

DYFED PENSION FUND PENSION BOARD

23 JANUARY 2020

PRESENT: Mr. John Jones (Chair)

Councillors:

Mr. P. Ashley-Jones [Pembrokeshire County Council - Employer Member Representative];
Mr. T. Bowler [Union Member Representative];
Mr. G. Jones [Member Representative];
Mr. M. Rogers [Pensioner Member Representative].

Also present as observers:

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

The following Officers were in attendance:

R. Hemingway, Head of Financial Services;
A. Parnell, Treasury & Pension Investments Manager;
M. Owens, Assistant Accountant;
J. Owen, Democratic Services Officer.

Democratic Services Committee Room, County Hall, Carmarthen: 2:00pm - 3:25pm

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr. P. Hughes (Carmarthenshire County Council – Employer Member Representative), Cllr. G. Lloyd (Ceredigion County Council – Employer Member Representative), Chris Moore, Director of Corporate Services and Kevin Gerard, Pensions Manager.

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 23 OCTOBER 2019

AGREED that the minutes for the Pension Board meeting held on 23rd October 2019 be confirmed as a correct record.

4. DYFED PENSION FUND COMMITTEE MEETING 28 NOVEMBER 2019

4.1. BUDGET MONITORING 1 APRIL 2019 - 30 SEPTEMBER 2019

The Board considered the Dyfed Pension Fund Budget Monitoring report which provided an update on the latest budgetary position in respect of the 2019/20 financial year.

In response to a comment raised in relation to the increase in the variance against budget for the Wales Pension Partnership year-end figure, the Treasury and Pension Investments Manager explained that the year-end calculation included up to date data as at 30 September 2019.

With reference to the inclusion of the one-off transition costs, it was asked if the costs could be provided as a separate document enabling like-for-like comparisons. The Treasury and Pension Investments Manager stated that the requested information would be provided to Members of the Board for information.

AGREED that the report be noted.

4.2. CASH RECONCILIATION AS AT 30 SEPTEMBER 2019

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 September 2019, £7.2m cash was being held by Carmarthenshire County Council on behalf of the Fund for immediate cash flow requirements to pay pensions, lump sums and investment management costs.

The Board was advised that the current figure was partly driven by the fact that Pembrokeshire County Council and Carmarthenshire County Council paid employer contributions in advance for the whole year / every six months respectively. The Board noted that the figure had decreased as expected.

AGREED that the report be noted.

4.3. BREACHES REPORT 2019-20

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

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.

It was observed that similar breaches with regards to Clerks to Town and Community Councils being unable to provide contributions on time were repeatedly being reported at each meeting. In order to reduce the causes of these breaches, it was suggested that online training module be developed and provided to Clerks to Town and Community Councils. Whilst it was acknowledged that the breaches did not equate to significant amount of money, technically they were a breach and would be best practice if the cause of the breach could be minimised. The Head of Financial Services stated that he would discuss the aforementioned suggestion further with the Pensions Manager.

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

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

The Board considered a presentation by Link and Russell in relation to the key milestones and progress of the Wales Pension Partnership. The presentation gave an overview of the services provided by the Wales Pension Partnership operator, including the appointment and overseeing of investment managers, the monitoring of investments, the oversight of the administrator (Northern Trust) and key milestones. The presentation further provided information on the benefits and regulatory requirements of the Authorised Contractual Scheme (ACS) structure, which had been adopted by the Wales Pension Partnership.

Reference was made to the Global Growth Equity and Global Opportunities Equity graphs on the slide relating to the Current LF Wales PP Fund Holding. Following an observation, it was requested for ease of reference that the colours that signify the same Authority on each of the two graphs in future updates.

In response to a request the Treasury and Pension Investments Manager would seek to include forward dates in future updates.

AGREED that the presentation be received.

4.5. WALES PENSION PARTNERSHIP (WPP) HOST AUTHORITY UPDATE

The Board received a report on the Wales Pension Partnership which provided an update from the host authority on the milestones and progress of the Wales Pension Partnership. Key areas for information included WPP governance workshops, the launch of an online reporting portal for constituent authorities, the appointment of Hymans as Fixed Income Transition Management Oversight Advisor, the launch of the WPP website, the development of a communications and training plan and the submission of an MHCLG progress update.

The Board noted updates in relation to the following current key areas:

- Governance workshops
- Online report portal
- Fixed Income Transition Management Oversight Advisor
- Communications and reporting
- Training and meetings
- Resources, budget and fees

The Board also considered the details provided within the appended WPP workplan for 2019/20.

Reference was made to the MHCLG update. In response to a request for the update be circulated to Board Members for information, the Treasury and Pension Investments Manager stated that he would seek legal advice with regards to extending the circulation of the update to the Board.

AGREED that the Wales Pension Partnership update report be received.

4.6. DRAFT MINUTES OF THE DYFED PENSION FUND COMMITTEE MEETING HELD ON THE 28 NOVEMBER 2019

The Board received the draft minutes of the Dyfed Pension Fund Committee meeting held on 28th November 2019.

AGREED that the minutes be noted.

5. 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.

6. INDEPENDENT ADVISOR PERFORMANCE & RISK REPORT TO 30 SEPTEMBER 2019

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute Item 5 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 Report which provided information in relation to the investment managers' performance for the quarterly, 12 month and rolling 3 year periods ending 30 September 2019.

RESOLVED that the Independent Investment Adviser Report as at 30 September 2019 be noted.

7. NORTHERN TRUST PERFORMANCE REPORT TO 30 SEPTEMBER 2019

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in Minute Item 5 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 Northern Trust Performance report for the Dyfed Pension Fund as at 30 September 2019, which provided performance analysis at a total fund level and by investment manager for the periods up to inception.

RESOLVED that the Northern Trust Performance report for the Dyfed Pension Fund as at 30 September 2019 be received.

CHAIR

DATE