

Pension Board Submission to the Dyfed Pension Fund Committee

To: Dyfed Pension Fund Committee

From: John Jones Independent Chair Dyfed Pension Board

Date: 11th November 2024

1. The Pension Board held a hybrid meeting on Tuesday 29th October 2024. The main items on the agenda were consideration of the budget monitoring statement for the period 1st April to 30th June 2024; a review of the risk register; and a discussion on the investment performance of the Fund and an update from Robeco on their activity in respect of Responsible Investment. The meeting was attended in the room or online by all 7 Board members. Councillor Elwyn Williams was also present as an observer.
2. The budget monitoring statement to end June 2024 was discussed and questions raised in respect of the increase in central recharges in 2024/25 compared to 2023/24; and the shortfall in investment income during 2024/25 compared to budget. The Board continues to review the budget monitoring statement at each meeting
3. The pensions administration report was reviewed. The progress being made to implement the requirements for the Pensions Dashboard was welcomed noting the tight timetable and the need for sufficient resources. Questions were asked about the issue of Pension Savings Statements to those members who have exceeded their annual allowance.
4. The risk register is a key document reviewed by the Board at each meeting. In line with the approach agreed earlier in the year the Funding and Investment section of the register was reviewed in detail at this meeting. Each risk was considered in turn and questions asked on cash like returns in F3 and the impact of underperformance in F4. A discussion took place on whether to add a further risk to the register on the investment performance of the WPP, and this will be considered for inclusion in the register. Questions were also asked about risk G4 on issues arising from the turnover of members on the Committee and the consequential training and development implications and how this is being addressed.

5. The Training plan for the Committee was considered and a suggestion made that the document be re-formatted to show training by Member rather than by event.
6. The Board were updated on progress with the Bute Investment discussed at Board meetings earlier in the year, and welcomed the advice that a report back on developments will be submitted to the Committee and Board in the near future.
7. Reports from Robeco to the Wales Pension Partnership (WPP) and to the Pensions Committee on progress with implementing the Fund's policy on responsible investment were discussed by the Board. Given the volume of material to consider, it was suggested that an overall summary report would be helpful together with a "comply or explain" approach when taking action on LAPFF recommendations. A presentation from Robeco on their approach to responsible investment would be a useful topic for a future training event for Committee and Board members
8. Finally, the report from the Independent Adviser to the Fund was reviewed by the Board. Given the underperformance of some of the Fund's investments, these were the subject of some questions and an update was given on the action being taken to address these concerns.

John Jones