

Dyfed Pension Fund Pension Board

Wednesday, 20 July 2022

PRESENT: J. Jones (Chair)

Committee Members:

P. Ashley-Jones - Employer Member Representative;

T. Bowler - Union Member Representative

M. Evans - Member Representative;

Councillor A. Lenny – Employer Member Representative

Also present as an observer:

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

The following Officers were in attendance:

A. Parnell, Treasury & Pension Investments Manager

R. Hemingway, Head of Financial Services

J. Williams, Assistant Accountant

K. Gerard, Pensions Manager

E. Evans, Principal Democratic Services Officer

S. Rees, Simultaneous Translator

M.S. Davies, Democratic Services Officer

E. Bryer, Democratic Services Officer

Virtual Meeting - 10.00 - 11.55 am

1. APOLOGIES FOR ABSENCE

Apologies were received from Councillor Gareth Lloyd, Employer Representative and Mr Mike Rogers, Pensioner Member Representative.

The Chair welcomed Councillor Alun Lenny, Employer Representative who had replaced Councillor Philip Hughes on the Board. The Board noted their thanks to Councillor Hughes.

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 3RD MAY 2022

AGREED that the minutes of the meeting for the Pension Board held on the 3rd May 2022 be confirmed as a correct record.

4. DYFED PENSION FUND COMMITTEE MEETING 28TH JUNE 2022

4.1. 2022 AUDIT PLAN

The Board considered the Dyfed Pension Fund Budget Audit Plan which detailed the work proposed by the Auditor General, when it would be undertaken, cost and responsibilities.

In response to a question regarding potential resourcing issues within Audit Wales, the Treasury and Pension Investments Manager stated that there had been resource issues but this had not impacted the Dyfed Pension Fund.

AGREED that the report be noted.

4.2. DYFED PENSION FUND PENSION BOARD MINUTES 25TH JANUARY 2022

The Board noted that the minutes of the Dyfed Pension Fund Pension Board meeting held on 25th January, 2022 had been received by the Dyfed Pension Fund Committee on the 28th June 2022.

4.3. FINAL BUDGETARY POSITION 2021-22

The Board received the final Dyfed Pension Fund Budgetary position for 2021-22 as at 31st March 2022.

In response to clarification requested regarding Indirect Transactional Management Fees, the Treasury and Pension Investments Manager advised that this was a non cash item in relation to transaction fees that were embedded in the portfolio. The Treasury and Pension Investments Manager advised that he would circulate further details to clarify.

AGREED that the report be noted.

4.4. EOY CASH RECONCILIATION AS AT 31ST MARCH 2022

The Board considered the End-of-Year 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 2022, £4.5m 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 Treasury and Pension Investments Manager stated that a two-year cash flow forecast was undertaken. The Board was advised that the triennial valuation was in progress with the Actuary and the outcome of the review would be available in the Autumn with the main considerations being the high inflation rate and the current funding level.

AGREED that the report be noted.

4.5. PENSIONS ADMINISTRATION UPDATES

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.

In response to concerns regarding the use of i-Connect the Pensions Manager advised that they continued to provide encouragement to those scheme employers that are yet to become active on i-connect.

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

4.6. BREACHES REPORT 2022-23

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.

As there were no implications of the breaches no report had been sent to the Pensions Regulator.

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

4.7. RISK REGISTER

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 was regularly monitored and reviewed to ensure risks had been identified and assessed. It was reported that there had been no changes since the previous committee meeting.

A concern previously raised regarding the structure of the report was raised again. The Treasury and Pension Investments Manager re-iterated that as this was a software package used corporately by the Authority there were limitations on how the data could be extracted and presented. It was agreed to have further discussions with the Board to establish how best to address this request.

Agreed that the risk register report be noted.

4.8. TRAINING PLAN 2022-2023

The Board received the Dyfed Pension Fund Training Plan for the period 2022-2023 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 2022-23 be noted.

4.9. CARBON FOOTPRINT UPDATE

The Board received an update on the activity and progress in terms of the Dyfed Pension Fund Carbon Footprint position.

The Treasury and Pension Investments Manager confirmed that the Carbon Footprint Update will be included within the Dyfed Pension Fund Annual Report.

AGREED that Carbon Footprint Update in relation to the Dyfed Pension Fund be noted.

4.10. DRAFT MINUTES OF THE PENSION COMMITTEE MEETING 28TH JUNE 2022

It was questioned why only three of the Councillors present at the Pension Committee on the 28th June had declared an interest. The Treasury and Pension Investments Manager advised that Councillor Owen was in attendance as an observer and therefore did not have to declare an interest as she was not attending as a voting member. Pension Board Members did not have to declare an interest as they undertook a scrutiny role and were not decision making function.

AGREED that the draft minutes of the meeting of the Dyfed Pension Fund Committee held on the 28th June 2022 be noted.

5. PENSION BOARD WORK PLAN 2022-2023

The Board considered the Pension Board Workplan for 2022-23 which outlined the work of the Pension Board throughout 2022 and the items to be presented at each meeting.

The Treasury and Pension Investments Manager advised that a training needs analysis would be undertaken jointly with the Board to agree the development requirements of Board members.

AGREED to note the Pension Board Workplan for 2022-2022.

6. PENSION BOARD BUDGET MONITORING 1ST APRIL 2022 - 30TH JUNE 2022

The Board received the Pension Board Budget Monitoring report as at 30th June 2022. Total actual expenditure incurred was £9.1k. The forecasted expenditure for the year was a £3k underspend compared to budget.

AGREED that the report be noted.

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 31ST MARCH 2022

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 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 31st March 2022 together with the global market background and issues for consideration.

AGREED to note the Independent Investment Adviser Report as at 31st March 2022.

9. NORTHERN TRUST PERFORMANCE REPORT TO 31ST MARCH 2022

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 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 31st March 2022, 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 31st March 2022.

10. INVESTMENT MANAGER REPORTS TO 31ST MARCH 2022

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 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 31st March 2022:

- BlackRock – Quarterly Report 31 March 2022;
- Schrodgers – Q1 2022 Investment Report;
- Partners Group – Quarterly Financials March 2022;
- WPP Global Growth Fund – 31 March 2022;
- WPP Global Credit Fund – 31 March 2022.

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

CHAIR

DATE