

Dyfed Pension Fund Committee

Wednesday, 16 June 2021

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

Councillors:

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

Also in attendance:

A. Brown, Independent Investment Advisor;

The following Officers were in attendance:

C. Moore, Director of Corporate Services

K. Gerard, Pensions Manager

A. Parnell, Treasury & Pension Investments Manager

M. Owens, Assistant Accountant

A. Eynon, Principal Translator

J. Owen, Democratic Services Officer

M.S. Davies, Democratic Services Officer.

Virtual Meeting: 10.00am - 11.40am

1. APOLOGIES FOR ABSENCE

There were no apologies for absence.

2. DECLARATIONS OF PERSONAL INTERESTS

There were no declarations of personal interest.

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

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

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

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

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

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

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

6. CASH RECONCILIATION AS AT 31 MARCH 2021

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

that, as at 31 March 2021, £8.8 cash was being held by Carmarthenshire County Council on behalf of the Fund for immediate cash flow requirements to pay pensions, lump sums and investment management costs.

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

7. PENSIONS ADMINISTRATION REPORT

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

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

8. BREACHES REPORT 2021-2022

The Committee received for consideration the Breaches Report in relation to the Dyfed Pension Fund. The Committee noted that Section 70 of the Pension Act 2004 sets out the legal duty to report breaches of the law. In the Code of Practice No. 14, published by the Pensions Regulator in April 2015, paragraphs 241 to 275 provide guidance on reporting these breaches.

The Dyfed Pension Fund Breaches Policy was approved by the Dyfed Pension Fund Panel in March 2016. Under the policy, breaches of the law were required to be reported to the Pensions Regulator where there was a reasonable cause to believe that:

- a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with;
- the failure to comply was likely to be of material significance to the Regulator in the exercise of any of its functions.

The Committee noted that since the last meeting there had been a couple of instances where employee/employer contributions had not been received on time. No report had had to be sent to the Pensions Regulator.

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

9. RISK REGISTER 2021-2022

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

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

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

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

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

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

11. TRAINING PLAN 2021-2022

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

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

12. EXCLUSION OF THE PUBLIC

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

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

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

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

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

14. NORTHERN TRUST PERFORMANCE REPORT AT 31 MARCH 2021

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

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

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

15. INVESTMENT MANAGER REPORTS TO 31 MARCH 2021

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

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

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

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

16. CEM BENCHMARKING REPORT 2019-2020

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

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

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

CHAIR

DATE