

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 16TH APRIL 2021

AGREED that the minutes of the meeting for the Pension Board held on the 16th 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 17th 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 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.

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 1st April 2014 to 31st 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 16th 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.

CHAIR

DATE