

DYFED PENSION FUND PENSION BOARD

MONDAY, 22 JANUARY 2024

PRESENT (In Person): J. Jones (Chair)

Board Members (In Person):

M. Rogers - Pensioner Member Representative;
M. Evans – Employee Member Representative;
Councillor A. Lenny – Employer Member Representative;
Councillor W. Thomas – Employer Member Representative

Board Members (virtual):

T. Bowler - Union Member Representative.
R. Edwards – Employer Member Representative

Also present as an observer (virtual):

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

Also Present (In Person):

R. Hemingway – Head of Financial Services;
A. Parnell – Treasury & Pensions Investments Manager
K. Gerard – Pensions Manager
J. Williams – Assistant Accountant
E. Evans – Principal Democratic Services Officer
A. Eynon – Simultaneous Translator

Also Present (Virtually):

A. Brown, Independent Advisor

Chamber - County Hall, Carmarthen. SA31 1JP and remotely - 2.30 - 4.18 pm

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

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 25 OCTOBER 2023

AGREED that the minutes of the meeting for the Pension Board held on the 25th October 2023 be confirmed as a correct record.

Note: These minutes are subject to confirmation at the next meeting.

4. DYFED PENSION FUND COMMITTEE MEETING 15 NOVEMBER 2023

The Board received, for consideration and comment, the reports considered by the Dyfed Pension Fund Committee on the 15th November, as referred to in minutes 4.1- 4.10 below.

4.1. AUDIT OF FINANCIAL STATEMENTS REPORT 2022-23

The Board received the Audit of Financial Statements Report 2022-23 for the Dyfed Pension Fund prepared by the 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 2023 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 27th October 2023.

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.

AGREED that the Audit of Financial Statement Report 2022/23 be received.

4.2. DYFED PENSION FUND PENSION BOARD REPORT - 25 OCTOBER 2023

The Board received a report from the Independent Chair, providing an update from the Pension Board meeting on 25th October, 2023. The items discussed were the Pre-Audit Statement of Accounts, Budget Monitoring, Pensions Administration Update, Risk Register, Strategic Asset Allocation, Robeco Engagement Report and the Northern Trust Securities Lending.

AGREED that the Dyfed Pension Fund Pension Board Report, 25th October 2023 be noted.

4.3. BUDGET MONITORING 1 APRIL 2023 - 30 SEPTEMBER 2023

The Board considered the Dyfed Pension Fund Budget Monitoring report which provided an update on the latest budgetary position in respect of the period 1st April 2023 – 30th September 2023. The Committee was informed of an under spend compared to budget of £1.6m.

Note: These minutes are subject to confirmation at the next meeting.

AGREED that the report be noted.

4.4. CASH RECONCILIATION AS AT 30 SEPTEMBER 2023

The Board considered the Cash Reconciliation report which provided an update on the cash position in respect of the Dyfed Pension Fund as at 30th September 2023.

AGREED that the report be noted.

4.5. PENSIONS ADMINISTRATION REPORT

The Board received a report providing an update on Pensions Administration.

The Pensions Manager provided an update on the activities within the Pensions Administration service which included regulatory matters, breaches register, i-Connect, GMP reconciliation and workflows.

In response to a query, the Pensions Manager informed that there was a legal timeframe to introduce the pension dashboard. Implementation target date is the 30th September, 2025. There was a resource implication and a delegated officer report has been presented to the S151 Monitoring Officer for consideration.

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

4.6. BREACHES REPORT

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.

As previously reported to Committee, an Employer had regularly failed to pay contributors as required into the Fund, with an estimation of £7,230.56 owing. This has been reported to The Pensions Regulator and the Employer has now entered administration.

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

Note: These minutes are subject to confirmation at the next meeting.

4.7. RISK REGISTER

The Board received for consideration a report providing an update on the Risk Register.

The Committee was advised that the Risk Register was a working document that highlighted all the risks identified in relation to the functions of the Dyfed Pension Fund. It was noted that the register included details of all identified risks; assessment of the potential impact probability and risk rating; the risk control measures that are in place; the responsible officer and the target date (if applicable).

The Committee was advised that the risk register was regularly monitored and reviewed to ensure risks had been identified and assessed. It was reported that there had been no changes since the previous committee meeting.

In response to a query, the Committee were informed that staff receive relevant training, gaining qualifications to ensure they are skilled in their work areas, which provides work continuity. If a member of staff were to leave, then training would be necessary making this a medium risk.

Agreed that the risk register report be noted.

4.8. TRAINING PLAN 2023-2024

The Board received the Dyfed Pension Fund Training Plan for the period 2023-2024 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 2023-24 be noted.

4.9. WALES PENSION PARTNERSHIP UPDATES

The Board considered an update on the activities and progress of the Wales Pension Partnership including work that has been completed since the last JGC meeting and the WPP's next steps/priorities.

The following observations/queries were raised and responded to:-

- The Treasury and Pensions Investments Manager in response to a query stated that the WPP fund was currently in the 4th percental in the pension fund league table over 30 years but it would be difficult to compare best returning fund, as all funds were different.
- It was noted that Strategic Asset Allocation would be discussed at the next meeting.

AGREED that the Wales Pension Partnership updates be noted.

Note: These minutes are subject to confirmation at the next meeting.

**4.10. DRAFT MINUTES OF THE DYFED PENSION FUND COMMITTEE
MEETING 15 NOVEMBER 2023**

AGREED that the draft minutes of the meeting of the Dyfed Pension Fund Committee held on the 15th November 2023 be noted.

5. PENSION BOARD BUDGET MONITORING 1 APRIL 2023 - 31 DECEMBER 2023

The Board received the Pension Board Budget Monitoring report as at 31st December, 2023. Total actual expenditure incurred was £17.5k. The forecasted expenditure for the year was a £1.9k underspend compared to budget.

AGREED that the report be noted.

6. PENSION BOARD BUDGET 2024-25

The Board considered the Dyfed Pension Fund Budget for 2024-25 which was in line with the budget for 2023-24.

It was noted that there was a budget available for training and travel purposes.

AGREED that the Budget for 2024-25 be approved.

7. PENSION BOARD WORK PLAN 2024

The Board considered the Pension Board Workplan for 2024 outlining the proposed work of the Pension Board and the items to be presented at each meeting.

It was noted that dates had been provided on the plan.

AGREED to note the Pension Board Workplan for 2024.

8. 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. As it relates to information relating to the financial or business affairs of any particular person (including the Authority holding that information).

Note: These minutes are subject to confirmation at the next meeting.

9. ROBECO ENGAGEMENT REPORT 1 APRIL 2023 - 30 JUNE 2023

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute Item 8 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 considered the Robeco Engagement report for the period 1st April 2023 – 30th June 2023.

AGREED that the report be noted.

10. GLOBAL SECURITIES LENDING REVIEW AS AT 30 JUNE 2023

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute Item 8 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 considered a report providing an update on stock lending during quarter 2, as at 30th June, 2023.

AGREED that the Global Securities Lending Review as at 30th June, 2023 be noted.

11. INDEPENDENT ADVISER PERFORMANCE AND RISK REPORT AT 30 SEPTEMBER 2023

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute Item 8 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 considered the Independent Investment Adviser Performance and Risk Report which provided details in relation to the Investment Managers' performance for the quarterly 12 month and rolling 3-year period ending 30th September, 2023. The report also included the global market background and issues for the pension board to consider.

AGREED that the Independent Adviser Performance and Risk Report as at 30 September, 2023 be noted.

Note: These minutes are subject to confirmation at the next meeting.

12. NORTHERN TRUST PERFORMANCE REPORT TO 30 SEPTEMBER 2023

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute Item 8 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 considered the Northern Trust Performance report which detailed the performance of the Dyfed Pension Fund as at 30th September, 2023. The report provided performance analysis at a total fund level and by Investment Manager for the periods up to inception.

AGREED that the Northern Trust Performance Report as at 30 September, 2023 be noted.

13. INVESTMENT MANAGER REPORTS AT 30 SEPTEMBER 2023

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute Item 8 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 considered a report providing an update on Investment Manager performance as at 30th September, 2023.

AGREED that the Investment Manager Reports as at 30 September 2023 be noted.

CHAIR

DATE

Note: These minutes are subject to confirmation at the next meeting.