

Dyfed Pension Fund Pension Board
Tuesday, 25 January 2022

PRESENT: John Jones (Chair);

Board Members:-

Cllr. Philip Hughes	– Employer Member Representative;
Cllr. Gareth Lloyd	– Employer Member Representative;
Mr. Tommy Bowler	– Union Member Representative;
Mr. Paul Ashley-Jones	– Employer 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:

R. Hemingway, Head of Financial Services;
A. Parnell, Treasury & Pension Investments Manager;
K. Gerard, Pensions Manager;
M. Owens, Pension Investment Officer;
J. Williams, Assistant Accountant;
E. Bryer, Democratic Services Officer;
J. Owens, Democratic Services Officer;
S. Rees, Simultaneous Translator
M.S. Davies, Democratic Services Officer;

Virtual Meeting: 2.00 pm - 3.35 pm

1. APOLOGIES FOR ABSENCE

An apology for absence was received from Mr. M. Rogers (Pensioner 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 9TH NOVEMBER 2021

AGREED that the minutes of the meeting for the Pension Board held on the 9th November 2021 be confirmed as a correct record.

4. DYFED PENSION FUND COMMITTEE 3RD DECEMBER 2021

4.1. DYFED PENSION FUND PENSION BOARD MINUTES 20 JULY 2021

The Board noted the minutes of the Dyfed Pension Board meeting held on 20th July, 2021 had been received by the Dyfed Pension Fund Committee.

4.2. BUDGET MONITORING 1 APRIL 2021 - 30 SEPTEMBER 2021

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 2021 – 30th September 2021.

AGREED that the report be noted.

4.3. CASH RECONCILIATION AS AT 30 SEPTEMBER 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 30 September 2021, £2.4m 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, GMP reconciliation and workflows.

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

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 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 meeting.

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

Agreed that the risk register report for 2021-2022 be noted.

4.7. WALES PENSION PARTNERSHIP (WPP) - OPERATOR UPDATE

The Board received an update on the progress of the Wales Pension Partnership in relation to the Sub Funds together with the current fund holdings, fund launch progress and Link / Russell Investments Corporate Update and Engagement, as presented to the Joint Governance Committee on the 1st December 2021.

In addition the Board considered the Corporate and Engagement update including the engagement protocol and key meeting dates.

AGREED that the Operator Update report be received and the milestones and progress of the Wales Pension Partnership be noted.

4.8. WALES PENSION PARTNERSHIP INTER-AUTHORITY AGREEMENT (IAA) ADDENDUM

The Board received an Addendum to the Wales Pension Partnership Inter-Authority Agreement (IAA) which had been signed by all 8 constituent authorities.

AGREED that the Addendum to the Wales Pension Partnership Inter-Authority Agreement be noted.

4.9. TRAINING PLAN 2021-22

The Board received the Dyfed Pension Fund Training Plan for the period 2021-2022 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 2021-22 be noted.

4.10. CARBON FOOTPRINT UPDATE

The Board received an update to the Dyfed Pension Fund – Carbon Footprint Action Plan. It was highlighted that a reduction in carbon-intensity ahead of the Paris-aligned target (-7% p.a.) had been delivered and that plans were in place to deliver a declining Carbon-footprint over the coming year. Future actions included an ongoing review of SAA, with the aim of reducing Carbon footprint, while continuing to meet funding goals and increased communication to stakeholders.

The Board was advised that further updates would be provided quarterly. Members commended the excellent progress being made and the Treasury & Pension Investments Manager agreed to take on board the suggestion that this should be highlighted.

AGREED that the update to the Dyfed Pension Fund – Carbon Footprint be noted.

4.11. DRAFT MINUTES OF THE PENSION COMMITTEE MEETING 3 DECEMBER 2021

AGREED that the draft minutes of the meeting of the Dyfed Pension Fund Committee held on the 3rd December 2021 be noted.

5. PENSION BOARD WORK PLAN 2022

The Board considered the Pension Board Workplan for 2022 which outlined the work of the Pension Board throughout 2022 and the items to be presented at each meeting.

AGREED to note the workplan for 2022.

6. PENSION BOARD BUDGET 2022-23

The Board considered the Dyfed Pension Fund Budget for 2022-23 which was in line with the budget for 2021-22.

AGREED that the Budget for 2022-23 be approved.

7. PENSION BOARD BUDGET MONITORING 1 APRIL 2021 - 31 DECEMBER 2021

The Board received the Pension Board Budget Monitoring report as at 31st December 2021. Total actual expenditure incurred was £11.3k. The forecasted expenditure for the year was a £9.3k underspend compared to budget.

AGREED that the report be noted.

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.

9. INDEPENDENT ADVISER PERFORMANCE & RISK REPORT AT 30 SEPTEMBER 2021

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 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 30 September 2021 together with the global market background and issues for consideration.

AGREED to note the Independent Investment Adviser Report as at 30 September 2021.

10. NORTHERN TRUST PERFORMANCE REPORT 30 SEPTEMBER 2021

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 received the Northern Trust Performance report for the Dyfed Pension Fund as at 30 September 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 30 September 2021.

11. INVESTMENT MANAGER REPORTS AT 30 SEPTEMBER 2021

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 received for consideration reports provided by the Investment Managers which set out the performance of each manager as at 30 September 2021:

- BlackRock – Quarterly Report 30 September 2021;
- Schroders – Q2 2021 Investment Report 30 September 2021;
- Partners Group – Quarterly Report 30 September 2021;
- Wales Pension Partnership Global Growth Fund – 30 September 2021;
- Wales Pension Partnership Global Credit Fund – 30 September 2021.

AGREED to note the Investment Manager reports for the Dyfed Pension Fund.

CHAIR

DATE