>CSV400004 - Failure to collect and account for full receipt of contributions from employers and employees on time</b> Failure to collect full receipt of pension contributions from employees and employers in line with Regulation guidelines.  Failure of employers' financial systems; absence of key staff; failure to communicate with employers effectively; failure of key systems such as on-line banking and/or financial	<b>Substantial</b>  4	<b>Possible</b>  3	<b>High</b>  12	<ul style="list-style-type: none"> <li>Contributions monitoring procedures <i>Implemented</i></li> <li>Formal timescales for receipt of contributions <i>Implemented</i></li> </ul>	Pensions Manager and Treasury & Pensions Investments Manager  Pensions Manager and Treasury & Pensions Investments Manager	<b>Substantial</b>  4	<b>Unlikely</b>  2	<b>Medium</b>  8

# Risk Register 2021-22

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

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

Date: **19 November, 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>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"> <li><b>Budget set and monthly monitoring against the budget</b> <i>Implemented</i></li> <li><b>Escalation of non receipt of contributions</b> <i>Implemented</i></li> <li><b>Systems Audit undertaken by Internal Audit and External Auditors</b> <i>Implemented</i></li> </ul>	<p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p> <p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p> <p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p>				
<p><b>CSV400005 - Failure to keep pension records up to date and accurate</b></p>	<p><b>Significant</b></p> <p>3</p>	<p><b>Possible</b></p> <p>3</p>	<p><b>Medium</b></p> <p>9</p>	<ul style="list-style-type: none"> <li><b>Senior Officers liaise closely with employing authorities to ensure timely and accurate submission of data to DPF</b> <i>Implemented</i></li> </ul>	Pensions Manager		<p><b>Significant</b></p> <p>3</p>	<p><b>Improbable</b></p> <p>1</p>	<p><b>Very Low</b></p> <p>3</p>

# Risk Register 2021-22

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

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

Date: **19 November, 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 Controls in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"><li>• i-Connect ensures that data from employers is identified by a direct transfer from payroll on a monthly basis <i>Implemented</i></li><li>• Data accuracy checks undertaken by the pension section prior to continual validation on workflow system <i>Implemented</i></li><li>• Data integrity validation is performed monthly by Altair Development Officer <i>Implemented</i></li><li>• Data validation checks also undertaken by the DPF's partners (e.g.the Actuary at Valuation) <i>Implemented</i></li><li>• Additional validation carried out through NFI <i>Implemented</i></li></ul>	Pensions Manager				

# Risk Register 2021-22

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

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

Date: **19 November, 2021**

Risk  (Threat to achievement of business objective)	Assessment of Uncontrolled Controls (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlled Controls (Assume CONTROLLED in place)		Risk
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlled Risk Rating
				<ul style="list-style-type: none"><li>• <b>Opportunity to escalate non-compliance</b> <i>Implemented</i></li></ul>	Pensions Manager				
CSV400006 - Failure to hold personal data securely	<div>Substantial</div>  4	<div>Unlikely</div>  2	<div>Medium</div>  8	<ul style="list-style-type: none"><li>• <b>Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls</b> <i>Implemented</i></li><li>• <b>Disaster Recovery Plan for pensions system</b> <i>Implemented</i></li><li>• <b>Authorised users have unique usernames and passwords must be changed every 60 days</b> <i>Implemented</i></li><li>• <b>Documentation is scanned on to the pensions system</b> and paper copies are held for a period of 3 months before shredding <i>Implemented</i></li></ul>	Pensions Manager  				

# Risk Register 2021-22

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

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

Date: **19 November, 2021**

Risk  (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Risk  Current Risk Rating	Controls	Assigned To	Target Date  Priority	Assessment of Controlled Risk (Assume CONTROLLED Controls in place)		Risk  Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"><li>• <b>Compliance with the Data Protection Act 1998</b> <i>Implemented</i></li><li>• <b>Compliance with the Authority's in-house IT policies</b> <i>Implemented</i></li><li>• <b>Systems and Payroll audit undertaken annually</b> <i>Implemented</i></li></ul>	Pensions Manager   <				

# Risk Register 2021-22

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

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

Date: **19 November, 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 Controls in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"><li>Altair Development Officer undertakes data integrity checks <i>Implemented</i></li><li>Systems and Payroll audit undertaken annually <i>Implemented</i></li></ul>	Pensions Manager  Pensions Manager				
CSV400008 - Normal operations disrupted by uncontrollable external factors Service delivery threats from fire, bomb, extreme weather, electrical faults etc.  Insufficient daily back up, disaster recovery, and IT cover to support systems.  Temporary loss of ability to provide service to stakeholders.	Substantial  4	Possible  3	High  12	<ul style="list-style-type: none"><li>Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls <i>Implemented</i></li><li>Disaster Recovery Plan for pensions system with the software provider <i>Implemented</i></li><li>Pension Software is a hosted system provided by Aquila Heywood and is a tier 4 design data centre with ISO27001 accreditation. <i>Implemented</i></li></ul>	Pensions Manager  Pensions Manager  Pensions Manager		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: **19 November, 2021**

Risk  (Threat to achievement of business objective)	Assessment of Uncontrolled Controls (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlled Controls (Assume CONTROLLED in place)		Risk
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlled Risk Rating
CSV400009 - Inability to keep service going due to loss of main office, computer system, or staff	Moderate  2	Unlikely  2	Low  4	<ul style="list-style-type: none"><li>Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls <i>Implemented</i></li><li>Pension Software is a hosted system provided by Aquila Heywood and is a tier 4 design data centre with ISO27001 accreditation. <i>Implemented</i></li></ul>	Pensions Manager  Pensions Manager		Moderate  2	Improbable  1	Very Low  2
CSV400010 - Lack of expertise among some Pension Administration officers	Significant  3	Unlikely  2	Medium  6	<ul style="list-style-type: none"><li>Personal development plan in place to support the development of each officer in the Section <i>Implemented</i></li><li>Specific courses / seminars attended by officers to further their knowledge and understanding <i>Implemented</i></li></ul>	Pensions Manager  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: **19 November, 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 Controlled (Assume CONTROLLED in place)		Risk Controls
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlled Risk Rating
<b>CSV400011 - Over reliance on key Pensions Administration and Investment Officers</b> Specialist nature of the work means there are relatively few experts in Investments and the Local Authority Pensions Regulations.  Significant knowledge gap left if experts leave.	<b>Significant</b>  3	<b>Possible</b>  3	<b>Medium</b>  9	<ul style="list-style-type: none"><li>• <b>Key officers convey specialist knowledge to colleagues on a function or topic basis by mentoring</b> <i>Implemented</i></li><li>• <b>Enhance training by bespoke sessions / courses / workshops</b> <i>Implemented</i></li><li>• <b>Specific relevant qualifications for administration and investment staff</b> <i>Implemented</i></li><li>• <b>External consultants and independent adviser available for short term assistance</b> <i>Implemented</i></li></ul>	Pensions Manager and Treasury & Pensions Investments Manager  Pensions Manager and Treasury & Pensions Investments Manager  Pensions Manager and Treasury & Pensions Investments Manager  Pensions Manager and Treasury & Pensions Investments Manager		<b>Significant</b>  3	<b>Unlikely</b>  2	<b>Medium</b>  6



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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	
<b>CSV400012 - Failure to appropriately attract, manage, develop, and retain staff at all levels</b>	<b>Substantial</b> 4	<b>Unlikely</b> 2	<b>Medium</b> 8	• <b>Training and Development Plan established</b> <i>Implemented</i>	Pensions Manager		<b>Substantial</b> 4	<b>Improbable</b> 1	<b>Low</b> 4
<b>CSV400013 - Failure to communicate properly with stakeholders</b> Lack of clear communications.  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.  Communication with investment managers, custodian, independent adviser, fund employers, pensioners, scheme members, actuary and government organisations.	<b>Significant</b> 3	<b>Unlikely</b> 2	<b>Medium</b> 6	• <b>Dedicated Communication &amp; Training Officer post established</b> 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>  • <b>Comprehensive website is continually updated and developed</b> <i>Implemented</i>  • <b>My Pension Online is used to enhance the service provided to scheme members</b> <i>Implemented</i>	Pensions Manager  Pensions Manager and Treasury & Pensions Investments Manager  Pensions Manager		<b>Significant</b> 3	<b>Improbable</b> 1	<b>Very Low</b> 3

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

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

Date: **19 November, 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"> <li>Quarterly meetings with independent adviser and investment managers <i>Implemented</i></li> <li>Communications Policy in place <i>Implemented</i></li> <li>Annual Employer &amp; Consultative Meeting <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Pensions Manager and Treasury & Pensions Investments Manager  Pensions Manager and Treasury & Pensions Investments Manager				
CSV400014 - No appropriate procedures for Employer bodies transferring out of the pension fund or Employer bodies closing to new membership	Significant 3	Possible 3	Medium 9	<ul style="list-style-type: none"> <li>Inter valuation monitoring and rate reassessment if appropriate <i>Implemented</i></li> </ul>	Pensions Manager		Significant 3	Unlikely 2	Medium 6

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	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> <li>• Identification of any issue and resolution via regular site visits by Communication &amp; Training Officer <i>Implemented</i></li> <li>• Requirement for employing authorities to issue termination forms for each active member <i>Implemented</i></li> <li>• Validation of membership numbers <i>Implemented</i></li> <li>• Employer covenant checks <i>Implemented</i></li> </ul>	Pensions Manager  Pensions Manager  Pensions Manager  Pensions Manager				
<b>CSV400015 - Liquidity/cashflow risk - insufficient funds to meet liabilities as they fall due</b> Failure of employers to pay contributions on time; low dividend income; significant number of liabilities paid out at the same time.	<b>Substantial</b> 4	<b>Possible</b> 3	<b>High</b> 12	<ul style="list-style-type: none"> <li>• Monthly cash and dividend reconciliations <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager		<b>Substantial</b> 4	<b>Unlikely</b> 2	<b>Medium</b> 8

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

Date: **19 November, 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	
Immediate cash contribution would be required via employers; delay in the payment of promised liabilities; negative publicity and an adverse audit report.				<ul style="list-style-type: none"> <li>Quarterly monitoring of investment managers by Pension Committee <i>Implemented</i></li> <li>Appointment of custodian <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager				
<b>CSV400016 - Loss of funds through fraud or misappropriation in investment related functions</b> Fraud or misappropriation of funds by an employer, investment managers or custodian.  Financial loss to the fund.	<b>Substantial</b>  4	<b>Possible</b>  3	<b>High</b>  12	<ul style="list-style-type: none"> <li>Internal and External Audit regularly test that appropriate controls are in place and working <i>Implemented</i></li> <li>Regulatory control reports from investment managers, custodian, etc., are also reviewed by audit. <i>Implemented</i></li> <li>Due diligence is carried out whenever a new manager is appointed. <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager		<b>Substantial</b>  4	<b>Unlikely</b>  2	<b>Medium</b>  8

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Date: **19 November, 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"> <li>Reliance also placed in Financial Conduct Authority registration. <i>Implemented</i></li> <li>Quarterly monitoring by Pension Committee and Independent Adviser <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager				
<b>CSV400017 - Excessive levels of Pension Fund Cash held within Carmarthenshire County Council investment balances</b> High dividend / interest receipts and low benefit payments being made in period.  Lower cash like return instead of equity or bond investment returns.	<b>Significant</b>  3	<b>Unlikely</b>  2	<b>Medium</b>  6	<ul style="list-style-type: none"> <li>Monthly cash reconciliations and separate pension fund bank accounts <i>Implemented</i></li> <li>Quarterly monitoring by Pension Fund Committee <i>Implemented</i></li> <li>Internal Audit and Wales Audit Office review <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager		<b>Significant</b>  3	<b>Improbable</b>  1	<b>Very Low</b>  3

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	Impact	Probability					Impact	Probability	
<b>CSV400018 - Significant rises in employer contributions due to increases in liabilities or fall in assets</b> Scheme liabilities increase disproportionately as a result of increased longevity or falling bond yields. Poor economic conditions, incorrect investment strategy, poor selection of investment managers.  Poor / negative returns leading to potential increase in employer's costs.	<b>Substantial</b> 4	<b>Likely</b> 4	<b>Significant</b> 16	<ul style="list-style-type: none"> <li>Use qualified actuary who uses assumptions and recommends appropriate recovery period and strategy <i>Implemented</i></li> <li>Quarterly monitoring of investment managers by Pension Committee <i>Implemented</i></li> <li>Diversified Strategic Asset Allocation <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager   Treasury & Pensions Investments Manager   Treasury & Pensions Investments Manager		<b>Significant</b> 3	<b>Possible</b> 3	<b>Medium</b> 9
<b>CSV400019 - Lack of expertise on Pension Fund Committee and/or amongst Officers</b> Lack of training, continuous professional development and 4 year election cycle.  Flawed recommendations given to Pension Fund Committee which, unchallenged, could lead to incorrect decisions being made.	<b>Significant</b> 3	<b>Likely</b> 4	<b>High</b> 12	<ul style="list-style-type: none"> <li>Ensure Officers are trained and up to date in key areas through courses, seminars, reading, discussions with consultants, etc. <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager		<b>Significant</b> 3	<b>Possible</b> 3	<b>Medium</b> 9

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	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"><li>Members given induction training on joining Committee with subsequent opportunities to attend other specialist training. <i>Implemented</i></li><li>Members' training plan and Governance Policy established <i>Implemented</i></li><li>Specialist assistance available from consultants and independent adviser <i>Implemented</i></li></ul>	Treasury & Pensions Investments Manager   				

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	Impact	Probability				Impact	Probability	Controlled Risk Rating
<b>CSV400021 - Prolonged failure of investment managers to achieve the returns specified on their mandates</b> Under-performance by the investment managers; lack of monitoring and challenging by the Committee.	<b>Substantial</b> 4	<b>Likely</b> 4	<b>Significant</b> 16	• Quarterly monitoring of investment managers and performance company reports by investment team and Pension Committee <i>Implemented</i>	Treasury & Pensions Investments Manager	<b>Substantial</b> 4	<b>Unlikely</b> 2	<b>Medium</b> 8
<b>CSV400022 - Concentration risk - single asset class having disproportionate impact on investment objectives</b> 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.  Funding level decreases; employer contribution rates become unacceptable, causing potential increase in employers' costs.	<b>Substantial</b> 4	<b>Possible</b> 3	<b>High</b> 12	• Establish & review diversified strategic asset allocation <i>Implemented</i>  • Proactive in decision making <i>Implemented</i>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager	<b>Substantial</b> 4	<b>Unlikely</b> 2	<b>Medium</b> 8
<b>CSV400023 - Counterparty risk - risk of other party in a transaction failing to meet its obligation to the fund</b> This arises from deposits held with banks and other financial institutions, as	<b>Substantial</b> 4	<b>Possible</b> 3	<b>High</b> 12	• Set appropriate parameters with fund managers and custodian to limit exposure to default risk <i>Implemented</i>	Treasury & Pensions Investments Manager	<b>Substantial</b> 4	<b>Unlikely</b> 2	<b>Medium</b> 8



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	Impact	Probability				Impact	Probability	Controlled Risk Rating
well as credit exposures to the fund's members and employers.  Loss of capital; decrease in asset values; cost of legal proceedings; adverse publicity.								
<b>CSV400024 - Interest rate risk</b> Arises from risk of exposure to significant interest rate movements on investments.  Bond yields and cash decrease in value.	<b>Substantial</b> 4	<b>Possible</b> 3	<b>High</b> 12	• <b>Establish &amp; review diversified strategic asset allocation</b> <i>Implemented</i>	Treasury & Pensions Investments Manager	<b>Substantial</b> 4	<b>Unlikely</b> 2	<b>Medium</b> 8
<b>CSV400025 - Discount rate risk</b> Use of inappropriate discount rate to estimate future liabilities.  Funding level decreases; employer contribution rates become unacceptable, causing potential increase in employers' costs.	<b>Substantial</b> 4	<b>Possible</b> 3	<b>High</b> 12	• <b>Engage qualified actuary to make assumptions</b> <i>Implemented</i>  • <b>Engage independent adviser to assist the committee in making informed decisions</b> <i>Implemented</i>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager	<b>Substantial</b> 4	<b>Unlikely</b> 2	<b>Medium</b> 8
<b>CSV400026 - Price risk</b> The equity investments held exposes the fund to risk in relation to the market price of its investments.	<b>Substantial</b> 4	<b>Possible</b> 3	<b>High</b> 12	• <b>Establish &amp; review a diversified strategic asset allocation.</b> <i>Implemented</i>	Treasury & Pensions Investments Manager	<b>Substantial</b> 4	<b>Unlikely</b> 2	<b>Medium</b> 8

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	Impact	Probability				Current Risk Rating	Impact	Probability	Controlled Risk Rating
Funding level decreases; employer contribution rates become unacceptable, causing a potential increase in employers' costs.				<ul style="list-style-type: none"><li>Anticipate long term returns on a prudent basis. <i>Implemented</i></li></ul>	Treasury & Pensions Investments Manager				
<b>CSV400027 - Foreign exchange risk</b> 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.  Funding level decreases; employer contribution rates become unacceptable, causing a potential increase in employers' costs.	<b>Substantial</b>  4	<b>Possible</b>  3	<b>High</b>  12	<ul style="list-style-type: none"><li>Establish &amp; review diversified (within regions) strategic asset allocation <i>Implemented</i></li></ul>	Treasury & Pensions Investments Manager		<b>Substantial</b>  4	<b>Unlikely</b>  2	<b>Medium</b>  8
<b>CSV400028 - Failure to meet statutory deadlines leading to qualification of the accounts</b> Lack of planning for closure of accounts; lack of training; loss of expert knowledge.  Qualified audit report; potential bad publicity; members' loss of confidence on officers' abilities.	<b>Substantial</b>  4	<b>Possible</b>  3	<b>High</b>  12	<ul style="list-style-type: none"><li>Timetabled Audit Committee cycles <i>Implemented</i></li><li>Liaise with external audit <i>Implemented</i></li></ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager		<b>Substantial</b>  4	<b>Unlikely</b>  2	<b>Medium</b>  8

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	Impact	Probability				Impact	Probability	Controlled Risk Rating
				<ul style="list-style-type: none"> <li>Establish closedown timetable <i>Implemented</i></li> <li>Establish WAO working paper guidance &amp; planning document <i>Implemented</i></li> <li>Excellent time management skills <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager			
<b>CSV400029 - Adequate skilled resources not available for accounts preparation</b> 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"> <li>Appropriate Treasury &amp; Pension Investments structure in place <i>Implemented</i></li> <li>Arrange training courses and seminars, and mentoring <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager	Significant 3	Possible 3	Medium 9

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	Impact	Probability				Impact	Probability	Controlled Risk Rating
<b>CSV400030 - Failure to recover all debts</b> 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"> <li>Use of specialist debt recovery section within the administering authority <i>Implemented</i></li> <li>Monthly monitoring of debts due <i>Implemented</i></li> </ul>	Pensions Manager and Treasury & Pensions Investments Manager  Pensions Manager and Treasury & Pensions Investments Manager	Moderate 2	Improbable 1	Very Low 2
<b>CSV400031 - Officers acting outside delegated authority</b> 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"> <li>Undertake regular review of Standing Orders &amp; Constitution <i>Implemented</i></li> <li>Report to Executive Board <i>Implemented</i></li> </ul>	Pensions Manager and Treasury & Pensions Investments Manager  Pensions Manager and Treasury & Pensions Investments Manager	Substantial 4	Improbable 1	Low 4

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	Impact	Probability				Impact	Probability	Controlled Risk Rating
				<ul style="list-style-type: none"> <li>Monitoring officer role Implemented</li> </ul>	Pensions Manager and Treasury & Pensions Investments Manager			
<b>CSV400032 - Non-performance by Officers and Committee Members</b> Lack of training for officers and members; turnover in officers and members; lack of appraisals; lack of PI monitoring; time constraints for members; conflicting deadlines for officers.  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	<b>Substantial</b>  4	<b>Possible</b>  3	<b>High</b>  12	<ul style="list-style-type: none"> <li>Establish performance measurement system Implemented</li> <li>Pension Committee member assessments Implemented</li> <li>Officer appraisals in October and March annually Implemented</li> </ul>	Pensions Manager and Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager  Pensions Manager and Treasury & Pensions Investments Manager	<b>Substantial</b>  4	<b>Unlikely</b>  2	<b>Medium</b>  8

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	Impact	Probability				Impact	Probability	Controlled Risk Rating
				<ul style="list-style-type: none"> <li>Regular internal and external audits <i>Implemented</i></li> <li>Establish &amp; review training plan for officers and members <i>Implemented</i></li> </ul>	Pensions Manager and Treasury & Pensions Investments Manager  Pensions Manager and Treasury & Pensions Investments Manager			
<b>CSV400033 - Failure to operate strict financial and budgetary controls</b> 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.  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.	<b>Substantial</b>  4	<b>Possible</b>  3	<b>High</b>  12	<ul style="list-style-type: none"> <li>Quarterly monitoring of budgets <i>Implemented</i></li> <li>Quarterly forecasting and profiling of budgets <i>Implemented</i></li> <li>Closure of accounts to Audit Committee <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager	<b>Substantial</b>  4	<b>Unlikely</b>  2	<b>Medium</b>  8

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Date: **19 November, 2021**

Risk  (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Risk  Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED Controls in place)		Risk  Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"><li>Monthly reconciliations of contributions, dividends, and pension payroll <i>Implemented</i></li></ul>	Treasury & Pensions Investments Manager				
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"><li>Staffing resources to be kept under review to ensure the Fund's interests are properly met when developing investment pooling arrangements <i>Implemented</i></li></ul>	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"><li>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></li></ul>	Pensions Manager and Treasury & Pensions Investments Manager		Significant  3	Unlikely  2	Medium  6

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# Wales Pension Partnership

## Q3 Joint Governance Committee

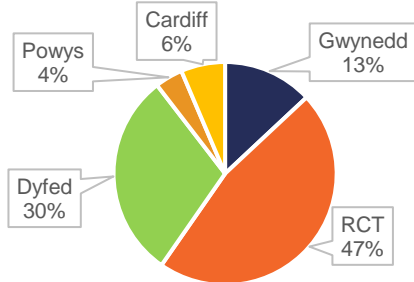
1<sup>st</sup> December 2021

# September 2021 LF Wales PP Fund Snapshot

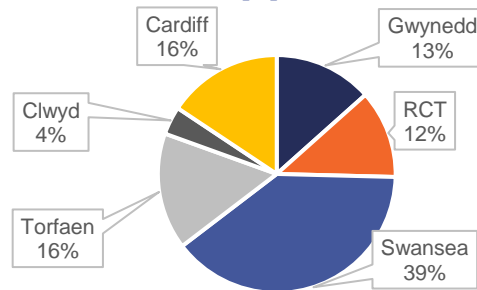
Key:

- Dyfed
- Powys
- Gwynedd
- RCT
- Torfaen
- Clwyd
- Swansea
- Cardiff

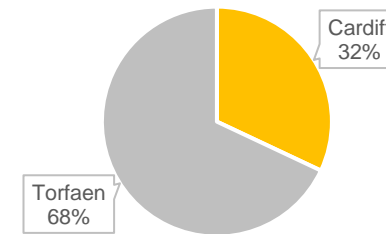
## Global Growth



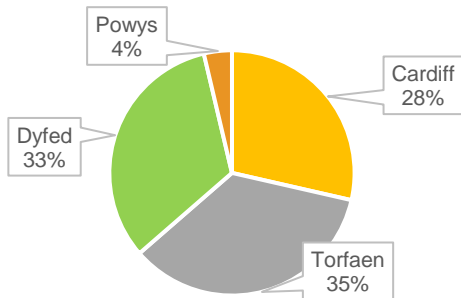
## Global Opportunities



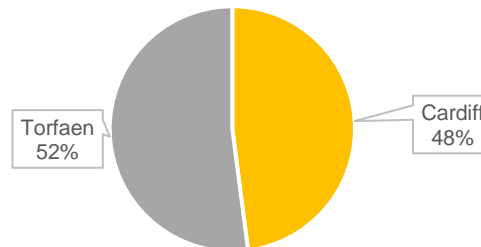
## UK Opportunities



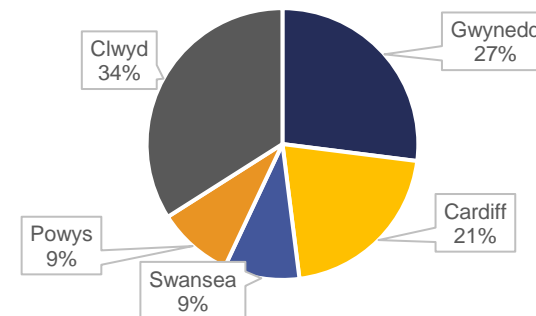
## Global Credit



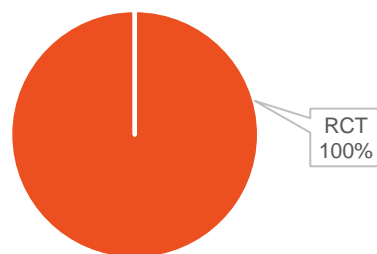
## Global Gov. Bond



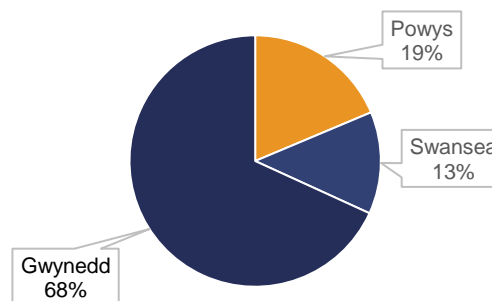
## Multi Asset Credit



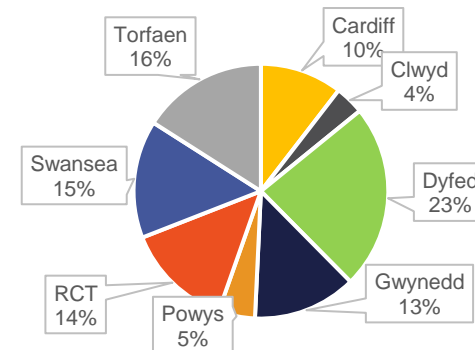
## Sterling Credit



## Absolute Return Bnd



## Passive



# September 2021 LF Wales PP Fund Snapshot

Fund	AUM	Inception date
Global Growth	£3,424,390,657	6 <sup>th</sup> Feb 2019
Global Opportunities	£3,264,686,297	14 <sup>th</sup> Feb 2019
UK Opportunities	£763,871,743	10 <sup>th</sup> Oct 2019
Global Credit	£810,662,820	21 <sup>st</sup> Aug 2020
Global Government Bond	£530,505,300	20 <sup>th</sup> Aug 2020
Multi Asset Credit	£752,139,840	12 <sup>th</sup> Aug 2020
Sterling Credit	£603,246,243	19 <sup>th</sup> Aug 2020
Absolute Return Bond	£486,555,419	30 <sup>th</sup> Sept 2020
<b>Total Active Investments</b>	<b>£10,636,058,319</b>	
<b>Total Passive Investments</b>	<b>£5,663,459,415</b>	
<b>Total Pooled Assets</b>	<b>£16,299,517,734</b>	

Note: All data as at 30<sup>th</sup> September 2021

# Fund Launch Progress Report

Tranche 4 & other updates

# Open Launch Activity

## Key Achievements & Updates

Fund Launches Progress				
	Overview	Status	Progress in period	Launch / completion dates
Tranche 4: <b>Emerging Markets sub-fund launch</b>	<ul style="list-style-type: none"> <li>Emerging Market fund to be created under the Enhanced Portfolio Implementation model with a carbon reducing overlay</li> </ul>	In progress	<ul style="list-style-type: none"> <li>FCA approval received 22<sup>nd</sup> March</li> <li>Transition plan agreed and shared with each investor</li> <li>Fund launch 20<sup>th</sup> October</li> <li>Trading activity to be completed w/c 1<sup>st</sup> Nov</li> </ul>	October 2021
<b>Fund prospectus updates</b>	<ul style="list-style-type: none"> <li>Proposed in-flight prospectus updates</li> </ul>		<ul style="list-style-type: none"> <li>Review of prospectus language to align all sub funds under PS19/4 requirements - LFS to determine if this will require filing or full FCA approval (in line with other updates)</li> <li>Baillie Gifford GAPA: implementation of a carbon screening process on the BG sleeve of the GG fund</li> </ul>	Q4

## LFS Corporate Update & Engagement

# LFS Corporate Update & Engagement

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## **LFS updates**

- LFS has recruited two investment specialists reporting to Ronan Walsh (CIO):
  - Peter Ritchie - Head of Equities – Investment Risk
  - Fabrice Jaudi - Head of Multi Asset and Fixed Income - Investment Risk

## **Key Q3 and future WPP Engagement**

### **Link attendance at OWG/JGC meetings in period:**

- OWG 19<sup>th</sup> July 2021
- JGC 28<sup>th</sup> July 2021
- JGC 22<sup>nd</sup> Sep 2021

### **Link attendance at OWG/JGC meetings in next quarter:**

- OWG 3<sup>rd</sup> Nov 2021
- JGC 1<sup>st</sup> Dec 2021

### **Link - Pension Committee attendance in period:**

- None

### **Link - Pension Committee attendance in next quarter :**

- Cardiff 14<sup>th</sup> Dec 2021

### **Other meetings in period**

- Host Authority update – occurs bi-weekly
- Working group - occurs bi-weekly

### **Other meetings in next quarter**

- Host Authority update – occurs bi-weekly
- Working group - occurs bi-weekly

# LFS Engagement Protocol

## Business as Usual

Strategic Relationship Review	Frequency	Objective
	<ul style="list-style-type: none"> <li>▪ Bi-annual</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensure strategic alignment between Host Authority and Link</li> </ul>
<b>WPP Attendees</b> <ul style="list-style-type: none"> <li>▪ Chris Moore</li> <li>▪ Anthony Parnell</li> <li>▪ Two Section 151 / Deputy Section 151 officers</li> </ul>		<b>Link Attendees</b> <ul style="list-style-type: none"> <li>▪ Karl Midl, Managing Director</li> <li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> </ul>
JGC Engagement	Frequency	Objective
	<ul style="list-style-type: none"> <li>▪ Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>▪ Engage with JGC on pertinent matters and strategic deliverables</li> </ul>
<b>WPP Attendees</b> <ul style="list-style-type: none"> <li>▪ Joint Governance Committee (JGC)</li> </ul>		<b>Link Attendees</b> <ul style="list-style-type: none"> <li>▪ Karl Midl, Managing Director / Adam Tookey, Head of Product – as required</li> <li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> <li>▪ Eamonn Gough, Senior Relationship Manager</li> <li>▪ Russell Investments</li> </ul>
OWG Engagement	Frequency	Objective
	<ul style="list-style-type: none"> <li>▪ Every 2 Months</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identify and deliver on opportunities to improve and expand the relationship</li> <li>▪ Provide update on open projects or issues</li> <li>▪ Monthly KPI Review (Data supplied monthly)</li> </ul>
<b>WPP Attendees</b> <ul style="list-style-type: none"> <li>▪ Officers Working Group (OWG)</li> </ul>		<b>Link Attendees</b> <ul style="list-style-type: none"> <li>▪ Eamonn Gough, Senior Relationship Manager</li> <li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> <li>▪ Alistair Coyle, Relationship Manager (as required)</li> <li>▪ Ad-hoc Link attendance from functional departments: Tax, Compliance, Product, etc.</li> <li>▪ Russell Investments</li> </ul>



# Link Engagement Protocol continued...

## Business as Usual

Host Authority Update	Frequency	Objective
	<ul style="list-style-type: none"> <li>▪ Bi-Weekly</li> </ul>	<ul style="list-style-type: none"> <li>▪ Regular Host Authority – LFS to discuss deliverables and business updates</li> </ul>
<b>WPP Attendees</b> <ul style="list-style-type: none"> <li>▪ Anthony Parnell</li> <li>▪ Tracey Williams</li> </ul>		<ul style="list-style-type: none"> <li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> <li>▪ Eamonn Gough, Senior Relationship Manager</li> <li>▪ Alistair Coyle, Relationship Manager (as required)</li> <li>▪ Clair Baguley, Client Service Manager (as required)</li> </ul>
WPP Working Group	Frequency	Objective
	<ul style="list-style-type: none"> <li>▪ Bi-Weekly</li> </ul>	<ul style="list-style-type: none"> <li>▪ Regular project call to discuss progress of deliverables</li> </ul>
<b>WPP Attendees</b> <ul style="list-style-type: none"> <li>▪ Officers Working Group (OWG)</li> <li>▪ Hymans</li> </ul>		<ul style="list-style-type: none"> <li>▪ Link Client Team</li> <li>▪ Northern Trust</li> <li>▪ Russell Investments</li> <li>▪ Other consultants (e.g. bFinance)</li> </ul>
Annual Shareholder Day	Frequency	Objective
	<ul style="list-style-type: none"> <li>▪ Annual</li> </ul>	<ul style="list-style-type: none"> <li>▪ Open day for presentations on strategy and performance (with IM)</li> </ul>
<ul style="list-style-type: none"> <li>▪ Open to all involved parties</li> </ul>		<ul style="list-style-type: none"> <li>▪ Link Client Team</li> <li>▪ Northern Trust</li> <li>▪ Russell Investments and other Investment Managers (e.g. Global Growth Managers)</li> <li>▪ Other consultants as required (e.g. bFinance)</li> </ul>
Pension Fund Committees		Objective
	<ul style="list-style-type: none"> <li>▪ Annual</li> </ul>	<ul style="list-style-type: none"> <li>▪ General update on the ACS and planned initiatives</li> </ul>
Individual Pension Fund Committee meetings		<ul style="list-style-type: none"> <li>▪ Eamonn Gough, Senior Relationship Manager</li> <li>▪ Alistair Coyle, Relationship Manager</li> <li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> <li>▪ Russell Investments</li> </ul>

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**Dated**

**2021**

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**Amendment to the Inter-Authority Agreement between**

Carmarthenshire County Council	(1)
City & County of Swansea Council	(2)
City of Cardiff Council	(3)
Flintshire County Council	(4)
Gwynedd Council	(5)
Powys County Council	(6)
Rhondda Cynon Taff County Borough Council	(7)
Torfaen County Borough Council	(8)

Made on

2021

By

- (1) **CARMARTHENSHIRE COUNTY COUNCIL** of County Hall, Carmarthen, Carmarthenshire, SA31 1JP
- (2) **CITY & COUNTY OF SWANSEA COUNCIL** of The Guildhall, Swansea, SA1 4PE
- (3) **THE COUNTY COUNCIL OF THE CITY AND COUNTY OF CARDIFF** of County Hall, Atlantic Wharf, Cardiff, CF10 4UW
- (4) **FLINTSHIRE COUNTY COUNCIL** of County Hall, Mold, Flintshire, CH7 6NA.
- (5) **GWYNEDD COUNCIL** of Shirehall Street, Caernarfon, Gwynedd LL55 1SH
- (6) **POWYS COUNTY COUNCIL** of County Hall, Llandrindod Wells, Powys, LD1 5LG
- (7) **RHONDDA CYNON TAFF COUNTY BOROUGH COUNCIL** of The Pavilions, Clydach Vale, Tonypany, CF40 2XX
- (8) **TORFAEN COUNTY BOROUGH COUNCIL** of Civic Centre Pontypool Torfaen NP46YB

(together referred to as the “**Constituent Authorities**” and individually as a “**Constituent Authority**”)

## **1 BACKGROUND**

- 1.1 The Constituent Authorities are all councils responsible for the administration of local government within their areas as set out in the Local Government Act 1972. The Department for Communities and Local Government in its letter dated 23 November 2016 confirmed that the Constituent Authorities have been granted permission for each Constituent Authority to continue to collaborate with every other Constituent Authority to form a pool of assets in respect of each of their respective funds under the LGPS.
- 1.2 The Constituent Authorities entered into the Agreement to create a formal joint committee pursuant to section 101 and section 102 of the Local Government Act 1972 by Deed dated 26 June 2017. The Agreement in clause 34 allows for amendment of its terms provided that the amendment is made in writing and is signed on behalf of all the Constituent Authorities by duly authorised representatives.
- 1.3 This Amendment is made under clause 34 in order to amend the Agreement to:
  - (a) allow the participation of a co-opted member in the Joint Governance Committee; and
  - (b) allow for a number of changes which support the development and effectiveness of the pooling collaboration.

## **AGREED TERMS**

### **2 INTERPRETATION**

- 2.1 In this Amendment terms shall have the same meaning as set out in the Agreement where:
  - (a) **Agreement** means the deed titled Inter-Authority Agreement made between the Constituent Authorities on 26 June 2017.
  - (b) **Amendment** means this document amending the terms of the Agreement.

### **3 COMMENCEMENT**

This Amendment shall take effect on [ ] 2021. For the avoidance of doubt, this Amendment is only effective when each Constituent Authority has signed it in accordance with clause 34 of the Agreement.

### **4 AMENDMENT OF THE AGREEMENT**

The Agreement is amended as set out in Schedule 1 to this Amendment.

### **5 SEVERANCE**

5.1 If any provision or part-provision of the Agreement or this Amendment is or becomes invalid, illegal or unenforceable, it shall be modified to the minimum extent necessary to make it valid, legal and enforceable. If such modification is not possible, the relevant provision or part-provision shall be deemed deleted. Any modification to or deletion of a provision or part-provision under this clause shall not affect the validity and enforceability of the rest of this Agreement.

5.2 If one Constituent Authority gives notice to the other Constituent Authorities of the possibility that any provision or part-provision of this Agreement is invalid, illegal or unenforceable, the Constituent Authorities shall negotiate in good faith to amend such provision so that, as amended, it is legal, valid and enforceable, and, to the greatest extent possible, achieves the intended result of the original provision.

### **6 COUNTERPARTS**

This Amendment may be executed in any number of counterparts by the Constituent Authorities, all of which taken together, shall constitute one and the same agreement, and any Constituent Authority (including any duly authorised representative of a Constituent Authority) may execute this Amendment by executing a counterpart.

## Schedule 1

### Amendments to the Agreement

The following amendments are made to the Agreement:

#### **1 CLAUSE 1 INTERPRETATION**

- 1.1 In clause 1, the following definition is inserted at the start of the list of definitions:

**Allocator** means the, one or more, allocator for [private market] asset classes who will facilitate the preferred investment structure and select sub-managers, underlying funds and/or direct investments for the purposes of the Pooling Collaboration appointed by the Joint Governance Committee.

- 1.2 In clause 1, following the definition of "Constituent Authorities", the following definitions are inserted:

**Contact List** means the document circulated periodically by the Host Authority setting out relevant contact details for each of the Constituent Authorities.

**Co-opted Member** means a person, nominated by a Constituent Authority or the Pension Board of a Constituent Authority, and appointed as a Co-opted Member of the Joint Governance Committee by the Members; who is not an elected member of a Constituent Authority but is a Pension Member Representative of a Constituent Authority.

- 1.3 In clause 1 (and throughout the document thereafter, but including the contents pages), the definition "Host Council" is changed to "**Host Authority**" but retains its meaning throughout the document, being:

**Host Authority** means the Constituent Authority appointed in accordance with clause 7 and whose duties are described within that clause.

- 1.4 In clause 1, the definition of Member is delete and replaced by the following definition:

**Member** means each of the elected members of the Constituent Authorities nominated to be Members of the Joint Governance Committee in accordance with clause 3.3(a).

- 1.5 In clause 1, following the definition of "Pension Board", the following definition is inserted:

**Pension Member Representative** means a person appointed to a Pension Board as a member representative further to regulation 107(2)(b) of the Local Government Pension Scheme Regulations 2013.

#### **2 CLAUSE 3**

- 2.1 Clause 3.3 is delete and replaced by the following:

3.3 The membership of the Joint Governance Committee shall be:

(a) one elected member nominated by each of the Constituent Authorities, provided that the nominated person is an elected member of that Constituent Authority and a member of that Constituent Authority's pensions committee (or equivalent body) for the purposes of the Local Government Pension Scheme Regulations 2013; and

(b) one Co-opted Member appointed by decision of the Members (or a sub-group of the Members where such a sub-group is formed to consider the candidates), and which Co-opted Member shall be selected from a pool of candidates nominated by each of the Constituent Authorities or their Pension Boards.

- 2.2 Clause 3.4 is delete and replaced by the following:

- 3.4 For the purposes of clause 3.3, each Constituent Authority may appoint a named deputy for each Member, which deputy must be an elected member of the same Constituent Authority and the same Constituent Authority's pension committee (or equivalent body) for the purposes of the Local Government Pension Scheme Regulations 2013 as the Member for whom they are acting as deputy; and

3.4 A In the case of the Co-opted Member, a deputy shall be appointed by decision of the Members (or a sub-group of the Members where such a sub-group is formed to consider the candidates), and which deputy for the Co-opted Member shall be selected from a pool of candidates nominated by each of the Constituent Authorities or their Pension Boards.

- 2.3 A new clause 3.8 as follows is inserted:

- 3.8 The Co-opted Member shall be invited to and is expected, where possible, to attend all training provided to Members under clause 3.7.

### **3 CLAUSE 31**

- 3.1 Clause 31.1 is amended by deleting the words "Schedule 1" and replacing them with "the Contact List".

### **4 SCHEDULE 1**

- 4.1 In Schedule 1, the content of the schedule is held delete and replaced by the following:

As of [date], the Host Authority maintains a list of the relevant contact details for each of the Constituent Authorities. This will be issued periodically by the Host Authority to the Constituent Authorities and is also available on request.

### **5 SCHEDULE 2**

- 5.1 In Schedule 2, new items are added to the numbered list as follows:

12. Nomination of a Co-opted Member to the Joint Governance Committee (except where that role is carried out by a Pension Board, in which case it is reserved to that Pension Board) .

13. Approval of changes to the terms of reference of the Joint Governance Committee as set out in Schedule 4.

### **6 SCHEDULE 4**

- 6.1 In Schedule 4 Joint Governance Committee – Terms of Reference the bullet points are replaced with numbering.

- 6.2 In Schedule 4, item 8 is held delete and replaced by the following:

8. From time to time reviewing policies in respect of environmental, social and governance matters and where appropriate make recommendations to the Constituent Authorities as to any changes deemed necessary.

- 6.3 In Schedule 4, item 13 is held delete and replaced by the following:

13. Monitoring the implementation and effectiveness of the policies described in Schedule 5 and initiating reviews of these where required.

- 6.4 In Schedule 4, item 19 is held delete and replaced by the following:

19. Agreeing criteria for the evaluation of bids or tenders for any procurement of the Operator (including for the avoidance of doubt, a replacement Operator) to be put forward for the approval of the Constituent Authorities.

6.5 In Schedule 4, new items are inserted as follows:

20. Any reference in this schedule to the Joint Governance Committee taking any action including agreeing, approving or making recommendations, shall be determined subject to the voting provisions set out in Schedule 6.
21. Approval of an appointment of an Allocator following a recommendation by the OWG, reviewing the performance of an Allocator(s), and reporting on the performance of the Allocator(s) to the Constituent Authorities.
22. Approval of the termination of the appointment of an Allocator following a recommendation by the OWG.

## **7 SCHEDULE 5**

7.1 In Schedule 5, the existing wording is held delete and replaced by the following:

The Joint Governance Committee, with the support of the OWG, will formulate, review and revise on an ongoing basis policies and procedures as deemed appropriate to support robust and effective governance arrangements for the Pooling Collaboration, including the following (which for the avoidance of doubt, is non-exhaustive):

- (a) Responsible Investment Policy
- (b) Climate Risk Policy
- (c) Voting Policy
- (d) Training Policy & Plans
- (e) Communication Policy
- (f) Governance Decision Matrix
- (g) Risk Policy and Risk Register
- (h) Conflict of Interest and Procedure Policy
- (i) Rebalancing and Alteration Policy
- (j) Responsibilities Matrix
- (k) Complaints Policy
- (l) Whistleblowing Policy
- (m) Breaches and Errors Policy
- (n) Business Continuity Plan

## **8 SCHEDULE 6**

8.1 Paragraph 1 of Schedule 6 is held delete and replaced by the following:

### **1 MEMBERSHIP**

1.1. The membership of the Joint Governance Committee shall consist of one Member per Constituent Authority and one Co-opted Member.

1.2 No substitutes other than deputies shall be allowed.

8.2 A new section 1A, ROLE OF THE CO-OPTED MEMBER, is inserted following section 1 of schedule 6 as follows:



## 1A ROLE OF THE CO-OPTED MEMBER

1A.1 The primary role of the Co-opted Member is to provide scheme member representation on the Joint Governance Committee.

1A.2 The Co-opted Member is entitled to attend all meetings of the Joint Governance Committee, including exempt items, to be provided with copies of all papers, and to speak on any item during meetings of the Joint Governance Committee.

1A.3 The Co-opted Member may ask the Chair to include any matter on the agenda which they consider should be discussed by the Joint Governance Committee.

8.3 Clause 2.3 is amended in the first line by insertion of the words 'executive summaries of following 'agendas,'.

8.4 Clause 2.4 is held delete and replaced by the following:

2.4 The Joint Governance Committee may decide to allow remote participation in meetings via video-conference or any similar medium having regard to any applicable guidance issued from time to time by the Welsh Government. Any Member or Co-opted Member attending by video-conference shall be held to be in attendance at the meeting for the purposes of this Schedule.

8.5 Paragraph 2.5 of Schedule 6 is held delete and replaced by the following:

2.5 A meeting of the Joint Governance Committee may be called by a proper officer of the Host Authority on the request of the Chair. Members and the Co-opted Member must declare any conflict of interest in respect of any business being conducted at the meeting which would likely to be regarded to prejudice the exercise of a person's function as a participant in the meeting.

8.6 Paragraph 2.6 of Schedule 6 is held delete and replaced by the following:

2.6 The Chair is responsible for the running of meetings. The Chair shall invite Members and the Co-opted Member expressing a desire to speak in turn. All discussion and debate shall be held through the Chair and the Chair may draw a discussion to a vote at any time where they consider that every Member and the Co-opted Member has been given a fair opportunity to speak.

8.7 Sub-paragraph 2.9(a) of Schedule 6 is held delete and replaced by the following:

Where any item to be discussed forms exempt information, the Chair shall move that the public and press are excluded from the meeting for the duration of the discussion and voting on that item. The Co-opted Member is entitled to remain in the meeting and shall not be excluded. Motions to exclude the press and public do not require to be seconded and shall be determined by simple majority vote of the Members present.

8.8 Paragraph 6.2 of Schedule 6 is held delete and replaced by the following:

6.2 A Member or the Co-opted Member may raise a point of order at any time. The Chair will hear them immediately. A point of order may only relate to an alleged breach of the provisions of this Schedule, or the law or other competent authority. The Member or Co-opted Member must indicate the provision or law or regulation and the way in which he/she considers it has been broken. The ruling of the Chair on the matter will be final. The Chair may take advice on the point of order from the appropriate officer.

8.9 Section 7 of Schedule 6 is held delete and replaced by the following:

## **7 VOTING**

7.1 The Chair shall seek consensus wherever possible however where a vote is required the provisions of this section shall apply.

- 7.2 Each Member present will have one vote and voting will be by means of a show of hands or such other method as the Chair may decide is appropriate in the circumstances, including a roll call. The Co-opted Member may not vote. In the event of a tied vote, the Chair shall have a second or casting vote.
- 7.3 All decisions will be determined by simple majority of Members present.
- 7.4 In the event that a vote is taken, the voting positions and any abstentions of Members will be recorded in the minutes.
- 8.10 Paragraph 8.1 of Schedule 6 is held delete and replaced by the following:
- 8.1 The Joint Governance Committee shall form such sub-committees and working groups as it considers expedient to performing its function. The Joint Governance Committee shall at the time of forming sub-committees or working groups set out the remit of the sub-committees or working groups, what the sub-committees or working groups are required to deliver and the timescale for that delivery.. The Co-opted Member may be a member of any sub-committee or working group.

Paragraph 8.4 of Schedule 6 is held delete and replaced by the following:

- 8.4 Working groups may invite any person who is not a Member or Co-opted Member to join the group in order to assist in carrying out its function.

## **9 SCHEDULE 8**

- 9.1 In Schedule 8, letters a-o are replaced with numbers 1-17.
- 9.2 In Schedule 8, the following items are inserted after item 14 (with semi-colons and full stops updated accordingly):
15. establishing sub-groups and/or working groups of the OWG if the OWG consider such sub-group or working group would assist the effectiveness of the OWG to progress a particular project or workstream;
16. reviewing, formulating or evaluating governance arrangements and policies for the Pooling Collaboration (including for the avoidance of doubt the policies and procedures described in Schedule 5);
18. managing the procurement process for the procurement of an Allocator, or the replacement of an Allocator, including determining the criteria for the evaluation of bids or tenders;
19. monitoring and reviewing the performance of the Allocator(s) in meeting relevant objectives, service levels and key performance targets.

IN WITNESS whereof the parties have executed this Agreement on the date and year first above written.

THE COMMON SEAL of )  
Carmarthenshire County Council )  
was affixed hereto in the )  
presence of:- )  
Authorised Officer

THE COMMON SEAL of )  
Council of the City and County of Swansea )  
was affixed hereto in the )  
presence of:- )  
Authorised Officer

THE COMMON SEAL of )  
County Council of the City and County of Cardiff )  
was affixed hereto in the )  
presence of:- )  
Authorised Officer

THE COMMON SEAL of )  
Flintshire County Council )  
was affixed hereto in the )  
presence of:- )  
Chair / Legal Services Manager / Chief Officer Governance

THE COMMON SEAL of )  
Gwynedd County Council )  
was affixed hereto in the )  
presence of:- )  
Authorised Officer

THE COMMON SEAL of )  
Powys County Council )  
was affixed hereto in the )  
presence of:- )

Authorised Officer

THE COMMON SEAL of )  
Rhondda Cynon Taf County Borough Council )  
was affixed hereto in the )  
presence of:- )

Authorised Officer

THE COMMON SEAL of )  
Torfaen County Borough Council )  
was affixed hereto in the )  
presence of:- )

Authorised Officer

## 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) – Pension Investment Officer

<u>Date</u>	<u>Subject</u>	<u>Provider</u>	<u>Venue</u>	<u>Attendees</u>
14 May 2021	Schroders Training & Briefing Session	Schroders	Virtual Meeting	RH, AP, MO, EW, DC & DT
18 - 19 May 2021	LA Conference	PLSA	Virtual Meeting	All members & officers
14 June 2021	BlackRock Training & Briefing Session	BlackRock	Virtual Meeting	CM, RH, AP, MO, EW, JJ & DC
16 June 2021	Committee Meeting		Virtual Meeting	CM, RH, AP, KG, MO & all members
5 – 7 July 2021	Strategic Investment Forum	LAPF	The Grove Hotel, Herts	AP
14 July 2021	Business Meeting	LAPFF	Virtual Meeting	AP & EW
8 - 9 September 2021	Investment Summit	LGC	Leeds	AP, EW & DT
6 October 2021	AGM & Business Meeting	LAPFF	Virtual Meeting	AP & EW
7 October 2021	ACM		Virtual Meeting	All members & officers
8 October 2021	Committee Meeting		Virtual Meeting	CM, RH, AP, KG, MO & all members

26 October 2021	Fundamentals Training	LGPC	Cardiff	DT
16 – 17 November 2021	Pension Managers Conference	SWPE	Torquay	KG & MM
23 November 2021	Fundamentals Training	LGPC	Cardiff	DT
3 December 2021	Committee Meeting		Virtual Meeting	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 & MO
January 2022 (tbc)	Pension Fund Accounts	CIPFA	London	MO
26 January 2022	ESG issues	LAPFF	London	AP & DC
29 March 2022	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 Cabinet /Leader being notified retrospectively.**



# Dyfed Pension Fund – Carbon Footprint

PFC Meeting – 3<sup>rd</sup> December 2021

*Adrian Brown*

- Context
- Action Plan and Progress in Reducing Carbon Footprint
- Next Steps
- Conclusion



“The investment objective is therefore to **maximise returns subject to an acceptable level of risk** (including climate and other ESG risks) whilst.” **increasing certainty of cost for employers, and minimising the long term cost of the scheme**

“Climate Change The Fund recognises the importance in addressing the financial risks associated with climate change through its investment strategy, and believes that:

- **Climate change presents a systemic risk** to the overall stability of every economy and country, with the potential to impact on the members, employers, and all of the holdings in the Fund's investment portfolio.
- Considering the impacts of climate change is not only the legal or fiduciary duty of the Fund but is also consistent with the long term nature of the Fund. **The Fund's investments need to be sustainable** to be in the best interests of all key stakeholders. To this end, **the Fund is committed to transition its investments towards net zero GHG emissions over the medium term**. The Pension Fund will regularly report on progress, including establishing intermediate targets.
- **Engagement is the best approach** to enabling the change required to address the Climate Emergency. **However selective risk-based disinvestment is appropriate** to facilitate the move to a low carbon economy.
- As well as creating risk, **it also presents opportunities** to make selective investments that achieve the required returns, whilst at the same time make a positive social and environmental impact, such as environmental infrastructure and clean energy and energy efficiency products and services.”

## 2020 – 2021

- DPF set a baseline as at 30 September 2020.
- Weighted average carbon intensity metric chosen on basis of availability/ consistency.
- DPF started 10% below market benchmark.
- Major equity rebalance executed in Q1 2021 (below), delivering a further 10% reduction (before market movements).

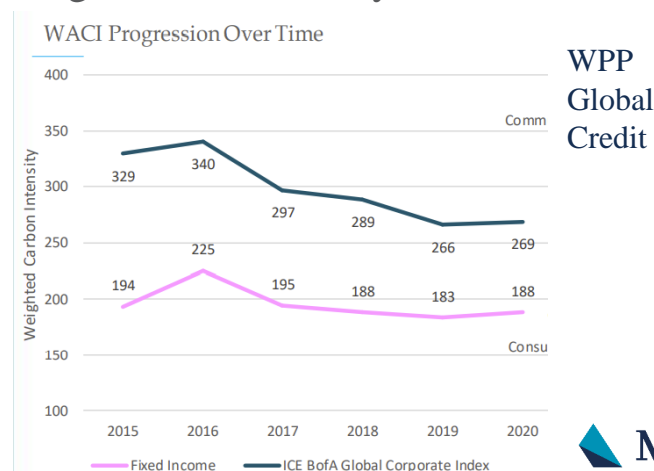
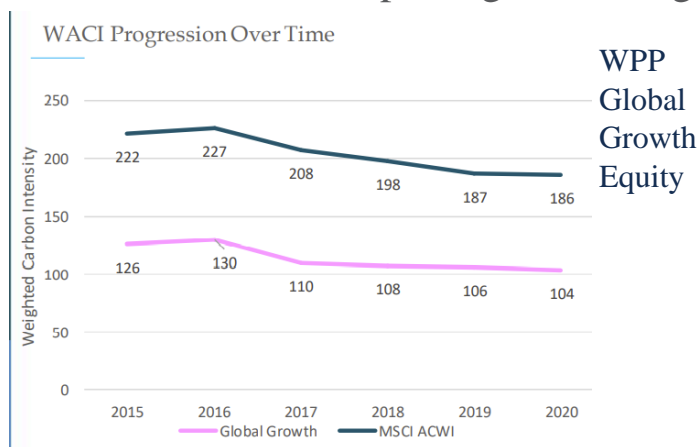
Page 90

Asset Class Allocation (%)	Starting Allocation	Change	Resultant Allocation (31/3/21)
US Equity (active)	11	- 11	0
UK Equity (passive)	21	- 4	17
Low-Carbon Global Equity	0	+10	10
WPP Global Equity	26	+ 5	31
Total Equity	75	-	75

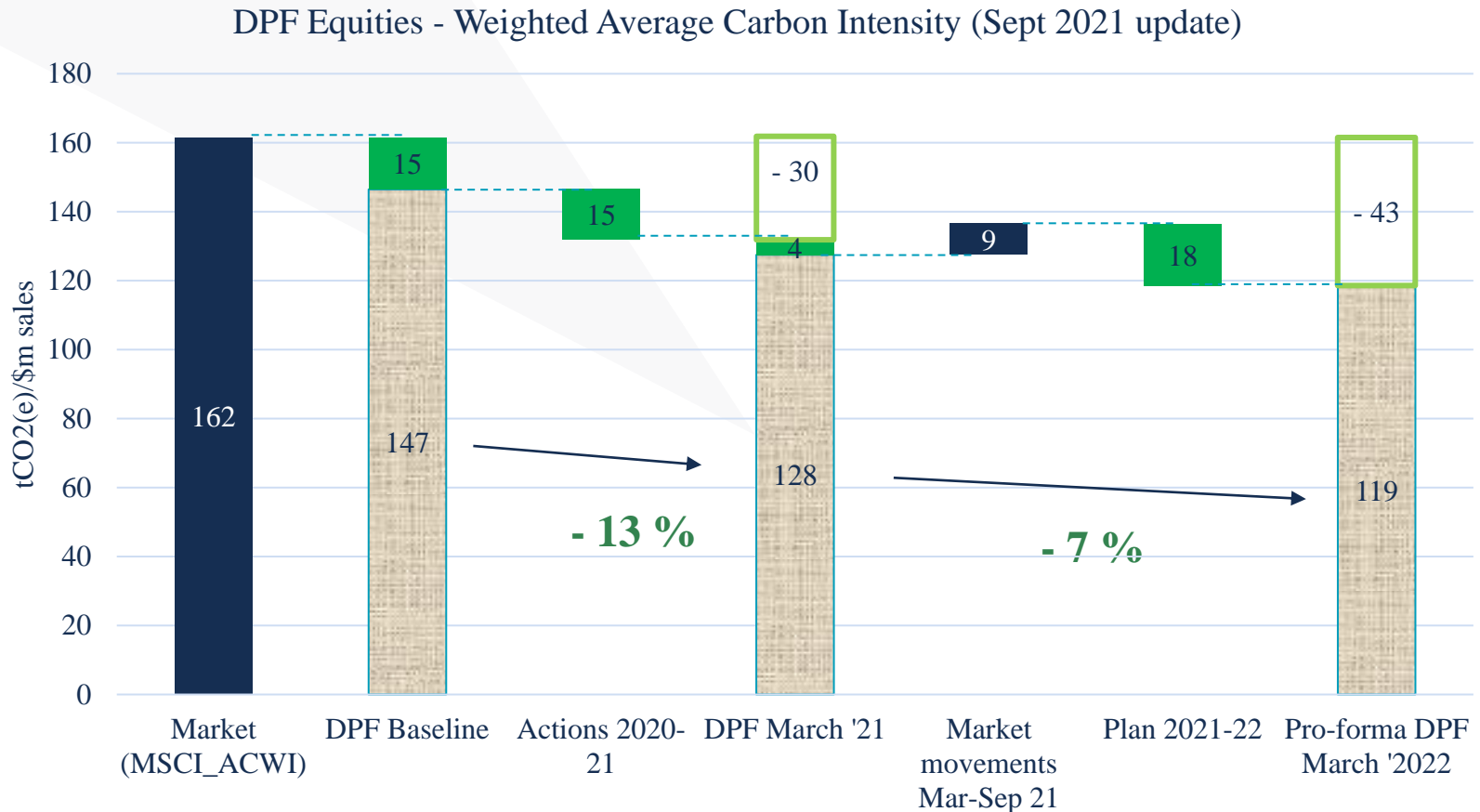
## 2021 – 2022 Plan

- WPP fund transitioning to “Paris-Aligned” variant (Baillie Gifford) in Q4
- Planned rebalancing of SAA will
  - Increase investment in SAIF (20% renewable energy, 20% other essential infrastructure)
  - reduce high-Carbon regional equity holdings
- Ongoing work on WPP infrastructure Fund
  - Manager selection criteria include ESG focus.
  - DPF intends to allocate 5%.
- WPP initiated ESG reporting, incl. weighted average carbon intensity : as at Dec 2020

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# Measuring our Progress – Equity Weighted Average Carbon Intensity (WACI).

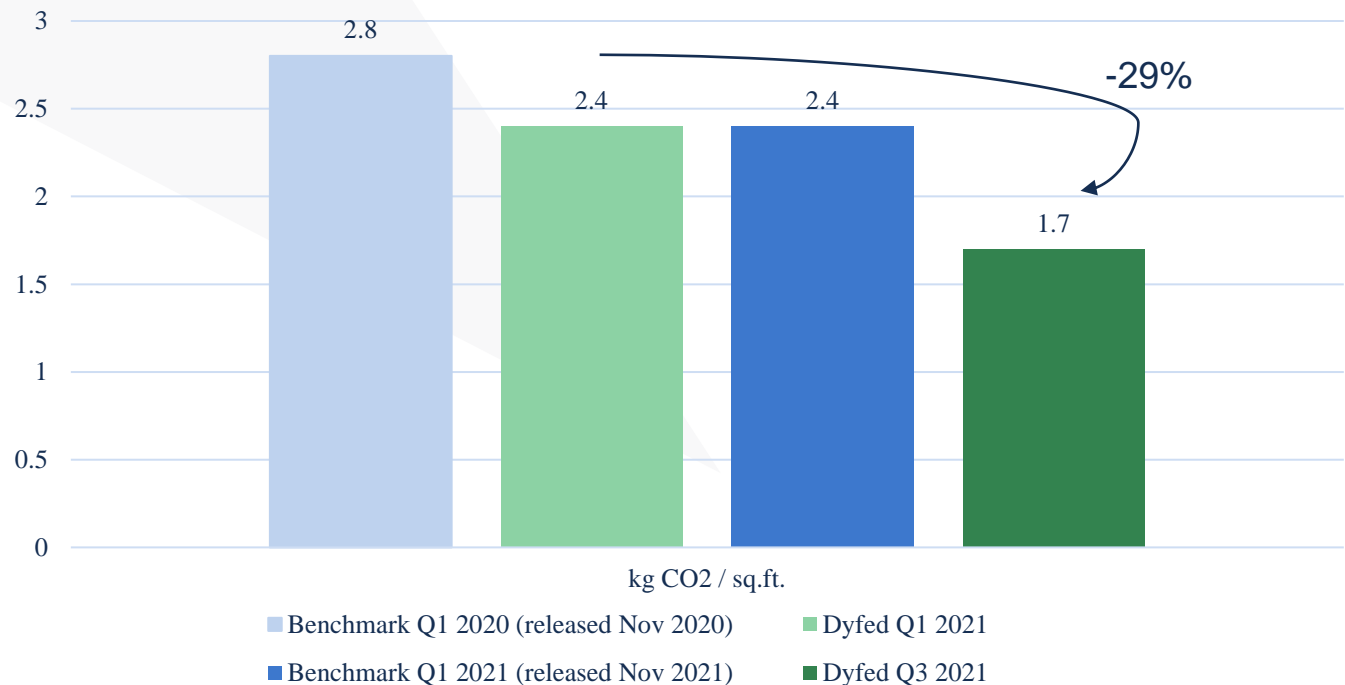


*Annual reductions exceed “Paris-Aligned” target of -7%p.a*

Source :Manager reports, Northern Trust, MJH analysis. Pro-forma numbers assume transition out of selected regional equity portfolios and switch of Baillie Gifford WPP portfolio to Paris-Aligned strategy. WACI data and AUM as of Sept '21. Market movements include changes in AUM and in manager’s WACI during the period.

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# Measuring our Progress – Real Estate



*Annual reductions exceed “Paris-Aligned” target of -7%p.a*

Source :Manager reports (Schroders). As of Sept 21.

The MSCI/AREF All Balanced Weighted Average intensities have been calculated by taking the average intensity of each property sub-sector from GRESB and weighting it according to the benchmark sector allocations. The portfolio intensities per square foot have been calculated by taking the intensities for each holding who report data and multiplying these intensities by the percentage that the respective holding makes up of your portfolio, summing up all of the results. 79.2% of your portfolio (by value) has reported data. For the remaining 20.8% we have used the property sub-sector average intensities, i.e. Local Retail Fund do not report ESG data and we have used the Standard Retail sector average intensities for kWh and CO2,to represent the Local Retail Funds’ intensities. The Multi-Let Industrial Fund does not report ESG data and we have used the industrial sector average intensities to represent the fund.

## Next Steps – Climate Agenda

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- Broaden universe of assets covered by our measurement (Private markets)
- Continue to refine the metrics
  - eg take account of scope 3 emissions.
  - Incorporate off-setting renewable investments.
- Preparation for TCFD (Task Force for Climate-Related Financial Disclosure)
- Ongoing review of SAA, with the aim of reducing Carbon footprint, while continuing to meet funding goals.
- Increased communication to stakeholders

# Summary

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- DPF laid solid governance framework, leading up to last year.
- Last year, DPF set a baseline and is measuring both equity and corporate debt investments.
- The Fund's Carbon footprint starts off below that of the market.
- This year, your Committee has delivered a reduction in carbon-intensity ahead of the Paris-aligned target.
- Plans are in place to deliver a declining Carbon-footprint over the coming year.

## DISCLAIMER AND IMPORTANT NOTICES

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## DYFED PENSION FUND COMMITTEE

Friday, 3 December 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

R. Hemingway, Head of Financial Services

K. Gerard, Pensions Manager

M. Owens, Pension Investment Officer

S. Rees, Simultaneous Translator

E. Bryer, Democratic Services Officer

K. Thomas, Democratic Services Officer

**Virtual Meeting - 10.00 - 11.40 am**

**1. APOLOGIES FOR ABSENCE**

There were no apologies for absence.

**2. DECLARATIONS OF PERSONAL INTERESTS**

Councillor	Minute Number	Nature of Interest
Cllr. E. Williams	All agenda items	Member of the Dyfed Pension Fund
Cllr T.J. Jones	All agenda items	Member of the Dyfed Pension Fund

**3. MINUTES OF THE MEETING OF THE COMMITTEE HELD ON THE 8TH OCTOBER 2021**

**RESOLVED** that the minutes of the meeting of the Committee held on the 8<sup>th</sup> October, 2021 be signed as a correct record.

**4. DYFED PENSION FUND PENSION BOARD MINUTES 20 JULY 2021**

**UNANIMOUSLY RESOLVED** that the minutes of the Dyfed Pension Fund Pension Board meeting held on the 20<sup>th</sup> July, 2021 be received.

**5. BUDGET MONITORING 1 APRIL 2021 - 30 SEPTEMBER 2021**

The Committee received the Dyfed Pension Fund Budget Monitoring report which provided an update on the latest budgetary position in respect of the 2021/22 financial year. It was noted that the current position, as at 30 September 2021, forecasted an under-spend compared to budget of £5.1m in cash terms.

With regard to expenditure, the net effect of Benefits Payable and Transfers Out was an under spend of £1.8m. That was mainly due to an increase of 3% built in at budget setting for pensioners, the projected increase for the year to date was 1%. Management expenses were projected to be overspent by £246k, resulting in expenditure being lower than budgeted by £1.56m.

With regard to income, the net effect of contributions and investment income was an increase of £3.5m, mainly due to a higher than budgeted investment income being forecast.

Overall, total expenditure was estimated at £102.8m and total income was estimated at £107.9m resulting in a positive cash flow position of £5.1m.

**UNANIMOUSLY RESOLVED that the Dyfed Pension Fund Budget Monitoring Report for the period 1<sup>st</sup> April 2021 to 30<sup>th</sup> September 2021 be received**

## **6. CASH RECONCILIATION AS AT 30 SEPTEMBER 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 30<sup>th</sup> September, 2021, £2.4m 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, breaches register, i-Connect, GMP reconciliation and workflows.

In response to a question relating to the McCloud judgement, the Pensions Manager advised that it was anticipated the software required for the upload facility would be operational by October/November 2022. However, it was estimated that even with the new software, approximately 15-20,000 manual calculations would still be required to be made

**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 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) - OPERATOR UPDATE**

The Committee received a progress update report of the Wales Pension Partnership (WPP), which included the following key areas:-

- Current Fund Holdings
- Fund Launch Progress
- Link / Russell Investments Corporate Update and Engagement

The report included the progress and milestones of the following Sub Funds together with the current fund holdings, fund launch progress and LFS corporate update and engagement as follows:-

- Tranche 1 – Global Equity
- Tranche 2 – UK Equity
- Tranche 3 – Fixed Income
- Tranche 4 – Emerging Markets

In addition, the Committee considered the Corporate and Engagement update including the engagement protocol and key meeting dates.

Reference was made to a report produced by the Wales Pension Partnership on

its Carbon Footprint and it was agreed that a copy thereof would be provided to the members of the Dyfed Pension Fund Committee.

**UNANIMOUSLY RESOLVED that the Operator Update report be received and the milestones and progress of the Wales Pension Partnership be noted**

#### **11. WALES PENSION PARTNERSHIP INTER-AUTHORITY AGREEMENT (IAA) ADDENDUM**

The Committee considered a report on proposed amendments to the Wales Pension Partnership (WPP) Inter-Authority Agreement. It was noted that any changes to the Agreement required the unanimous agreement of all eight Constituent Authorities within the WPP, and that Addendum to allow for those changes to take place was attached as Schedule 1 to the report. The Committee was required to consider recommending the Addendum to the meeting of Carmarthenshire County Council on the 8<sup>th</sup> December, 2021 for formal approval.

The Director of Corporate Services advised that the initial Agreement had been entered into on the 26<sup>th</sup> June 2017 in accordance with the requirements of Sections 101 and 102 of the Local Government Act 1972 relating to the formulation of a joint Committee. As four years had lapsed since that initial Agreement, a number of amendments were being proposed within the Addendum for the Council's consideration. The main amendments related to:

- The appointment to the Joint Governance Committee of a non-voting co-opted Scheme Member Representative and;
- The appointment of an 'allocator' for the private market sub funds

**UNANIMOUSLY RESOLVED to note the report and recommend the addendum to the Inter-Authority Agreement for approval to the next meeting of Carmarthenshire County Council**

#### **12. 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. The report had also been updated to include actual attendance whether in person or online together with further future anticipated events.

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

#### **13. CARBON FOOTPRINT UPDATE**

The Committee considered a report by the Fund's Independent Investment Advisor on its current Carbon Footprint including details in relation to:

- Context
- Action Plan and Progress in reducing Carbon Footprint
- Next Steps
- Conclusion

**UNANIMOUSLY RESOLVED** that the Carbon Footprint update report be noted.

**14. 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.

**15. INDEPENDENT ADVISOR PERFORMANCE & RISK REPORT TO 30 SEPTEMBER 2021**

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute Item 14 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 30 September, 2021.

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

**16. NORTHERN TRUST PERFORMANCE REPORT TO 30 SEPTEMBER 2021**

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute Item 16 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 30 September 2021, which provided performance analysis at a total fund level and by investment manager for the periods since inception.

**UNANIMOUSLY RESOLVED** that the Northern Trust Performance report for the Dyfed Pension Fund as at 30 September, 2021 be received.

**17. INVESTMENT MANAGER REPORTS TO 30 SEPTEMBER 2021**

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute Item 16 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 performance of each manager as at 30<sup>th</sup> September, 2021.

BlackRock – Quarterly Report 30<sup>th</sup> September 2021  
Schroders – Q3 2021 Investment Report  
Partners Group – Quarterly Financials September 2021  
WPP Global Growth Fund – 30<sup>th</sup> September 2021  
WPP Global Credit Fund – 30<sup>th</sup> September 2021

**UNANIMOUSLY RESOLVED** that the Investment Manager reports for the Dyfed Pension Fund be received.

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**CHAIR**

---

**DATE**

## DYFED PENSION FUND PENSION BOARD DATE 25/01/2022

PENSION BOARD WORK PLAN 2022		
<b>Recommendations / key decisions required:</b> The Board to note the Pension Board Work Plan for 2022.		
<b>Reasons:</b> To provide the Board with the Work Plan for 2022.		
Relevant scrutiny committee to be consulted  NA		
Cabinet Decision Required		NA
Council Decision Required		NA
CABINET 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**  
**DATE 25/01/2022**

<b>Pension Board Work Plan 2022</b>		
<p>The attached report outlines the work of the Pension Board throughout 2022 and the items to be presented at each meeting. The Work Plan is reviewed at each Board meeting and is revised as necessary.</p>		
<table border="1" style="width: 100%;"><tr><td style="width: 50%; text-align: center;"><b>DETAILED REPORT ATTACHED?</b></td><td style="width: 50%; text-align: center;"><b>YES</b></td></tr></table>	<b>DETAILED REPORT ATTACHED?</b>	<b>YES</b>
<b>DETAILED REPORT ATTACHED?</b>	<b>YES</b>	



## 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
<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>

## 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

**CABINET MEMBER 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 2022 Work Plan (January to December)**

	25 January 2022	3 May 2022	July 2022	November 2022
Pension Fund Committee meetings	3 December 2021	29 March 2022	June 2022	October 2022
Investments	> Independent Investment Adviser report > Performance Report - 30/09/21	> Independent Investment Adviser report > Performance Report - 31/12/21	> Independent Investment Adviser report > Performance Report - 31/03/22	> Independent Investment Adviser report > Performance Report - 30/06/22
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	> Scheme Advisory Board/LGA updates > Committee minutes > Wales Pension Partnership update > Breaches Log > Declaration of Interest > DPF Business Plan 2022/23	> 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 > 2023 Work Plan
Audit & Risk Management	> Risk Register > Internal Audit reports	> Risk Register > Internal Audit reports > AW Audit Plan 2022	> Risk Register > Internal Audit reports	> Risk Register > Internal Audit reports
Accounts & Budget	> DPF Budget Monitoring > Pension Board Budget Monitoring > Pension Board Budget 2022/23	> DPF Budget Monitoring > Pension Board Budget Monitoring > DPF Budget 2022/23	> DPF Budget Monitoring > Pension Board Budget Monitoring	> DPF Budget Monitoring > Pension Board Budget Monitoring > Statement of Accounts 2021/22 > Audit of Accounts Report (ISA 260)
Training	> Training programme	> Training programme > Training Needs Analysis 2022/23	> Training programme	> Training programme

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

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## DYFED PENSION FUND PENSION BOARD 25/01/2022

<b>PENSION BOARD BUDGET 2022-23</b>		
<b>Recommendations / key decisions required:</b> The Board to approve the Pension Board Budget for 2022-23.		
<b>Reasons:</b> To provide the Board with the Pension Board Budget for 2022-23		
Relevant scrutiny committee to be consulted  NA		
Cabinet Decision Required		NA
Council Decision Required		NA
CABINET 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**  
**DATE 25/01/2022**

<b>Pension Board Budget 2022-23</b>		
The attached report outlines the budget for the Pension Board for 2022-23. The budget is in line with the 2021-22 budget.		
<table border="1" style="width: 100%;"><tr><td style="width: 50%; text-align: center;"><b>DETAILED REPORT ATTACHED?</b></td><td style="width: 50%; text-align: center;"><b>YES</b></td></tr></table>	<b>DETAILED REPORT ATTACHED?</b>	<b>YES</b>
<b>DETAILED REPORT ATTACHED?</b>	<b>YES</b>	

## 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
<b>NONE</b>	<b>NONE</b>	<b>YES</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>

### Finance

The report provides an initial view of the Pension Board Budget for 2022-23. The budget is in line with the budget for 2021-22.

## 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

**CABINET MEMBER 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 Budget 2022-23			
1 April 2022 - 31 March 2023			
	Budget 2021-22	Budget 2022-23	Comments
	£	£	
Chair Annual Fee	12,000	12,000	
Training costs	4,000	4,000	
Travel, Subsistence & Miscellaneous Expenses	2,000	2,000	
Liability Insurance	6,160	6,160	
<b>Expenditure</b>	<b>24,160</b>	<b>24,160</b>	

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## DYFED PENSION FUND PENSION BOARD 25/01/2022

### PENSION BOARD BUDGET MONITORING 1 APRIL 2021 – 31 DECEMBER 2021

#### **Recommendations / key decisions required:**

The Board to receive the Pension Board Budget Monitoring report for the period 1 April 2021 – 31 December 2021

#### **Reasons:**

To provide the Board with the budgetary position as at 31 December 2021.

Relevant scrutiny committee to be consulted

NA

Cabinet Decision Required NA

Council Decision Required NA

CABINET 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**  
**DATE 25/01/2022**

**Pension Board Budget Monitoring 1 April 2021 – 31 December 2021**

The position as at 31 December 2021 was a total actual expenditure incurred of £11.3k. The forecasted expenditure for the year is a £9.3k 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
<b>NONE</b>	<b>NONE</b>	<b>YES</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>

### Finance

The report provides the Pension Board budget position as at 31 December 2021. Forecasted expenditure for the year is £9.3k 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

**CABINET MEMBER 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**

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## Dyfed Pension Board

### Budget Monitoring Report

1 April 2021 - 31 December 2021

	Budget 2021-22	Actual expenditure	Forecast Commitments	Forecast expenditure at year end	End of year variance		Assumptions/Comments
	£	£	£	£	£	%	
Chair Annual Fee	12,000	9,000	3,000	12,000	0	0.0	
Training costs	4,000	145	500	645	-3,355	-83.9	
Travel, Subsistence & Miscellaneous Expenses	2,000	0	100	100	-1,900	-95.0	
Liability Insurance	6,160	2,160	0	2,160	-4,000	-64.9	Budget based on annual charge, Insurer only provided cover to 31st March 2022 so charge based on this shorter period.
<b>Expenditure</b>	<b>24,160</b>	<b>11,305</b>	<b>3,600</b>	<b>14,905</b>	<b>-9,255</b>	<b>-38%</b>	

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# Agenda Item 9

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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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 10

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 11

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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