

DYFED PENSION FUND COMMITTEE

20TH JUNE 2018

PRESENT: Councillor D.E. Williams (Chair)

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

The following Officers were in attendance:

C. Moore, Director of Corporate Services;

R. Hemingway, Head of Financial Services;

K. Gerard, Pensions Manager;

A. Parnell, Treasury & Pensions Investments Manager;

J. Owen, Democratic Services Officer.

Democratic Services Committee Room, County Hall, Carmarthen – 2:00pm - 3:55pm

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. DECLARATIONS OF PERSONAL INTERESTS

There were no declarations of personal interest.

3. MINUTES OF THE MEETING OF THE COMMITTEE HELD ON THE 4TH MAY, 2018

RESOLVED that the minutes of the meeting of the Committee held on the 4th May, 2018 be signed as a correct record.

4. BUDGET MONITORING 1ST APRIL 2017 - 31ST MARCH 2018

The Committee received the Dyfed Pension Fund Budget Monitoring report which provided an actual year end budgetary position as at 31st March 2018, in respect of 2017/18.

It was reported that, as at 31st March 2018 a total expenditure of £84.1m and total income of £85.2m resulted in a positive cash flow position of £1.1m.

The end of year report declared that with regard to expenditure, the net effect of Benefits Payable and Transfers Out had resulted in an overspend of £1.4m which was mainly influenced by the un-controllable nature of lump sum payments and transfers out of the Fund.

The Contributions and Investment Income and Transfers had attributed a £0.9m underspend.

In response to a query raised regarding the current staffing levels within the Pension Investments team, the Treasury & Pension Investments Manager reported that following the advertisement for the Assistant Accountant an appointment was imminent and the Pension Investments Officer was still on long term sick.

UNANIMOUSLY RESOLVED that the Dyfed Pension Fund Budget Monitoring Report as at 31st March 2018 be received.

5. CASH RECONCILIATION AS AT 31ST MARCH, 2018

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 the 31st March, 2018 £4.9m 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.

6. BREACHES REPORT 2017-2018

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 number of instances where employee/employer contributions had not been received on time, however, all contribution payments were now up to date and no report had been sent to the Pensions Regulator.

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

7. ANY OTHER ITEMS OF BUSINESS

There were no other items of business raised.

8. EXCLUSION OF THE PUBLIC

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

9. INDEPENDENT INVESTMENT ADVISOR REPORT AT MARCH 2018

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute 8 above, to consider this matter in private, with the public excluded from the meeting as it would involve the disclosure of exempt information relating to the financial or business affairs of any particular person (including the Authority holding that information).

The Committee 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 31st March, 2018.

UNANIMOUSLY RESOLVED that the Independent Investment Adviser Report as at 31st March 2018 be noted.

10. REVISED STRATEGY IMPLEMENTATION (BLACK ROCK SAIF)

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute 8 above, to consider this matter in private, with the public excluded from the meeting as it would involve the disclosure of exempt information relating to the financial or business affairs of any particular person (including the Authority holding that information).

The Committee received a report on the Revised Strategy Implementation in relation to Black Rock Strategic Alternative Income Fund (SAIF).

The report was provided following the Committee's approval of the strategy revision which was an extract from the more comprehensive Dyfed Pension fund Strategic Asset Allocation (SAA) Revision report authored by the Independent Investment Adviser in July 2017.

UNANIMOUSLY RESOLVED that the Revised Strategy Implementation (BlackRock SAIF) be approved.

11. NORTHERN TRUST PERFORMANCE REPORT 31ST MARCH 2018

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute 8 above, to consider this matter in private, with the public excluded from the meeting as it would involve the disclosure of exempt information relating to the financial or business affairs of any particular person (including the Authority holding that information).

The Committee considered the Northern Trust Performance report for the Dyfed Pension Fund as at 31st March 2018 which provided performance analysis at a total fund level and by investment manager for the periods up to inception.

UNANIMOUSLY RESOLVED that the Northern Trust Performance report for the Dyfed Pension Fund as at 31st March 2018 be received.

CHAIR

DATE