

# DYFED PENSION FUND PENSION BOARD

WEDNESDAY 19<sup>TH</sup> JULY 2023

**PRESENT:** Mr J. Jones [Chair]

**Board Members:**

R. Edwards – Employer Member Representative

M. Evans - Member Representative

Councillor A. Lenny – Employer Member Representative

Councillor W. Thomas – Employer Member Representative

**Also present as an observer:**

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

**Also Present:**

R. Hemingway – Head of Financial Services

K. Gerard - Pensions Manager

A. Parnell - Treasury & Pension Investments Manager

M. Owens - Pension Investment Officer

A. Brown – Independent Investment Advisor

M. Evans Thomas - Principal Democratic Services Officer

M. Runeckles – Member Support Officer

A. Eynon – Simultaneous Translator

**Virtual Meeting : 2.30 pm - 4.13 pm**

## 1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Mr T. Bowler, Union Member Representative and Mr M. Rogers, Pensioner Member Representative.

## 2. DECLARATIONS OF PERSONAL INTEREST

Councillor / Officer	Minute Number	Nature of Interest
Mr J. Jones	4.9 - Strategic Asset Allocation Review	He is affiliated to the company which is completing the review.
Mr A. Brown	4.9 - Strategic Asset Allocation Review	He is affiliated to the company which is completing the review.

## 3. MINUTES OF THE PENSION BOARD MEETING 18 APRIL 2023

**AGREED** that the minutes of the meeting for the Pension Board held on the 18th April, 2023 be confirmed as a correct record.

Note: These minutes are subject to confirmation at the next meeting.

#### **4. DYFED PENSION FUND COMMITTEE MEETING 26 JUNE 2023**

The Board considered the reports which were submitted to the Dyfed Pension Fund Committee for consideration at its meeting held on 26<sup>th</sup> June, 2023, as follows:-

##### **4.1. DETAILED AUDIT PLAN 2023**

The Board considered the Dyfed Pension Fund Detailed Audit Plan which specified the statutory responsibilities of the Auditor General for Wales as the Pension Fund's external auditor. The plan set out the work his team intends undertaking to address the audit risk identified and other key areas of focus during 2023. It also set out the estimated audit fee, details of the audit team and key dates for delivering the team's activities and planned outputs.

**AGREED that the report be noted.**

##### **4.2. FINAL BUDGETARY POSITION 2022-2023**

The Board considered a report detailing the Dyfed Pension Fund final budgetary position for 2022/23

**AGREED that the report be noted.**

##### **4.3. CASH RECONCILIATION AS AT 31 MARCH 2023**

The Board considered the Cash Reconciliation report which provided an update on the cash position in respect of the Dyfed Pension Fund as at 31<sup>st</sup> March, 2023.

**AGREED that the report be noted.**

##### **4.4. PENSIONS ADMINISTRATION REPORT**

The Board considered a report providing a progress update on a number of projects being undertaken, along with information on relevant issues in the administration of scheme benefits.

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

##### **4.5. BREACHES REPORT**

The Board considered 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. The Dyfed Pension Fund Breaches Policy was approved by the Dyfed Pension Fund Committee in March 2016 and under the policy, breaches of the law are required to reported to the Pensions Regulator.

Note: These minutes are subject to confirmation at the next meeting.

Since the last Pension Fund Committee meeting there had been a few instances where employee/employer contributions had not been received on time. This matter has been reported to the Pensions Regulator.

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

#### **4.6. 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. The risk register is regularly monitored and reviewed and risks are identified as operational and strategic. It was reported that there had been no changes since the previous Committee meeting.

**AGREED that the risk register update be noted.**

#### **4.7. WALES PENSION PARTNERSHIP**

The Board considered an update on the activities and progress of the Wales Pension Partnership including work that has been completed since the last JGC meeting and the WPP's next steps/priorities.

**AGREED that the WPP update report be noted.**

#### **4.8. TRAINING PLAN 2023-2024**

The Board considered the Dyfed Pension Fund Training Plan for the period 2023/24 detailing meetings, training events and the members and officers anticipated to attend those events.

**AGREED that the Dyfed Pension Fund Training Plan for the period 2023/24 be noted.**

#### **4.9. STRATEGIC ASSET ALLOCATION (SAA) REVIEW**

[NOTE:

[1] Mr J. Jones and Mr A. Brown, having earlier declared an interest in this item, left the meeting prior to the consideration and determination thereof.

[2] In the absence of the Chair, Mr Mike Evans was elected to Chair the meeting for the duration of this item.]

The Board considered a report providing details of the Strategic Asset Allocation (SAA) Review which will examine the overall SAA of the investment portfolio and provide recommendations as to where any portfolio optimisation may be implemented to meet the Fund's objectives and requirements.

**AGREED that the Strategic Asset Allocation Review be noted.**

Note: These minutes are subject to confirmation at the next meeting.

#### **4.10. CARBON INTENSITY ANALYSIS**

The Board considered the Carbon Intensity Analysis report which provided an update on the activity and progress in terms of the Fund's Carbon Footprint position.

The update illustrated the Weighted Average Carbon Intensity for the Fund's equity portfolio and showed that the Fund had reduced its carbon footprint from a baseline of 147 WACI at September 2020 to 102 WACI at March 2023.

**AGREED that the Carbon Intensity Analysis report be noted.**

#### **4.11. DRAFT MINUTES OF THE PENSION COMMITTEE MEETING 26 JUNE 2023**

**AGREED that the draft minutes of the meeting of the Dyfed Pension Fund Committee held on the 26<sup>th</sup> June, 2023 be noted.**

#### **5. PENSION BOARD WORK PLAN 2023**

The Board considered the Pension Board Work Plan for 2023 which outlined the work of the Pension Board throughout 2023 and the items to be presented at each meeting.

**AGREED that the Pension Board Work Plan for 2023 be noted.**

#### **6. PENSION BOARD BUDGET MONITORING 1 APRIL 2023 - 30 JUNE 2023**

The Board considered the Pension Board Budget Monitoring report as at 30<sup>th</sup> June, 2023. Total actual expenditure incurred was £9.6k. The expenditure for the year was forecast to be in line with 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 31 MARCH 2023**

Note: These minutes are subject to confirmation at the next meeting.

**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 considered the Independent Investment Adviser Performance and Risk Report which provided details in relation to the Investment Managers' performance for the quarterly, 12 month and rolling 3 year period ending 31<sup>st</sup> March, 2023. The report also included the global market background and issues for consideration.

**AGREED that the Independent Adviser Performance & Risk report as at 31<sup>st</sup> March, 2023 be noted.**

#### **9. NORTHERN TRUST PERFORMANCE REPORT TO 31 MARCH 2023**

**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 considered the Northern Trust Performance report which detailed the performance of the Dyfed Pension Fund as at 31<sup>st</sup> March, 2023. The report provided performance analysis at a total fund level and by Investment Manager for the periods up to inception.

**AGREED that the Northern Trust Performance report for the Dyfed Pension Fund as at 31<sup>st</sup> March, 2023 be noted.**

#### **10. INVESTMENT MANAGER REPORTS TO 31 MARCH 2023**

**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 considered a report providing an update on Investment Manager performance as at 31<sup>st</sup> March, 2023:

Note: These minutes are subject to confirmation at the next meeting.

**AGREED that the Investment Manager Reports for the Dyfed Pension Fund be noted.**

\_\_\_\_\_  
**CHAIR**

\_\_\_\_\_  
**DATE**

Note: These minutes are subject to confirmation at the next meeting.