

Pension Board Submission to the Dyfed Pension Fund Committee

To: Dyfed Pension Fund Committee

From: John Jones Independent Chair Dyfed Pension Board

Date: 19 June 2024

1. The Pension Board held a hybrid meeting on Tuesday 14th May 2024. The main items on the agenda were consideration of the budget monitoring statement for the 9 months to 31st December 2023 and the Pension Fund budget for 2024/25; a review of the risk register and a presentation and discussion on the issues raised by an investment in the Bute Group of companies. The meeting was attended in the room or online by 5 of the 7 Board members. Councillor Elwyn Williams was also present as an observer.
2. There was a discussion and some questions raised on the budget for 2024/25 and the monitoring statement for the period to end December 2023, in particular on future employer contribution rates and increases in management expenses. It was also confirmed that interest received on cash balances accrues to the Dyfed Pension Fund.
3. The pensions administration report was reviewed, and the progress being made to introduce i-connect into the remaining 4 organisations was made clear to the Board at the meeting. Following a discussion at the previous Board meeting over resources needed to implement the new dashboard requirements, an assurance was given that these will be put in place.
4. The Board welcomed the updated and new format for the risk register. It was agreed to review the register in sections at meetings during the year, but with the proviso that any adverse changes in individual risks are reported at each meeting together with a summary sheet to identify and confirm changes since the previous meeting. Some questions were asked about individual risk ratings compared to those reported previously. The risk register is a key document in the overall governance of the Fund and as such should be reviewed at each Board and Committee meeting.

5. The Fund Governance Policy and Compliance statement was discussed and agreed. Questions were asked about the areas of non-compliance and whether further work and/or changes should be made to address these areas.
6. The increase in training activity for Members of the Committee was welcomed as this is important in the overall governance of the Fund. In particular the quarterly training sessions organised by the Wales Pension Partnership (WPP) for all Committee and Board members across Wales was strongly endorsed by the Board. The Board continues to support additional courses for Members to meet their individual training needs.
7. The report from Robeco on engagement covers a wide range of issues and includes a volume of information on activity to promote ESG issues in the Fund's investment portfolio. Including an executive summary of the report, together with publicising the action being taken are steps that should be introduced by the Dyfed Pension Fund to raise the profile of the Fund's activity in this area.
8. Cllr Lenny sent a letter to me in connection with the transfer of electricity generated on shore following an investment by the Wales Pension Partnership, and asked that this be considered by the Board. Cllr Lenny introduced the issue and following a discussion the recommendations were agreed, and the matter was referred to the Committee for consideration of the next steps.
9. Finally, the Independent Adviser to the Fund explained the rationale behind the current asset allocation of the Fund as part of his report on the performance of the current investment portfolio.

John Jones
21st May 2024