

DYDD IAU, 18 MAWRTH 2021

AT: HOLL AELODAU'R PWYLLGOR CRONFA BENSIWN DYFED

YR WYF DRWY HYN YN EICH GALW I FYNYCHU RHITH-GYFARFOD O'R PWYLLGOR CRONFA BENSIWN DYFED A GYNHELIR AM 2.00 YP, DYDD IAU, 25AIN MAWRTH, 2021 ER MWYN CYFLAWNI'R MATERION A AMLINELLIR AR YR AGENDA SYDD YNGHLWM

Wendy Walters

PRIF WEITHREDWR



AILGYLCHWCH OS GWELWCH YN DDA

Swyddog Democrataidd:	Emma Bryer
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Wendy Walters Prif Weithredwr, *Chief Executive*,
Neuadd y Sir, Caerfyrddin. SA31 1JP
County Hall, Carmarthen. SA31 1JP

**AELODAETH PWYLLGOR CRONFA BENSIWN DYFED
3 AELOD**

GRŴP PLAID CYMRU (1)

- 1 Cynghorydd Elwyn Williams (Cadeirydd)

GRŴP LLAFUR (1)

- 1 Cynghorydd Deryk Cundy

GRŴP ANNIBYNNOL (1)

- 1 Cynghorydd Jim Jones

DIRPRWY ENWEBEDIG (1)

Cynghorydd Dai Thomas

AGENDA

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NI DDYLID CYHOEDDI'R ADRODDIAD SY'N YMWNEUD Â'R MATERION CANLYNOL GAN EU BOD YN CYNWYS GWYBODAETH EITHRIEDIG FEL Y'I DIFFINIWDYD YM MHARAGRAFF 14 O RAN 4 O ATODLEN 12A I DDEDDF LLYWODRAETH LEOL 1972 FEL Y'I DIWYGIWDYD GAN ORCHYMYN LLYWODRAETH LEOL (MYNEDIAD AT WYBODAETH) (AMRYWIO) (CYMRU) 2007. OS BYDD Y PWYLLGOR AR ÔL CYNNAL PRAWF LLES Y CYHOEDD YN PENDERFYNU YN UNOL Â'R DDEDDF, I YSTYRIED Y MATER HYN YN BREIFAT, GORCHMYNNIR I'R CYHOEDD ADAEL Y CYFARFOD YN YSTOD TRAFODAETH O'R FATH.
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Dydd Llun, 11 Ionawr 2021

YN BRESENNOL: Y Cynghorydd D.E. Williams (Cadeirydd)

Y Cynghorwyr:

D.M. Cundy, D. Thomas (yn lle T.J. Jones) a/ac D.E. Williams

Hefyd yn bresennol:

A Brown – Ymgynghorydd Buddsoddi Annibynnol

Yr oedd y swyddogion canlynol yn gwasanaethu yn y cyfarfod:

C. Moore, Cyfarwyddwr Gwasanaethau Corfforaethol

R. Hemingway, Pennaeth Gwasanaethau Ariannol

A. Parnell, Rheolwr Pensiwn a Buddsodiadau Gyllidol

E. Bryer, Swyddog Gwasanaethau Democrataidd

M. Evans Thomas, Prif Swyddog Gwasanaethau Democrataidd

J. Corner, Swyddog Technegol

S. Rees, Cyfieithydd Ar Y Pryd

K. Thomas, Swyddog Gwasanaethau Democrataidd

Rhith-Gyfarfod -. - 2.00 - 3.55 yp

1. YMDDIHEURIADAU AM ABSENOLDEB

Cafwyd ymddiheuriad am absenoldeb gan y Cynghorydd Jim Jones.

2. DATGAN BUDDIANNAU PERSONOL

Ni ddatganwyd unrhyw fuddiannau personol.

3. COFNODION CYFARFOD Y PWYLLGOR A GYNHALIWDYD AR 16 HYDREF 2020

PENDERFYNWYD YN UNFRYDOL Iofnodi bod cofnodion cyfarfod y Pwyllgor a gynhaliwyd ar 16 Hydref 2020 yn gywir.

4. MONITRO CYLLIDEB 1 EBRILL 2020 - 30 MEDI 2020

Cafodd y Pwyllgor Adroddiad Monitro Cronfa Bensiwn Dyfed a oedd yn rhoi'r wybodaeth ddiweddaraf am y sefyllfa gyllidebol o ran blwyddyn ariannol 2020/21. Nodwyd bod y sefyllfa bresennol, fel yr oedd ar 30 Medi 2020, yn rhagweld tanwariant o £3m o ran arian parod. O ran gwariant, roedd effaith net y buddion taladwy a'r trosglwyddiadau allan yn dangos tanwariant o £1.5m. Roedd hyn yn bennaf oherwydd cynnydd o 3% wrth bennu'r gyllideb ar gyfer pensiynwyr, y cynnydd gwirioneddol ar gyfer y flwyddyn hyd yma oedd 1.5%. Roedd tanwariant o ran treuliau rheolwyr o £312k.

O ran incwm, roedd effaith net cyfraniadau, incwm buddsoddi a throsglwyddiadau i mewn yn dangos cynnydd o £1.2m, yn bennaf o ganlyniad i gynnydd o £1.5m mewn incwm buddsoddi. Yn gyffredinol, y cyfanswm gwariant oedd oddeutu

£99.3m a chyfanswm incwm o oddeutu £102.3m a olygai sefyllfa llif arian cadarnhaol o £3m.

PENDERFYNWYD YN UNFRYDOL dderbyn Adroddiad Monitro Cyllideb Cronfa Bensiwn Dyfed ar gyfer y cyfnod 1 Ebrill 2020 - 30 Medi 2020.

5. CYSONI ARIAN PAROD FEL YR OEDD AR 30 TACHWEDD 2020

Bu'r Pwyllgor yn ystyried yr adroddiad Cysoni Arian Parod a roddai'r wybodaeth ddiweddaraf am sefyllfa ariannol Cronfa Bensiwn Dyfed. Nodwyd ar 30 Tachwedd, 2020 fod Cyngor Sir Caerfyrddin yn cadw £23.1m o arian parod ar ran y Gronfa ar gyfer gofynion llif arian uniongyrchol i dalu pensiynau, cyfandaliadau a chostau rheoli buddsoddiadau.

PENDERFYNWYD YN UNFRYDOL dderbyn adroddiad Cysoni Arian Parod Cronfa Bensiwn Dyfed.

6. ADRODDIAD TORRI AMODAU 2020-2021

Cafodd y Pwyllgor Adroddiad Torri Amodau, mewn perthynas â Chronfa Bensiwn Dyfed, i'w ystyried. Nodwyd gan y Pwyllgor fod Adran 70 o Ddeddf Pensiynau 2004 yn pennu'r ddyletswydd gyfreithiol i riportio achosion o dorri'r gyfraith. Mae Côt Ymarfer rhif 14, paragraffau 241 i 275, a gyhoeddwyd gan y Rheoleiddiwr Pensiynau ym mis Ebrill 2015, yn rhoi cyfarwyddyd ynghylch riportio'r achosion hyn o dorri'r gyfraith. Cafodd Polisi Torri Amodau Cronfa Bensiwn Dyfed ei gymeradwyo gan Banel Cronfa Bensiwn Dyfed ym mis Mawrth 2016. O dan y polisi, roedd yn ofynnol i achosion o dorri'r gyfraith gael eu hadrodd i'r Rheoleiddiwr Pensiynau os oedd achos rhesymol i gredu'r canlynol:

- na chydymffurfir – neu na chydymffurfiwyd – â dyletswydd gyfreithiol sy'n berthnasol i'r gwaith o weinyddu'r cynllun;
- bod yr anallu i gydymffurfio yn debygol o fod o arwyddocâd sylweddol i'r Rheoleiddiwr wrth iddo arfer unrhyw un o'i swyddogaethau.

Nododd y Pwyllgor fod sawl achos wedi bod ers y cyfarfod diwethaf lle nad oedd cyfraniadau gweithwyr/cyflogwr wedi'u derbyn ar amser. Roedd y rheini bellach wedi dod i law felly nid oedd unrhyw adroddiad wedi'i anfon at y Rheoleiddiwr Pensiynau.

PENDERFYNWYD YN UNFRYDOL nodi'r Adroddiad Torri Amodau mewn perthynas â Chronfa Bensiwn Dyfed.

7. COFRESTR RISG 2020-2021

Dywedwyd wrth y Pwyllgor mai dogfen waith oedd y Gofrestr Risg a oedd yn cynnwys yr holl risgiau a nodwyd mewn perthynas â swyddogaethau Cronfa Bensiwn Dyfed. Cafodd hyn ei adolygu ac ni chafwyd unrhyw newidiadau i'r Gofrestr Risg a gyflwynwyd i'r Pwyllgor ar 2 Mawrth 2020. Byddai'r risgiau yn parhau i gael eu hadolygu'n chwarterol, a byddai unrhyw newidiadau yn cael eu dwyn at sylw'r Pwyllgor.

PENDERFYNWYD YN UNFRYDOL nodi bod y gofrestr risg ar gyfer 2020-2021 wedi'i hadolygu i sicrhau bod risgiau'n cael eu nodi a'u hasesu.

8. DIWEDDARIAD GWEITHREDWR

Cafodd y Pwyllgor adroddiad a oedd yn rhoi'r manylion diweddaraf am Bartneriaeth Pensiwn Cymru (WPP), ar gynnydd a cherrig milltir yr Is-gronfeydd canlynol ynghyd â thaliadau cyfredol y gronfa, cynnydd lansio'r gronfa ac Ymgysylltiad a Diweddariad Corfforaethol Link / Russel Investments.

- Tranche 3 - Incwm Sefydlog
- Tranche 4 – Marchnadoedd Datblygol.
- Tranche 5 - Datblygu Strategaeth Marchnadoedd Preifat

Hefyd cafodd y Pwyllgor yr adroddiad diweddaraf am y Protocol Ymgysylltu ynghyd â dyddiadau ar gyfer cyfarfodydd allweddol

PENDERFYNWYD YN UNFRYDOL fod y newyddion diweddaraf ynghylch Partneriaeth Pensiwn Cymru yn cael eu nodi.

9. AILSTRWYTHURO ECWITI

Cafodd y Pwyllgor adroddiad ar gynigion ar gyfer ailstrwythuro portffolio ecwiti Cronfa Bensiwn Dyfed a oedd yn rhoi sylw i'r risg yn ymwneud â'r hinsawdd a bod portffolios Partneriaeth Pensiwn Cymru bellach wedi'u creu. Yn unol â hynny, rhoddwyd gwybod ei bod bellach yn ymddangos yn briodol i strwythur y portffolio Ecwiti BlackRock £1.27Bn gael ei adolygu i'w alluogi i fod yn fwy effeithiol i gyflawni nod y Gronfa o ran perfformiad yn y tymor hir a risg hinsawdd.

PENDERFYNWYD YN UNFRYDOL

- 9.1 Bod y Gronfa yn dyrannu 10% o'i hasedau i strategaeth ecwiti byd-eang goddefol “Lleihau Tanwyddau Ffosil” BlackRock i'w hariannu o o bortffolio gweithredol BlackRock yr UD a phortffolio goddefol y DU;**
- 9.2 Bod y Gronfa yn cynyddu dyraniad o 5% i Dyfiant Byd-eang Partneriaeth Pensiwn Cymru i'w ariannu o bortffolio gweithredol BlackRock yr UD a phortffolio goddefol y DU**

10. GORCHYMYN I'R CYHOEDD ADAEL Y CYFARFOD

PENDERFYNWYD YN UNFRYDOL, yn unol â Deddf Llywodraeth Leol 1972, fel y'i newidiwyd gan Orchymyn Llywodraeth Leol (Mynediad at Wybodaeth) (Amrywio) (Cymru) 2007, orchymyn i'r cyhoedd adael y cyfarfod tra oedd yr eitemau canlynol yn cael eu hystyried, gan fod yr adroddiadau'n cynnwys gwybodaeth eithriedig fel y'i diffiniwyd ym mharagraff 14 o Ran 4 o Atodlen 12A i'r Ddeddf.

11. ADRODDIAD PERFFORMIAD A RISG YMGYNGHORYDD BUDDSODDI ANNIBYNNOL 30 MEDI 2020

Yn sgil gweithredu'r prawf budd y cyhoedd PENDERFYNWYD YN UNFRYDOL, yn unol â'r Ddeddf y cyfeiriwyd ati yng nghofnod rhif 10 uchod,

fod y mater hwn yn cael ei ystyried yn breifat, gan beidio â gadael i'r cyhoedd fod yn bresennol yn y cyfarfod, gan y byddai datgelu gwybodaeth yn debygol o achosi niwed ariannol i'r Gronfa Bensiwn ac o niweidio trafodaethau parhaus a thrafodaethau'r dyfodol.

Ystyriodd y Pwyllgor Adroddiad yr Ymgynghorydd Buddsoddi Annibynnol, a roddai wybodaeth mewn perthynas â pherfformiad y rheolwr buddsoddiadau ar gyfer pob chwarter, pob 12 mis a chyfnodau treigl o 3 blynedd, gan ddod i ben ar 30 Medi 2020.

PENDERFYNWYD UN UNFRYDOL nodi Adroddiad yr Ymgynghorydd Buddsoddi Annibynnol fel yr oedd ar 30 Medi 2020.

12. ADRODDIAD PERFFORMIAD NORTHERN TRUST 30 MEDI 2020

Yn sgil gweithredu'r prawf budd y cyhoedd **PENDERFYNWYD YN UNFRYDOL**, yn unol â'r Ddeddf y cyfeiriwyd ati yng nghofnod rhif 10 uchod, fod y mater hwn yn cael ei ystyried yn breifat, gan beidio â gadael i'r cyhoedd fod yn bresennol yn y cyfarfod, gan y byddai datgelu gwybodaeth yn debygol o achosi niwed ariannol i'r Gronfa Bensiwn ac o niweidio trafodaethau parhaus a thrafodaethau'r dyfodol.

Ystyriodd y Pwyllgor adroddiad perfformiad Northern Trust ar gyfer Cronfa Bensiwn Dyfed fel yr oedd ar 30 Medi 2020 a oedd yn nodi dadansoddiad o berfformiad o ran lefel y gronfa gyfan a chan y rheolwr buddsoddi am y cyfnodau cyn i'r gronfa gychwyn.

PENDERFYNWYD YN UNFRYDOL dderbyn adroddiad perfformiad Northern Trust ar gyfer Cronfa Bensiwn Dyfed fel yr oedd ar 30 Medi 2020.

CADEIRYDD

DYDDIAD

DYFED PENSION FUND COMMITTEE

Date 25/03/2021

Dyfed Pension Fund Pension Board Minutes 20 November 2020

To inform the Committee of the meeting of the Pension Board that was held on 20 November 2020.

Recommendations / key decisions required:

The Committee to note the minutes of the Dyfed Pension Fund Pension Board meeting held on 20 November 2020.

Reasons:

To inform the Committee of the meeting of the Pension Board that was held on 20 November 2020.

Relevant scrutiny committee to be consulted: NA

Exec. Board Decision Required : NA

Council Decision Required : NA

EXECUTIVE BOARD MEMBER PORTFOLIO HOLDER:- NA

Directorate: Corporate Services

Name of Head of Service:
Chris Moore

Report Author: Chris Moore

Designations:

Director of Corporate Services,
Carmarthenshire County Council

Tel Nos. 01267 224120

E Mail Address:
CMoore@carmarthenshire.gov.uk

**EXECUTIVE SUMMARY
DYFED PENSION FUND COMMITTEE
DATE 25/03/2021**

DYFED PENSION FUND PENSION BOARD MINUTES 20 NOVEMBER 2020

A meeting of the Dyfed Pension Fund Pension Board took place on 20 November 2020. The following items were considered:

- Minutes of the Pension Fund Committee meeting 2 March 2020
- Minutes of the Pension Fund Committee meeting 24 June 2020
- Minutes of the Pension Fund Committee meeting 16 October 2020
- Audit of Financial Statements 2019-20
- Budget Monitoring 1 April 2020 – 30 June 2020
- Cash reconciliation as at 30 June 2020
- Breaches Report 2020-21
- Operator Update
- Low Carbon indices
- Independent Advisor Performance & Risk Report to 30 June 2020
- Securities Lending
- Northern Trust Performance Report to 30 June 2020

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore

Director of Corporate Services

1. Scrutiny Committee

NA

2. Local Member(s)

NA

3. Community / Town Council

NA

4. Relevant Partners

NA

5. Staff Side Representatives and other Organisations

NA

**EXECUTIVE BOARD PORTFOLIO
HOLDER(S) AWARE/CONSULTED**

NA

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THERE ARE NONE

Title of Document	File Ref No.	Locations that the papers are available for public inspection

BWRDD PENSIWN

Dydd Gwener, 20 Tachwedd 2020

YN BRESENNOL: J. Jones (Cadeirydd)

Aelodau'r Bwrdd

Mr Gwyn Jones	- Cynrychiolydd Aelodau
Paul Ashley-Jones	- Cynrychiolydd Cyflogwyr sy'n Aelodau
Y Cyng. Philip Hughes	- Cynrychiolydd Cyflogwyr sy'n Aelodau
Y Cyng. Gareth Lloyd	- Cynrychiolydd Cyflogwyr sy'n Aelodau
Mr Mike Rogers	- Cynrychiolydd Pensiynwyr sy'n Aelodau
Mr Tommy Bowler	- Cynrychiolydd o'r Undeb

Hefyd yn bresennol: Y Cyng. Elwyn Williams - Cadeirydd Pwyllgor Cronfa Bensiwn Dyfed.

Yr oedd y swyddogion canlynol yn gwasanaethu yn y cyfarfod:

C. Moore, Cyfarwyddwr Gwasanaethau Corfforaethol
R. Hemingway, Pennaeth Gwasanaethau Ariannol
K. Gerard, Rheolwr Pensiwn
M. Owens, Cyfrifydd Cynorthwywr
S. Rees, Cyfieithydd Ar Y Pryd
J. Corner, Swyddog Technegol
M. Evans Thomas, Prif Swyddog Gwasanaethau Democrataidd
J. Owen, Swyddog Gwasanaethau Democrataidd
K. Thomas, Swyddog Gwasanaethau Democrataidd
R. Lloyd, Swyddog Gwasanaethau Democrataidd
J. Laimann, Swyddog Gwasanaethau Democrataidd Cynorthwyol

Rhith-Gyfarfod -. - 2.00 - 3.20 yp

1. YMDDIHEURIADAU AM ABSENOLDEB

Ni chafwyd ymddiheuriadau am absenoldeb.

2. DATGANIADAU O FUDDIANNAU PERSONOL

Ni ddatganwyd unrhyw fuddiannau personol yn y cyfarfod.

3. COFNODION CYFARFOD Y BWRDD PENSIWN A GYNHALIWYD AR 23 IONAWR 2020

CYTUNWYD cadarnhau cofnodion cyfarfod y Bwrdd Pensiwn a gynhaliwyd ar 23 Ionawr 2020 gan eu bod yn gofnod cywir.

4. COFNODION CYFARFOD Y PWYLLGOR CRONFA BENSIWN DYFED A GYNHALIWYD AR 2 MAWRTH 2020

PENDERFYNWYD derbyn cofnodion cyfarfod ar y cyd Pwyllgor Cronfa Bensiwn Dyfed a gynhaliwyd ar 2 Mawrth, 2020.

5. COFNODION CYFARFOD Y PWYLLGOR CRONFA BENSIWN DYFED A GYNHALIWDYD AR 24 MEHEFIN 2020

Cyfeiriwyd at Gofnod 10 o'r cyfarfod a oedd yn ymwneud ag ystyriaeth gan Bwyllgor Cronfa Bensiwn Dyfed o Hysbysiad o Gynnig y Cyngor ynghylch bod y Gronfa yn ymwrthod â thanwydd ffosil, a hefyd e-bost roedd rhai aelodau o'r Bwrdd Pensiwn wedi ei gael yr wythnos honno ar yr un mater. Er cydnabod nad oedd yr e-bost wedi'i dderbyn mewn da bryd i'w drafod gan y Bwrdd yn ei gyfarfod y diwrnod hwnnw, nodwyd ei fod yn un o nifer o sylwadau tebyg a ddaethai i law'r Cyngor yn ddiweddar ac y byddai pob gohebydd yn cael ymateb cyflawn. Barnwyd y dylid rhoi adroddiad diweddar ar y mater ar agenda cyfarfod nesaf y Bwrdd.

Dywedodd Cyfarwyddwr y Gwasanaethau Corfforaethol wrth y Bwrdd fod cyfarfod Pwyllgor Cronfa Bensiwn Dyfed a gynhaliwyd ar 24 Mehefin 2020, lle trafodwyd y mater hwn, wedi'i we-ddarlledu a'i fod ar gael i'w wyllo ar wefan y Cyngor.

CYTUNWYD:

- 5.1 derbyn cofnodion cyfarfod Pwyllgor Cronfa Bensiwn Dyfed a oedd wedi ei gynnal ar 24 Mehefin 2020;**
- 5.2 cyflwyno i gyfarfod nesaf y Bwrdd adroddiad ar yr ymateb a anfonwyd at y gohebwy ynghylch Cronfa Bensiwn Dyfed yn ymwrthod â thanwydd ffosil.**

6. CYFARFOD Y PWYLLGOR CRONFA BENSIWN DYFED A GYNHALIWDYD AR 16 HYDREF 2020

6.1. ADRODDIAD YNGHYLCH YR ARCHWILIAD O DDATGANIDADAU ARIANNOL 2019-20

Cafodd y Bwrdd Adroddiad ynghylch yr Archwiliad o Ddatganiadau Ariannol ar gyfer Cronfa Bensiwn Dyfed a baratowyd gan Archwilio Cymru sy'n rhoi manylion am y materion sy'n codi o'r archwiliad sy'n ofynnol o dan ISA 260.

Nodwyd mai'r Archwilydd Cyffredinol sy'n gyfrifol am roi barn ynghylch a yw datganiadau ariannol Cronfa Bensiwn Dyfed yn olwg gywir a theg ar ei sefyllfa ariannol ar 31 Mawrth 2020, a'i hincwm a'i gwariant yn ystod y flwyddyn honno. Roedd adroddiad archwilio diamod ynghylch y datganiadau ariannol wedi'i gyhoeddi ac roedd yr adroddiad terfynol wedi cael ei ystyried gan Bwyllgor Archwilio y Cyngor ar 16 Hydref 2020.

Canfu Archwilio Cymru nad oedd unrhyw gamddatganiadau yn y datganiadau ariannol a oedd dal heb gael eu cywiro, ond roedd nifer o fân gamddatganiadau wedi'u cywiro gan y rheolwyr fel y'u rhestrir yn Atodiad 3.

Ystyriodd y Bwrdd yr amgylchiadau anodd ar hyn o bryd o achos pandemig Covid-19, a mynegodd yr aelodau eu gwerthfawrogiad i'r holl staff oedd ynghlwm wrth gynhyrchu'r adroddiad.

CYTUNWYD i dderbyn Adroddiad yr Archwiliad o Ddatganiadau Ariannol 2019–20

6.2. MONITRO CYLLIDEB 1 EBRILL 2020 - 30 MEHEFIN 2020

Rhoddodd y Bwrdd ystyriaeth i adroddiad Monitro Cyllideb Cronfa Bensiwn Dyfed a oedd yn rhoi'r wybodaeth ddiweddaraf am y sefyllfa gyllidebol ddiweddaraf am y cyfnod 1 Ebrill 2020 - 30 Mehefin 2020.

Cyfeiriwyd at y ffaith bod yr adroddiad ar gyfer y cyfnod a ddaeth i ben ar 30 Mehefin, a bod y cyfarfod y diwrnod hwnnw ar 20 Tachwedd, ac a fyddai'n bosibl rhoi gwybodaeth fwy diweddar i'r Bwrdd yng nghyfarfodydd y dyfodol. Dywedodd Cyfarwyddwr y Gwasanaethau Corfforaethol y byddai'n archwilio'r mater hwnnw ac yn cyflwyno adroddiad wedi'i ddiweddarau i gyfarfod nesaf y Pwyllgor.

CYTUNWYD bod yr adroddiad yn cael ei nodi.

6.3. CYSONI ARIAN PAROD FEL YR OEDD AR 30 MEHEFIN 2020

Bu'r Bwrdd yn ystyried yr adroddiad Cysoni Arian Parod a roddai'r wybodaeth ddiweddaraf am sefyllfa ariannol Cronfa Bensiwn Dyfed. Nodwyd ar 30 Mehefin, 2020 fod Cyngor Sir Caerfyrddin yn cadw £21.719m o arian parod ar ran y Gronfa ar gyfer gofynion llif arian uniongyrchol i dalu pensiynau, cyfandaliadau a chostau rheoli buddsoddiadau.

CYTUNWYD bod yr adroddiad yn cael ei nodi.

6.4. ADRODDIAD TORRI AMODAU 2020-21

Cafodd y Bwrdd yr Adroddiad Torri Amodau, mewn perthynas â Chronfa Bensiwn Dyfed, i'w ystyried. Mae Adran 70 o Ddeddf Pensiynau 2004 yn nodi'r ddyletswydd gyfreithiol i riportio achosion o dorri'r gyfraith.

Nododd y Bwrdd fod nifer o achosion wedi bod ers y cyfarfod diwethaf lle nad oedd cyfraniadau gweithwyr/cyflogwr wedi'u derbyn ar amser. Cadarnhaodd y Rheolwr Pensiynau fod trafodaethau'n cael eu cynnal gyda'r cyrff oedd yn rhan o'r Bwrdd i leihau'r achosion hyn o dorri amodau. Fodd bynnag, er nad oedd yr achosion o dorri amodau'n cyfateb i swm sylweddol o arian, roedd yn rhaid eu cofnodi o hyd.

O ran Eitem 90 a 96 yn yr adroddiad, mewn perthynas â thalu ad-daliadau, hysbyswyd y Bwrdd fod y toriad yn ymwneud â gofyniad i dalu ad-daliadau awtomatig ar ôl pum mlynedd i aelodau'r cynllun a wnaeth adael ar ôl Ebrill 2014. Roeddid wedi cysylltu ag aelodau'r cynllun yr oedd hyn wedi effeithio arnynt i ofyn am eu manylion banc ond nid oedd ateb wedi dod i law. Roedd Grŵp Technegol Cynllun Pensiwn Llywodraeth Leol yn cydnabod y mater hwn ar raddfa genedlaethol, yn enwedig mewn perthynas ag ad-dalu symiau bach o arian, ac wedi argymhell bod Bwrdd Ymgynghorol y Cynllun yn gofyn i Weinidogion newid y Rheoliad.

CYTUNWYD nodi'r adroddiad mewn perthynas â Chronfa Bensiwn Dyfed.

6.5. COFRESTR RISG 2020-21 ADOLYGIAD

Cyfeiriwyd at y ffaith nad oedd y Gofrestr Risg wedi'i chynnwys yn y papurau ar gyfer y cyfarfod, a dylid cywiro hynny ar gyfer cyfarfodydd yn y dyfodol er mwyn galluogi'r Bwrdd i ystyried risgiau posibl i'r gronfa. Mynegwyd barn hefyd y dylai'r adroddiad, os oedd yn bosibl, gael ei rhannu'n risgiau gweithredol a strategol.

Dywedwyd wrth y Bwrdd, gan nad oedd y gofrestr risg wedi newid ers yr adroddiad diwethaf i Bwyllgor Cronfa Bensiwn Dyfed ym mis Mawrth 2020, fod dolen i'r adroddiad hwnnw wedi'i darparu gyda'r agenda. Rhoddodd Cyfarwyddwr y Gwasanaethau Corfforaethol sicrwydd i aelodau'r Bwrdd y byddai'r gofrestr yn cael ei chynnwys ar gyfer cyfarfodydd y dyfodol. Byddai hefyd yn edrych ar ymarferoldeb rhannu adroddiadau yn y dyfodol yn risgiau gweithredol a strategol.

CYTUNWYD

6.5.1 I nodi'r esboniad

6.5.2 I ystyried y Gofrestr Risg ym mhob un o gyfarfodydd y Bwrdd Pensiwn

6.6. DIWEDDARIAD Y GWEITHREDWR

Cafodd y Bwrdd y wybodaeth ddiweddaraf am gynnydd Partneriaeth Pensiwn Cymru mewn perthynas â'r meysydd allweddol canlynol:

- Daliadau Cyfredol y Gronfa;
- Cynnydd Lansio'r Gronfa;
- Diweddariad ac Ymgysylltiad Corfforaethol.

Cyfeiriwyd at dudalen 59 yr adroddiad ac a fyddai'n bosibl i aelodau Bwrdd Cronfa Bensiwn Dyfed a Phwyllgor Cronfa Bensiwn Dyfed dderbyn hyfforddiant ar ddatblygu Strategaeth Marchnad Breifat Partneriaeth Pensiwn Cymru. Cadarnhaodd Cyfarwyddwr y Gwasanaethau Corfforaethol y gellid darparu hyfforddiant priodol.

Dywedodd Cyfarwyddwr y Gwasanaethau Corfforaethol, mewn ymateb i gwestiwn ar gyfethol cynrychiolydd undeb llafur i Gyd-bwyllgor Llywodraethu Partneriaeth Pensiwn Cymru, fod y Cyd-bwyllgor yn edrych ar fater aelodau cyfetholedig a'r gobaith oedd y gellid cyflwyno adroddiad, a fyddai'n manylu ar y broses a'u penodiad, i gyfarfod nesaf y Pwyllgor hwnnw.

CYTUNWYD y dylid derbyn yr adroddiad diweddarau.

6.7. COFNODION DRAFFT CYFARFOD Y PWYLLGOR CRONFA BENSIWN DYFED A GYNHALIWDYD AR 16 HYDREF 2020

Cafodd y Bwrdd gofnodion cyfarfod Pwyllgor Cronfa Bensiwn Dyfed a gynhaliwyd ar 16 Hydref, 2020.

CYTUNWYD bod y COFNODION yn cael eu nodi.

7. GORCHYMYN I'R CYHOEDD ADAEL Y CYFARFOD

PENDERFYNWYD YN UNFRYDOL, yn unol â Deddf Llywodraeth Leol 1972, fel y'i newidiwyd gan Orchymyn Llywodraeth Leol (Mynediad at Wybodaeth) (Amrywio) (Cymru) 2007, orchymyn i'r cyhoedd adael y cyfarfod tra oedd yr eitemau canlynol yn cael eu hystyried, gan fod yr adroddiadau'n cynnwys gwybodaeth eithriedig fel y'i diffiniwyd ym mharagraff 14 o Ran 4 o Atodlen 12A i'r Ddeddf.

8. ADRODDIAD MYNEGEION CARBON ISEL (O GYFARFOD PWYLLGOR 24 MEHEFIN 2020)

Yn sgil gweithredu'r prawf budd y cyhoedd PENDERFYNWYD YN UNFRYDOL, yn unol â'r Ddeddf y cyfeiriwyd ati yng nghofnod rhif 7 uchod, fod y mater hwn yn cael ei ystyried yn breifat, gan beidio â gadael i'r cyhoedd fod yn bresennol yn y cyfarfod, gan y byddai datgelu gwybodaeth yn debygol o achosi niwed ariannol i'r Gronfa Bensiwn ac o niweidio trafodaethau parhaus a thrafodaethau'r dyfodol.

Cafodd y Bwrdd adroddiad yn manylu ar gynigion y Gronfa ar gyfer buddsoddiadau mynegeion carbon isel

CYTUNWYD derbyn yr adroddiad Mynegeion Carbon Isel.

9. ADRODDIAD PERFFORMIAD A RISG YMGYNGHORYDD BUDDSODDI ANNIBYNNOL 30 MEHEFIN 2020

Yn sgil gweithredu'r prawf budd y cyhoedd PENDERFYNWYD YN UNFRYDOL, yn unol â'r Ddeddf y cyfeiriwyd ati yng nghofnod rhif 7 uchod, fod y mater hwn yn cael ei ystyried yn breifat, gan beidio â gadael i'r cyhoedd fod yn bresennol yn y cyfarfod, gan y byddai datgelu gwybodaeth yn debygol o achosi niwed ariannol i'r Gronfa Bensiwn.

Ystyriodd y Bwrdd Adroddiad Perfformiad a Risg yr Ymgynghorydd Buddsoddi Annibynnol, a roddai wybodaeth mewn perthynas â pherfformiad y rheolwr buddsoddiadau ar gyfer pob chwarter, pob 12 mis a chyfnodau treigl o 3 blynedd, gan ddod i ben ar 30 Mehefin 2020, ynghyd â chefnidir y farchnad fyd-eang a materion i'w hystyried.

PENDERFYNWYD nodi Adroddiad yr Ymgynghorydd Buddsoddi Annibynnol fel yr oedd ar 30 Mehefin.

10. BENTHYCA GWARANNAU

Yn sgil gweithredu'r prawf budd y cyhoedd PENDERFYNWYD YN UNFRYDOL, yn unol â'r Ddeddf y cyfeiriwyd ati yng nghofnod rhif 7 uchod, fod y mater hwn yn cael ei ystyried yn breifat, gan beidio â gadael i'r cyhoedd fod yn bresennol yn y cyfarfod, gan y byddai datgelu gwybodaeth yn debygol o achosi niwed ariannol i'r Gronfa Bensiwn ac o niweidio trafodaethau parhaus a thrafodaethau'r dyfodol.

Cafodd y Bwrdd adroddiad ar adolygiad a gynhaliwyd ar gyfer Partneriaeth Pensiwn Cymru ar fenthyca gwarannau ar gyfer y cyfnod 1 Ebrill 2020 - 30 Mehefin 2020, ynghyd ag incwm a gynhyrchwyd ar gyfer Cronfa Bensiwn Dyfed.

PENDERFYNWYD nodi'r adroddiad Benthycu Gwarannau.

11. ADRODDIAD PERFFORMIAD NORTHERN TRUST 30 MEHEFIN 2020

Yn sgil gweithredu'r prawf budd y cyhoedd PENDERFYNWYD YN UNFRYDOL, yn unol â'r Ddeddf y cyfeiriwyd ati yng nghofnod rhif 7 uchod, fod y mater hwn yn cael ei ystyried yn breifat, gan beidio â gadael i'r cyhoedd fod yn bresennol yn y cyfarfod, gan y byddai datgelu gwybodaeth yn debygol o achosi niwed ariannol i'r Gronfa Bensiwn ac o niweidio trafodaethau parhaus a thrafodaethau'r dyfodol.

Ystyriodd y Bwrdd adroddiad perfformiad Northern Trust ar gyfer Cronfa Bensiwn Dyfed fel yr oedd ar 30 Mehefin 2020 a oedd yn nodi dadansoddiad o berfformiad o ran lefel y gronfa gyfan a chan y rheolwr buddsoddi am y cyfnodau cyn i'r gronfa gychwyn.

PENDERFYNWYD derbyn adroddiad perfformiad Northern Trust ar gyfer Cronfa Bensiwn Dyfed fel yr oedd ar 30 Mehefin 2020.

CADEIRYDD

DYDDIAD

PWYLLGOR CRONFA BENSIWN DYFED
25/03/2021

Cynllun Archwilio 2021

I ddarparu'r cynllun archwilio 2021 i'r Bwyllgor Cronfa Bensiwn Dyfed

YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:

Y Pwyllgor i gymeradwyo'r cynllun archwilio 2021.

Y RHESYMAU:

I ddarparu'r cynllun archwilio 2021 i'r Bwyllgor Cronfa Bensiwn Dyfed.

Angen ymgynghori â'r Pwyllgor Craffu perthnasol AMHERTHNASOL

Angen i'r Bwrdd Gweithredol wneud penderfyniad AMHERTHNASOL

Angen i'r Cyngor wneud penderfyniad AMHERTHNASOL

Yr Aelod o'r Bwrdd Gweithredol sy'n Gyfrifol am y Portffolio - AMHERTHNASOL

Y Gyfarwyddiaeth:
Gwasanaethau Corfforaethol

Enw'r Cyfarwyddwr:
Chris Moore

Awdur yr Adroddiad:
Chris Moore

Swydd:

Cyfarwyddwr
Gwasanaethau
Corfforaethol, Cyngor
Sir Gâr

Rhifau ffôn: 01267 224120

Cyfeiriad e-bost:

CMoore@sirgar.gov.uk

**EXECUTIVE SUMMARY
DYFED PENSION FUND COMMITTEE
DATE 25/03/2021**

2021 AUDIT PLAN

Audit Wales (AW) to present the 2021 Audit Plan to the Dyfed Pension Fund Committee. The purpose of this plan is to set out the proposed scope of the plan, when it will be undertaken, how much it will cost and who will undertake it.

AW's responsibility is to issue a report on the accounting statements which includes an opinion on their 'truth and fairness'. This provides assurance that the accounts:

- are free from material misstatement, whether caused by fraud or error
- comply with statutory and other applicable requirements and
- comply with all relevant requirements for accounting presentation and disclosure.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore

Director of Corporate Services

1. Scrutiny Committee

NA

2. Local Member(s)

NA

3. Community / Town Council

NA

4. Relevant Partners

NA

5. Staff Side Representatives and other Organisations

NA

EXECUTIVE BOARD PORTFOLIO
HOLDER(S) AWARE/CONSULTED : NA

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

Title of Document	File Ref No.	Locations that the papers are available for public inspection

2021 Audit Plan – Dyfed Pension Fund

Audit year: 2020-21

Date issued: March 2021

Document reference: 2346A2021-22

This document has been prepared as part of work performed in accordance with statutory functions.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities each with their own legal functions as described above. Audit Wales is not a legal entity and itself does not have any functions.

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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Fee, audit team and timetable	7

2021 Audit Plan

Summary

- 1 This document sets out the work I plan to undertake during 2021 to discharge my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice to examine and certify whether Dyfed Pension Fund's (the Pension Fund) accounting statements are 'true and fair'.
- 2 The purpose of this plan is to set out my proposed work, when it will be undertaken, how much it will cost and who will undertake it.
- 3 There have been no limitations imposed on me in planning the scope of this audit.

Impact of COVID-19

- 4 The COVID-19 pandemic continues to have a significant impact across the United Kingdom and on the work of public sector organisations. As in 2020, it is likely to significantly impact on the preparation of the 2020-21 accounts and my financial audit and performance audit work.
- 5 Recent developments in relation to a vaccine programme indicate that the Welsh Government's restrictions on movement and anticipated sickness absence levels are expected to ease through 2021. However, I recognise that there remains significant uncertainty and I understand that many pension funds may not be able to prepare accounts in line with the previously agreed timetable. As well as the delivery of my statutory responsibilities as the Auditor General, my priority is to ensure the health, safety and wellbeing of Audit Wales staff, their families and those of our partners elsewhere in the public service at this incredibly challenging time.
- 6 Audit Wales staff will continue to work pragmatically to deliver the audit work set out in this plan. In response to the government advice and subsequent restrictions, we will continue to work remotely, building on the arrangements made in 2020, until such time that it is safe to resume on-site activities. I remain committed to ensuring that the work of Audit Wales staff will not impede the vital activities that public bodies need to do to respond to ongoing challenges presented by the COVID-19 pandemic.
- 7 Consequently, while this audit plan sets out an initial timetable for the completion of my audit work, the ongoing uncertainties around the impact of COVID-19 on the sector mean that some timings may need to be revisited. My audit team will discuss any amendments required to the proposed timetable with you as the 2021 position becomes clearer.

Audit of pension fund accounts

- 8 The audit work I undertake to fulfil my responsibilities responds to my assessment of risks. This understanding allows us to develop an audit approach which focuses on addressing specific risks whilst providing assurance for the Pension Fund accounts as a whole.
- 9 I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material will be reported to the Pension Committee prior to completion of the audit.
- 10 Any misstatements below a trivial level (set at 5% of materiality) I judge as not requiring consideration by those charged with governance and therefore will not report them.
- 11 I will also report by exception on a number of matters which are set out in more detail in our [Statement of Responsibilities](#), along with further information about my work.

Financial audit risks

- 12 The following table sets out the significant risks I have identified for the audit of the Pension Fund accounts.

Exhibit 1: financial audit risks

This table summarises the key financial audit risks identified at the planning stage of the audit.

Audit risk	Proposed audit response
Significant risks	
<p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.31-33].</p>	<p>My audit team will:</p> <ul style="list-style-type: none">• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;• review accounting estimates for biases; and• evaluate the rationale for any significant transactions outside the normal course of business;

Audit risk	Proposed audit response
<p>Impact of COVID-19</p> <p>The COVID-19 national emergency continues and the pressures on staff resource and of remote working may impact on the preparation, audit and publication of accounts. There is a risk that the quality of the accounts and supporting working papers, eg around estimates and valuations, may be compromised leading to an increased incidence of errors. Quality monitoring arrangements may be compromised due to timing issues and/or resource availability.</p>	<p>We will discuss your closedown process and quality monitoring arrangements with the accounts preparation team and make arrangements to monitor the accounts preparation process. We will help to identify areas where there may be gaps in arrangements.</p>
<p>Other areas of audit attention</p>	
<p>McCloud judgement</p> <p>In 2015 the Government introduced reforms to public sector pensions, meaning most public sector workers were moved into new pension schemes in 2015.</p> <p>In December 2018, the Court of Appeal ruled that the ‘transitional protection’ arrangements amounted to unlawful discrimination.</p> <p>Consultations on proposed remedies for the Local Government, Police and Fire pensions schemes closed in October 2020. The Government recently announced that for unfunded schemes the underpin will be the deferred choice model for the remedy. No announcement has yet been made on the Local Government Pension Scheme. Final details are expected to be published during 2021.</p> <p>The impact of the judgement is likely to have a significant impact on the IAS 19 disclosed liabilities.</p>	<p>My audit team will:</p> <ul style="list-style-type: none"> • review how the Pension Fund has assessed the impact of the McCloud judgement on the financial statements; and • ensure that, where appropriate, this is adequately disclosed in the financial statements.

Audit risk	Proposed audit response
<p>Wales Pension Partnership</p> <p>The eight pension funds in Wales have created an 'all-Wales' pooled investment vehicle which will be overseen and reported on by a joint governance committee the Wales Pension Partnership.</p> <p>Dyfed Pension Fund has transferred £261 million into the Global Credit sub-fund during the year.</p> <p>There is a risk that these investment fund balances will not be adequately disclosed in the 2020-21 financial statements.</p>	<p>My team will work with the auditors of the joint governance committee to obtain the assurances needed on the valuation of the funds transferred into the Wales Pension Partnership arrangements.</p>

Statutory audit functions

- 13 In addition to the audit of the accounts, I have statutory responsibilities to receive questions and objections to the accounts from local electors. These responsibilities are set out in the Public Audit (Wales) Act 2004:
- Section 30 Inspection of documents and questions at audit; and
 - Section 31 Right to make objections at audit.
- 14 As this work is reactive, I have not included an estimated fee in **Exhibit 2** below. If I do receive questions or objections, I will discuss potential audit fees at the time.

Fee, audit team and timetable

- 15 My fees and planned timescales for completion of the audit are based on the following assumptions:
- the financial statements are provided in accordance with the agreed timescales to the quality expected and have been subject to a robust quality assurance review;
 - information provided to support the financial statements is in accordance with the agreed audit deliverables document;
 - appropriate accommodation and facilities are provided to enable my audit team to deliver the audit in an efficient manner;
 - all appropriate officials will be available during the audit;

- you have all the necessary controls and checks in place to enable the Responsible Financial Officer to provide all the assurances that I require in the Letter of Representation addressed to me; and
- Internal Audit’s planned programme of work is complete, and management has responded to issues that may have affected the financial statements.

Fee

16 Your estimated fee for 2021 is set out in **Exhibit 2**. This fee is at the same level as compared to your actual 2020 fee.

Exhibit 2: audit fee

This table sets out the proposed audit fee for 2021, by area of audit work, alongside the actual audit fee for last year.

Audit area	Proposed fee (£) ¹	Actual fee last year (£)
Audit of pension fund accounts ²	28,294	28,294

17 Planning will be ongoing, and changes to my programme of audit work, and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Director of Corporate Services.

18 Further information on my [fee scales and fee setting](#) can be found on our website.

Audit team

19 The main members of my team, together with their contact details, are summarised in **Exhibit 3**. Ann-Marie Harkin will be relinquishing her role as Engagement Lead on this audit from 1 April 2021 in order to take up her new role as Executive Director for Audit Services. Once a replacement has been appointed, we will bring this to your attention.

¹ Notes: The fees shown in this document are exclusive of VAT, which is not charged to you.

² Payable November 2020 to October 2021.

Exhibit 3: my audit team

This table lists the members of the local audit team and their contact details.

Name	Role	Contact number	E-mail address
Ann-Marie Harkin	Engagement Lead	02920 320562	ann-marie.harkin@audit.wales
Jason Garcia	Audit Manager (Financial Audit)	07792 015416	jason.garcia@audit.wales
Kate Havard	Audit Lead (Financial Audit)	02920 829315	kate.havard@audit.wales

Timetable

- 20 The key milestones for the work set out in this plan are shown in **Exhibit 4**. As highlighted earlier, there may be a need to revise the timetable in light of developments with COVID-19.
- 21 The Public Audit (Wales) Act 2004 provides electors with the right to ask questions and to make objections to the Pension Fund's accounts to the Auditor General. The rights to ask questions and make objections at audit are linked to electors' rights to inspect the accounts that are also set out in the 2004 Act. The current COVID restrictions may impose restrictions on the Pension Fund's ability to facilitate the inspection of accounts. Therefore, we have not yet set a date for the exercise of electors' rights and will continue to monitor the situation before confirming a date with you. We anticipate that we will be in a position to agree a date with you in late May 2021

Exhibit 4: Audit timetable

Planned output	Work undertaken	Report finalised
2021 Audit Plan	January to March 2021	March 2021
Audit of pension fund accounts: <ul style="list-style-type: none">• Audit of Financial Statements Report• Opinion on Financial Statements	March to September 2021 October 2021	October 2021 October 2021
2022 Audit Plan	January to March 2022	March 2022

22 I can confirm that my team members are all independent of the Pension Fund and your officers. In addition, I am not aware of any potential conflicts of interest that I need to bring to your attention.



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Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

PWYLLGOR CRONFA BENSIWN DYFED
25/03/2021

Monitro Cyllideb 1 Ebrill 2020 – 31 Rhagfyr 2020

Rhoi'r wybodaeth ddiweddaraf i Bwyllgor Cronfa Bensiwn Dyfed am y sefyllfa gyllidebol fel yr oedd ar 31 Rhagfyr 2020.

YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:

Y Pwyllgor i derbyn yr adroddiad Monitro Cyllideb diweddaraf Cronfa Bensiwn Dyfed ac ystyried y sefyllfa gyllidebol.

Y RHESYMAU:

Rhoi'r wybodaeth ddiweddaraf i Bwyllgor Cronfa Bensiwn Dyfed am y sefyllfa gyllidebol fel yr oedd ar 31 Rhagfyr 2020.

Angen ymgynghori â'r Pwyllgor Craffu perthnasol AMHERTHNASOL

Angen i'r Bwrdd Gweithredol wneud penderfyniad AMHERTHNASOL

Angen i'r Cyngor wneud penderfyniad AMHERTHNASOL

Yr Aelod o'r Bwrdd Gweithredol sy'n Gyfrifol am y Portffolio - AMHERTHNASOL

Y Gyfarwyddiaeth:
Gwasanaethau Corfforaethol

Enw'r Cyfarwyddwr:
Chris Moore

Awdur yr Adroddiad:
Chris Moore

Swydd:

Cyfarwyddwr
Gwasanaethau
Corfforaethol, Cyngor
Sir Gâr

Rhifau ffôn: 01267 224120

Cyfeiriad e-bost:

CMoore@sirgar.gov.uk

**EXECUTIVE SUMMARY
DYFED PENSION FUND COMMITTEE
DATE 25/03/2021**

BUDGET MONITORING 1 APRIL 2020 - 31 DECEMBER 2020

The position as at 31 December 2020 was an under spend compared to budget of £4.1m on cash items.

Expenditure

The net effect of Benefits Payable and Transfers Out is an under spend of £1.2m. This is mainly due to an increase of 3% built in at budget setting for pensioners, actual increase for the year to date is 1.5%. Management expenses are underspent by £416k.

Income

The net effect of Contributions, Investment Income and Transfers In is an increase of £2.5m. This is mainly due to Transfers In to the scheme and Investment Income exceeding the amount budgeted by £1.2m and £1.1m respectively.

Total expenditure is estimated at £99.5m and total income estimated at £103.6m resulting in a positive cash flow position of £4.1m.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	YES	NONE	NONE	NONE	NONE

Finance

Overall, the Fund needs to maintain a positive cash flow balance to meet its obligations. The cash flow projection was positive by £4.1m as at 31 December 2020.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore

Director of Corporate Services

1. Scrutiny Committee

NA

2. Local Member(s)

NA

3. Community / Town Council

NA

4. Relevant Partners

NA

5. Staff Side Representatives and other Organisations

NA

EXECUTIVE BOARD PORTFOLIO
HOLDER(S) AWARE/CONSULTED : NA

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

Title of Document	File Ref No.	Locations that the papers are available for public inspection

Dyfed Pension Fund									
Budget Monitoring									
1st April 2020 - 31st December 2020									
	Budget Type	Actual 2019-2020	Budget 2020-2021	Total income/ expenditure to date	Forecast Commitments	Forecast outturn	End of year variance		Assumptions/Comments
	Controllable / Non Controllable	£ '000 (a)	£ '000 (b)	£ '000 (c)	£ '000 (d)	£ '000 (e)	£ '000 (f)	%	
Expenditure									
Benefits Payable	Both	89,766	89,869	64,045	24,357	88,402	-1,467	-1.6	3% included at budget setting for new pensioners, actual increase year to date is 1.5%
Pensions Payable	Controllable	72,858	76,369	56,063	18,839	74,902	-1,467		
Commutation and lump sum retirement benefits	Non Controllable	14,708	12,000	6,641	5,359	12,000	0		
Lump sum death benefits	Non Controllable	2,200	1,500	1,341	159	1,500	0		
Payments to and account of leavers	Non Controllable	3,597	2,620	1,411	1,523	2,934	314	12.0	
Management Expenses		7,775	8,549	6,250	1,884	8,133	-416	-4.9	
Computer Software	Controllable	338	361	82	284	365	4		Extra Software - Mortality Screening
Printing charges	Controllable	13	20	11	9	20	0		
Subscriptions, Legal fees, Conf Exps, Med Exps	Controllable	63	70	35	24	59	-11		Reduced Travel & Subsistence costs
Fund Managers									
BlackRock	Controllable	1,703	1,443	1,143	173	1,316	-127		Projected underspend due to performance fee reduction.
Schroders	Controllable	763	882	553	140	693	-189		Estimate based on December quarter. Reduction in fees commencing 1 January 2021.
Wales Pension Partnership	Controllable	2,600	3,510	2,344	1,006	3,350	-160		Corporate Bonds pooled in August 2020 instead of July 2020.
Partners Group	Controllable	856	806	653	250	903	97		Outturn based on December 2020 fees.
Custodian									
Northern Trust	Controllable	30	31	24	7	31	0		
Actuary									
Mercer	Controllable	221	100	77	23	100	0		
Performance Manager									
Northern Trust / PIRC / CEM	Controllable	10	26	0	26	26	0		
Independent Advisor									
Other									
Euraplan, LSE, Pension Board	Controllable	21	23	25	19	44	21		SAA Review & Transition Analysis
Central recharges	Non Controllable	1,108	1,219	1,268	-100	1,168	-51		Vacant posts within pensions administration
Audit fees	Controllable	28	28	21	7	28	0		
Controllable Expenditure		79,525	83,699	61,045	20,823	81,868	-1,831		
Non Controllable Expenditure		21,613	17,339	10,661	6,941	17,602	263		
Total Expenditure		101,138	101,038	71,706	27,764	99,470	-1,568		
Income									
Contributions									
Employer	Controllable	-60,238	-64,596	-50,502	-13,944	-64,446	150	-0.2	Advance payments made resulting in discounted contributions; Ceredigion CC, Pembrokeshire CC and Dyfed Powys Police in 2020-21
Member	Controllable	-20,194	-21,148	-16,020	-5,395	-21,415	-267	1.3	Increased member purchase of annuity (pension) from their AVC when matured than originally budgeted.
Investment Income	Controllable	-16,822	-13,794	-8,283	-6,660	-14,943	-1,149	8.3	Includes BlackRock SAIF, Schroders dividend income, WPP and Partners Group which is income reinvested.
Other Income	Controllable	0	0	-3	3	0	0	0.0	
Transfers in from other pension funds	Non Controllable	-6,839	-1,500	-1,894	-900	-2,794	-1,294	86.3	
Controllable Income		-97,254	-99,538	-74,808	-25,996	-100,804	-1,266		
Non Controllable Income		-6,839	-1,500	-1,894	-900	-2,794	-1,294		
Total Income		-104,093	-101,038	-76,702	-26,896	-103,598	-2,560		
Controllable Total		-17,729	-15,839	-13,763	-5,173	-18,936	-3,097		
Non Controllable Total		14,774	15,839	8,767	6,041	14,808	-1,031		
Total		-2,955	0	-4,996	868	-4,128	-4,128		
Cash Transfer to Fund Managers	Cash	0	0	0	0	0	0		
Net Total of Cash Related Items		-2,955	0	-4,996	868	-4,128	-4,128		
Indirect Transactional Management Fees	Non Cash	3,670	2,840	0	3,402	3,402	562	19.8	CIPFA Management cost guidance issued to show indirect transactional fees indirectly paid by the funds
Investment Income	Non Cash	-3,670	-2,840	0	-3,402	-3,402	-562	19.8	Contra entry to the Indirect transactional fees
Realised gain/loss	Non Cash	-30,270	-50,000	-173,145	-1,855	-175,000	-125,000	250.0	Non Controllable. No impact to cash.
Net Total of Non-Cash Related Items		-30,270	-50,000	-173,145	-1,855	-175,000	-125,000		

Mae'r dudalen hon yn wag yn fwiadol

PWYLLGOR CRONFA BENSIWN DYFED
25/03/2021

Cyllideb Cronfa Bensiwn Dyfed 2021 – 2022

I ddarparu'r gyllideb i Bwyllgor Cronfa Bensiwn Dyfed ar gyfer 2021-2022

YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:

Y Pwyllgor i gymeradwyo'r gyllideb ar gyfer 2021-2022.

Y RHESYMAU:

I ddarparu'r gyllideb i Bwyllgor Cronfa Bensiwn Dyfed ar gyfer 2021-2022

Angen ymgynghori â'r Pwyllgor Craffu perthnasol AMHERTHNASOL

Angen i'r Bwrdd Gweithredol wneud penderfyniad AMHERTHNASOL

Angen i'r Cyngor wneud penderfyniad AMHERTHNASOL

Yr Aelod o'r Bwrdd Gweithredol sy'n Gyfrifol am y Portffolio - AMHERTHNASOL

Y Gyfarwyddiaeth:
Gwasanaethau Corfforaethol

Enw'r Cyfarwyddwr:
Chris Moore

Awdur yr Adroddiad:
Chris Moore

Swydd:

Cyfarwyddwr
Gwasanaethau
Corfforaethol, Cyngor
Sir Gâr

Rhifau ffôn: 01267 224120

Cyfeiriad e-bost:

CMoore@sirgar.gov.uk

EXECUTIVE SUMMARY
DYFED PENSION FUND COMMITTEE
25/03/2021

DYFED PENSION FUND BUDGET 2021-2022

The cash related expenditure budget for 2021-2022 is £104.3m and the cash related income budget for 2021-2022 is £104.3m. This results in a net budget of zero. This provides the Fund with flexibility to utilise investment income based on cash flow requirements.

Expenditure:

Benefits payable is estimated at £92.4m which includes 0.5% pensions increase based on September 2020 CPI and 3% net effect for new pensioner members and deferred members.

Management expenses is estimated at £8.8m. Of this total, £6.9m is budgeted for investment manager fees.

Income:

Contributions is estimated at £89m. Employer contributions £67m and Employees contributions £22m. The contribution rates used are based on the 2019 valuation. 3% was factored in for increments/pay awards.

Investment income is estimated at £12.3m to maintain a cash neutral budget so that the fund is not holding onto surplus cash that can be invested.

The non-cash related budget is £50m. This is an estimate for the realised gains and losses for individual manager portfolio rebalances and sales and purchases within the property portfolios.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	YES	NONE	NONE	NONE	NONE

Finance

The report provides an initial view of the Budget for 2021-2022. Overall, the Fund needs to maintain a neutral budget so that there is sufficient income to meet its obligations. An estimated £104.3m income budget is a significant figure to achieve this.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore

Director of Corporate Services

1. Scrutiny Committee

NA

2. Local Member(s)

NA

3. Community / Town Council

NA

4. Relevant Partners

NA

5. Staff Side Representatives and other Organisations

NA

EXECUTIVE BOARD PORTFOLIO
HOLDER(S) AWARE/CONSULTED : NA

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

Title of Document	File Ref No.	Locations that the papers are available for public inspection

Dyfed Pension Fund

Budget

1st April 2021 - 31st March 2022

	Budget Type	Forecast outturn 2020-2021	Budget 2020-2021	Budget 2021-2022	Assumptions/Comments
	Controllable / Non Controllable	£ '000 (a)	£ '000 (b)	£ '000 (e)	
Expenditure					
Benefits Payable	Both	88,402	89,869	92,363	
Pensions Payable	Controllable	74,902	76,369	78,863	Budget based on January 2021 pensions payable plus an increase of 0.5% pensions increase (based on Sept 20 CPI), 3% pensioners and deferreds
Commutation and lump sum retirement benefits	Non Controllable	12,000	12,000	12,000	Budget based on 20-21 forecast outturn
Lump sum death benefits	Non Controllable	1,500	1,500	1,500	Budget based on 20-21 forecast outturn
Payments to and account of leavers	Non Controllable	2,934	2,620	3,120	Budget based on 20-21 forecast outturn plus refunds
Management Expenses					
Computer Software	Controllable	365	361	383	Budget based on 20-21 forecast outturn plus an increase for mortality screening software
Printing charges	Controllable	20	20	20	Budget based on 20-21 forecast outturn
Subscriptions, Legal fees, Conf Exps, Med Exps	Controllable	59	70	70	Budget based on 20-21 budget
Fund Managers		1,316	1,443	1,300	
BlackRock	Controllable	1,316	1,443	1,300	Budget based on 20-21 forecast outturn with estimated 5% market value increase. Estimate also includes a reduction due to equity restructure
Schroders	Controllable	693	882	580	Budget based on 20-21 forecast outturn with estimated 5% market value increase. Fees reduced from 1 January 2021
Wales Pension Partnership	Controllable	3,350	3,510	4,030	Increase due to full year effect of corporate bonds transitioned to WPP in August 2020 and equity restructure completed in 20-21
Partners Group	Controllable	903	806	950	Budget based on 20-21 forecast outturn with estimated 5% market value increase
Custodian					
Northern Trust	Controllable	31	31	31	Budget based on 20-21 forecast outturn
Actuary					
Mercer	Controllable	100	100	100	Budget based on 20-21 forecast outturn
Performance Manager					
Northern Trust / PIRC / CEM	Controllable	26	26	26	Budget based on 20-21 forecast outturn
Independent Advisor					
MJ Hudson	Controllable	30	30	30	Budget based on contract price including expenses
Other					
Euraplan, LSE, Pension Board	Controllable	44	23	27	Budget based on 20-21 forecast outturn excluding SAA Review and Transition Analysis. Increase also included for additional Pension Board costs.
Central recharges	Non Controllable	1,168	1,219	1,254	Based on 20-21 budget. Increased by inflation.
Audit fees	Controllable	28	28	28	Budget based on 20-21 forecast outturn
Controllable Expenditure		81,868	83,699	86,438	
Non Controllable Expenditure		17,602	17,339	17,874	
Total Expenditure		99,470	101,038	104,312	
Income					
Contributions					
Employer	Controllable	-64,446	-64,596	-66,893	Budget based on December 2020 contributions plus an increase of 3% for increments/pay awards.
Member	Controllable	-21,415	-21,148	-22,121	Budget based on December 2020 contributions plus an increase of 3% for increments/pay awards.
Investment Income	Controllable	-14,943	-13,794	-12,298	Investment income will be called upon as per cash flow requirements. £12.3 million cash required to breakeven.
Other Income	Controllable	0	0	0	Budget not required for 21-22. 3rd party administration invoices now raised against Pensions Administration budget within Carmarthenshire.
Transfers in from other pension funds	Non Controllable	-2,794	-1,500	-3,000	Budget increased based on 19-20 actual outturn and 20-21 forecast outturn.
Controllable Income		-100,804	-99,538	-101,312	
Non Controllable Income		-2,794	-1,500	-3,000	
Total Income		-103,598	-101,038	-104,312	
Controllable Total		-18,936	-15,839	-14,874	
Non Controllable Total		14,808	15,839	14,874	
Total		-4,128	0	0	Net budget Zero. Income can be managed to suit cashflow requirements.
Cash Transfer to Fund Managers	Cash	0	0	0	
Net Total of Cash Related Items		-4,128	0	0	
Indirect Transactional Management Fees	Non Cash	3,402	2,840	3,500	CIPFA Management cost guidance issued to show indirect transactional fees indirectly paid by the funds
Investment Income	Non Cash	-3,402	-2,840	-3,500	Contra entry to the Indirect transactional fees
Realised gain/loss	Non Cash	-175,000	-50,000	-50,000	Non Controllable. To cover portfolio rebalances. No impact to cash.
Net Total of Non-Cash Related Items		-175,000	-50,000	-50,000	

Mae'r dudalen hon yn wag yn fwriadol

PWYLLGOR CRONFA BENSIWN DYFED
25/03/2021

Cysoni Arian Parod fel yr oedd ar 31 Ionawr 2021

Rhoi'r wybodaeth ddiweddaraf i Bwyllgor Cronfa Bensiwn Dyfed am y sefyllfa arian parod fel yr oedd ar 31 Ionawr 2021.

YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:

Pwyllgor i derbyn Adroddiad Cysoni arian parod diweddaraf Cronfa Bensiwn Dyfed ac ystyried y sefyllfa o ran arian parod.

Y RHESYMAU:

Rhoi'r wybodaeth ddiweddaraf i Bwyllgor Cronfa Bensiwn Dyfed am y sefyllfa arian parod fel yr oedd ar 31 Ionawr 2021.

Angen ymgynghori â'r Pwyllgor Craffu perthnasol AMHERTHNASOL

Angen i'r Bwrdd Gweithredol wneud penderfyniad AMHERTHNASOL

Angen i'r Cyngor wneud penderfyniad AMHERTHNASOL

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Enw'r Gyfarwyddwr:
Chris Moore

Awdur yr Adroddiad:
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Swydd:

Cyfarwyddwr
Gwasanaethau
Corfforaethol, Cyngor
Sir Gâr

Rhifau ffôn: 01267 224120

Cyfeiriad e-bost:

CMoore@sirgar.gov.uk

**EXECUTIVE SUMMARY
DYFED PENSION FUND COMMITTEE
DATE 25/03/2021**

CASH RECONCILIATION AS AT 31 JANUARY 2021

The position as at 31 January 2021 reports £14m cash held by Carmarthenshire County Council on behalf of the Fund for immediate cash flow requirements to pay pensions, lump sums and investment management costs.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	YES	NONE	NONE	NONE	NONE

Finance

A sufficient cash balance is required to be held by Carmarthenshire to ensure the Fund can meet its immediate cash flow requirements.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore

Director of Corporate Services

1. Scrutiny Committee

NA

2. Local Member(s)

NA

3. Community / Town Council

NA

4. Relevant Partners

NA

5. Staff Side Representatives and other Organisations

NA

EXECUTIVE BOARD PORTFOLIO
HOLDER(S) AWARE/CONSULTED : NA

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

Title of Document	File Ref No.	Locations that the papers are available for public inspection

Item 8

<u>Dyfed Pension Fund Cash Reconciliation</u>		<u>January 2021</u>
Balance b/f 1st April 2020		£6,853,602.71
<i>Investment trades</i>		
Sales	446,460,853.18	
Purchases	-461,509,639.84	
		<hr/>
		-£15,048,786.66
Contributions received	£73,195,145.59	
Payments made	-£77,438,277.92	
Dividend Income	£25,987,259.54	£21,744,127.21
		<hr/>
		£13,548,943.26
Total Available for Investment		<u>£13,548,943.26</u>
<i>Represented by :</i>		
Cash at Carmarthenshire		£13,981,879.84
Cash due to be received/deducted		£0.00
CCC Debtors		£107,441.66
CCC Creditors		-£540,378.24
		<hr/>
		<u>£13,548,943.26</u>
		£0.00

Mae'r dudalen hon yn wag yn fwriadol

PWYLLGOR CRONFA BENSIWN DYFED
25/03/2021

Adroddiad Gweinyddu Pensiynau

Rhoi'r wybodaeth ddiweddaraf am Weinyddu Pensiynau i Bwyllgor Cronfa Bensiwn Dyfed.

YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:

Bod y Pwyllgor yn nodi'r Adroddiad Gweinyddu Pensiynau.

Y RHESYMAU:

Rhoi'r wybodaeth ddiweddaraf am Weinyddu Pensiynau i Bwyllgor Cronfa Bensiwn Dyfed.

Angen ymgynghori â'r Pwyllgor Craffu perthnasol AMHERTHNASOL

Angen i'r Bwrdd Gweithredol wneud penderfyniad AMHERTHNASOL

Angen i'r Cyngor wneud penderfyniad AMHERTHNASOL

Yr Aelod o'r Bwrdd Gweithredol sy'n Gyfrifol am y Portffolio - AMHERTHNASOL

Y Gyfarwyddiaeth:
Gwasanaethau Corfforaethol

Enw'r Gyfarwyddwr:
Chris Moore

Awdur yr Adroddiad:
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Swydd:

Cyfarwyddwr
Gwasanaethau
Corfforaethol, Cyngor
Sir Gâr

Rhifau ffôn: 01267 224120

Cyfeiriad e-bost:

CMoore@sirgar.gov.uk

**EXECUTIVE SUMMARY
DYFED PENSION FUND COMMITTEE
DATE 25/03/2021**

PENSIONS ADMINISTRATION REPORT

The attached report has been prepared by the Pensions Manager to provide an update to the Pension Committee on the activities within the Pensions Administration service. The report includes updates on:

- Regulatory matters
- Employer cessation
- Breaches register
- i-Connect
- Data quality reports
- GMP reconciliation
- Workflows

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore

Director of Corporate Services

1. Scrutiny Committee

NA

2. Local Member(s)

NA

3. Community / Town Council

NA

4. Relevant Partners

NA

5. Staff Side Representatives and other Organisations

NA

**EXECUTIVE BOARD PORTFOLIO
HOLDER(S) AWARE/CONSULTED**

NA

**Section 100D Local Government Act, 1972 – Access to Information
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THERE ARE NONE

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PENSIONS ADMINISTRATION REPORT – 25th March 2021

This report provides a progress update on a number of projects being simultaneously undertaken, along with providing information on relevant issues in the administration of scheme benefits.

1. Regulatory update –

- a. McCloud/Sargeant update – You will recall from the previous report that the remedy would require the recalculation all pensions (including dependants pensions), death grants, and deferred benefits calculated since 1st April 2014 for those that were active on 31st March 2012. This will require all employers to provide the hours each part time scheme member, including any changes, they have worked between 1st April 2014 to 31st March 2022. When the CARE scheme was introduced on 1st April 2014, employers were not required to provide or record hours of employment for pension purposes. Our software supplier is finalising testing the ‘McCloud’ data upload facility. When this has been completed, a detailed project plan can be provided as it is currently anticipated that a significant number of cases will require manual intervention rather than automated update of hours. Regulatory clarity is also required to deal with data discrepancies and cases where the employer no longer exists or is not able to provide data. The same principle will apply to the Police and 2 Firefighter Pension Schemes administered. Recruitment of an addition Pensions Officer is underway to undertake the initial identification of prospective cases and liaise with Employers to ensure that returns are received for all scheme members.
- b. Exit Payment Cap – HMT Directions for capping public sector exit payments to £95,000 were issued on the 4th November 2020 but unfortunately the LGPS Regulations were not amended to reflect this along with GAD Guidance. On 12th February 2021 HMT disapplied these regulations and quoted the reason as “the government has concluded that the Cap may have had unintended consequences”. No payments made from the Pension Fund were restricted by the interim Cap. The Ministry for Housing, Communities and Local Government (MHCLG) has confirmed that it will consult on further reforms to exit payments later this year.
- c. GMP Equalisation – Following the latest judgement in respect of the ‘Lloyds’ 1990 European Court of Justice ruling, the Pension Fund may have to recalculate historic transfers. This covers transfers into and out of the fund with GMP’s covering the period between the ruling on 17th May 1990 to 5th April 1997 when GMP accrual ceased. Guidance is awaited from MHCLG and the Government Actuary’s Department on how GMP equalisation will be achieved in the LGPS.

2. Employer Cessation

Swim Narberth has ceased as a scheme employer and all assets and liabilities have been transferred to its guarantor in the Fund.

3. Breaches Register

Regulation 18(5) of the LGPS Regulations 2013 prescribes that there is a time limit for payment of a refund of pension contributions:

“An administering authority shall refund contributions to a person entitled under paragraph (1) when the person requests payment, or on the expiry of a period of five years beginning with the date the person’s active membership ceased if no request is made before then or, if the person attains age 75 before then, on the day before attaining age 75.”

The National Technical Group recommend to SAB, to change the regulations concerning the payment of a refund to reflect the position prior to 1 April 2014 i.e. to remove the prescription that requires an administering authority to pay a refund on the expiry of a period of five years beginning with the date the person’s active membership ceased if no request is made before then.

In making this recommendation the group acknowledged that interest would be added up to the date of payment, as opposed to on the expiry of 5 years and if a fully completed mandate is not returned by the member, no further action would take place i.e. the group agreed not to waste time or money on using Tracing services in respect of members who have been contacted repeatedly and do not reply. The SAB have made recommendations to MHCLG.

The refunds scheduled to be automatically paid in January 2021 and February 2021 have been included on the breaches register as the scheme members have not replied in order for the refund to be paid.

4. I-connect

In order to improve the timeliness of data flow from scheme employers to the administration section, a monthly update system called ‘i-connect’ has been implemented.

Further development work has continued with employers to ‘on board’ them in order that data can be transferred electronically. The table below shows the employers who are active on i-connect.

Employer	i-Connect status
ABERYSTWYTH TOWN COUNCIL	Active
BURRY PORT MARINA LTD	Active
CAREERS WALES WEST	Active
CARMARTHEN TOWN COUNCIL	Active
CARMARTHENSHIRE AVS	Active
CARMARTHENSHIRE C C	Active
COLEG SIR GAR	
CARMARTHENSHIRE FED OF YFC	Active
CEREDIGION AVO	Active
CEREDIGION C C	Active
COLEG CEREDIGION	
COOMB CHESHIRE HOME	Active
CWMAMMAN TOWN COUNCIL	Active
DYFED-POWYS POLICE	
GORSLAS COMMUNITY COUNCIL	Active
GRWP GWALIA	Active
IAITH CYFYNGEDIG	Active
KIDWELLY TOWN COUNCIL	Active
LLANBADARN FAWR COUMMUNITY	Active
LLANEDI COMMUNITY COUNCIL	Active
LLANELLI RURAL COUNCIL	Active
LLANELLI TOWN COUNCIL	Active
LLANGENNECH COMMUNITY COUNCIL	Active
LLANNON COMMUNITY COUNCIL	Active
LLESIANT DELTA WELLBEING LTD	Active
MENTER BRO DINEFWR	Active
MENTER CASTELL NEDD PT	Active
MENTER CWM GWENDRAETH	Active
MENTER GORLLEWIN SIR GAR	Active
MID & WEST WALES FIRE	
NARBERTH AND DISTRICT SPORTS ASSOC	Active
PEMBREY AND BURRY PORT TOWN COUNCIL	Active
PEMBROKE DOCK TOWN COUNCIL	Active
PEMBROKE TOWN COUNCIL	Active
PEMBROKESHIRE AVS	Active
PEMBROKESHIRE C C	Active
PEMBROKESHIRE COAST NAT PARK	Active
PEMBROKESHIRE COLLEGE	
PLANED	Active
TAI CEREDIGION	Active
TENBY TOWN COUNCIL	Active
TRINITY COLLEGE	Active
UNIVERSITY COLLEGE OF WALES	Active
WELSH BOOKS COUNCIL	Active
WEST WALES ACTION FOR MENTAL HEALTH	Active
VALUATION TRIBUNAL FOR WALES	Active
VISIT PEMBROKESHIRE	Active

5. Data Quality Reports

The scheduled data extract for December 2020 was completed and we have been provided with the Data Quality reports from our software provider. Below are the data scores for the last 4 years.

LGPS Data area	Common data	Scheme specific data
December 2020 data score	99.1%	99.2%
December 2019 data score	98.3%	98.1%
December 2018 data score	96.5%	95.8%
December 2017 data score	94.5%	85.3%

6. GMP Reconciliation

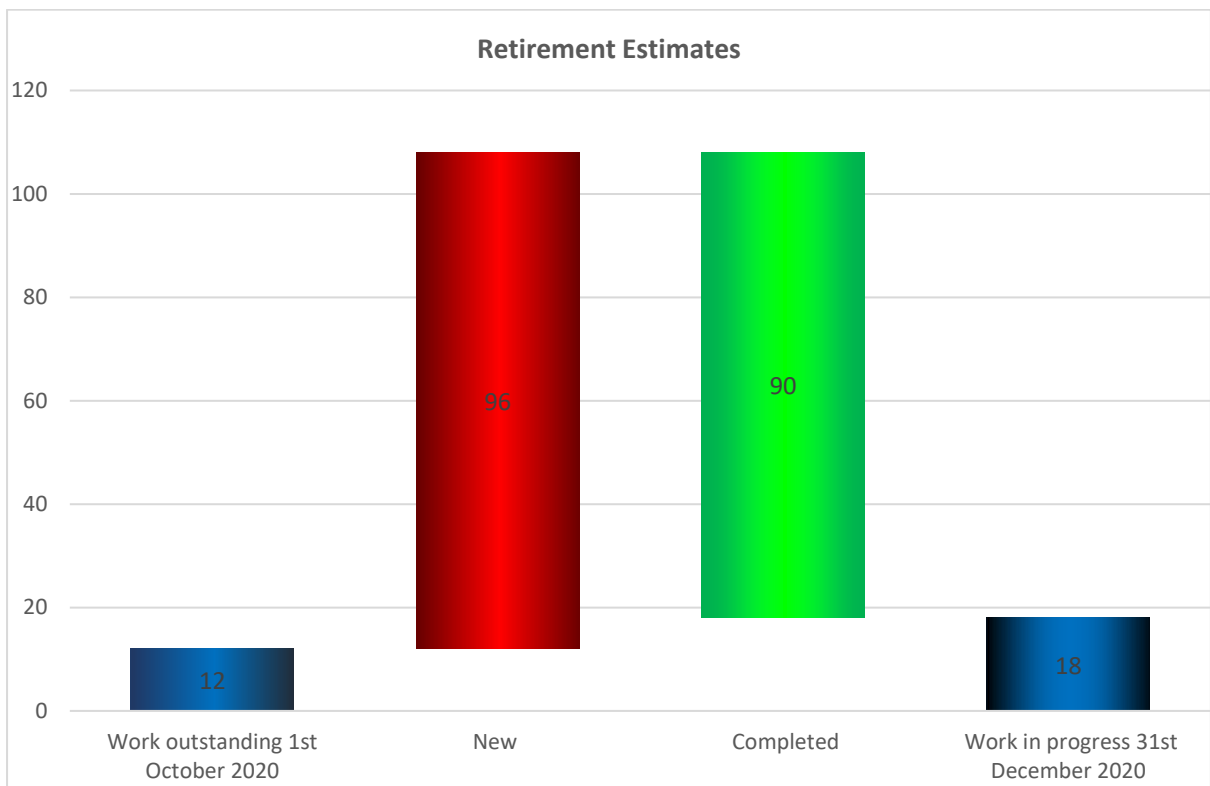
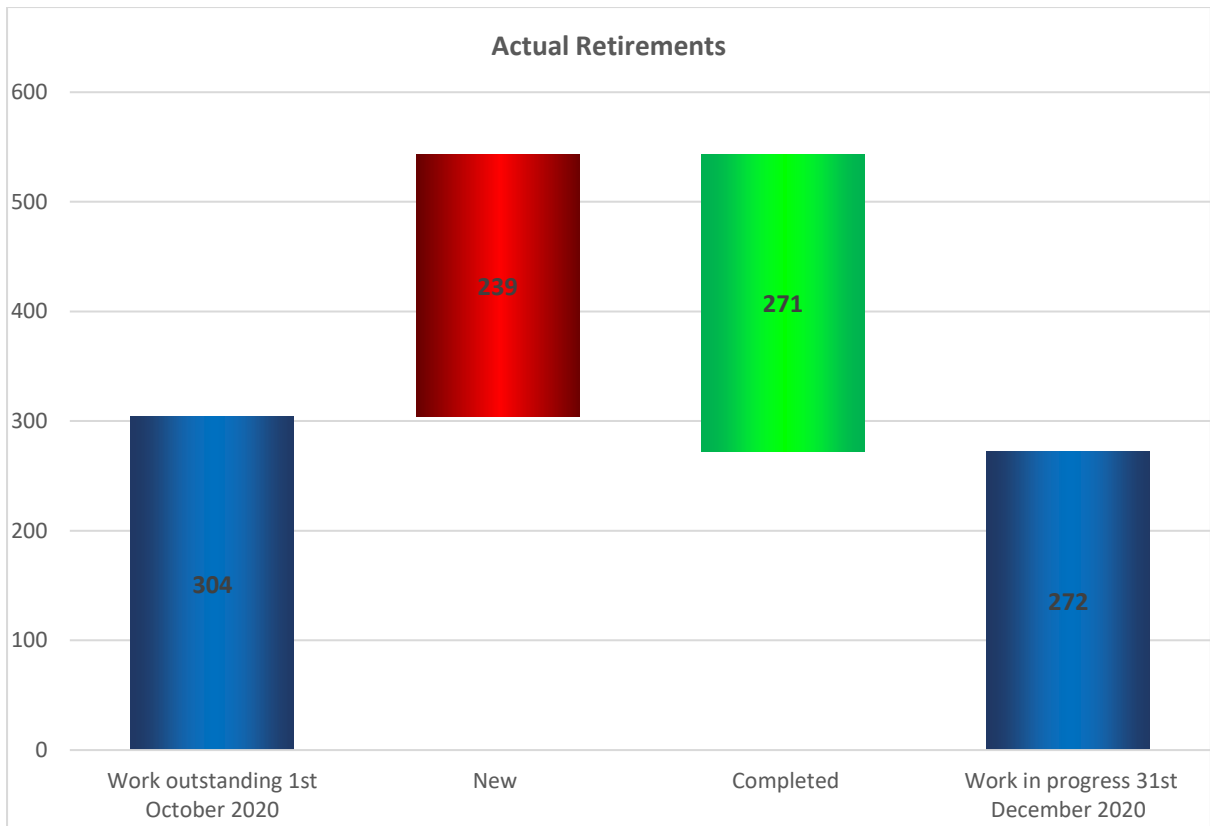
When a scheme member attains State Pension Age, they will be advised of the amount of Guaranteed Minimum Pension (GMP) which is included in their pension. The GMP relates to the part of the pension for the period between April 1978 and April 1997 for which they were 'contracted-out'. For this period, the Scheme has to guarantee that their pension will be at least the same as it would have been, had they not been 'contracted-out'. Contracting out ceased in April 2016. HMRC have now stated that they will not be sending a statement to all individuals affected specifying who is responsible for paying their Guaranteed Minimum Pension (GMP). The pensions section will continue to reconcile the GMP values it holds for members with those calculated by HMRC. It ensures that all individuals recorded by HMRC against the fund are correct. The pensions section has reconciled 99.76% of the records held. Further information has also been issued to HMRC in order that they can amend their records, unfortunately, a response remains outstanding. Reconciliation work has also been undertaken in respect of active scheme members and 99.40% have been reconciled. Unfortunately HMRC have not responded to all the outstanding queries and therefore the reconciled data remains the same as the previous report.

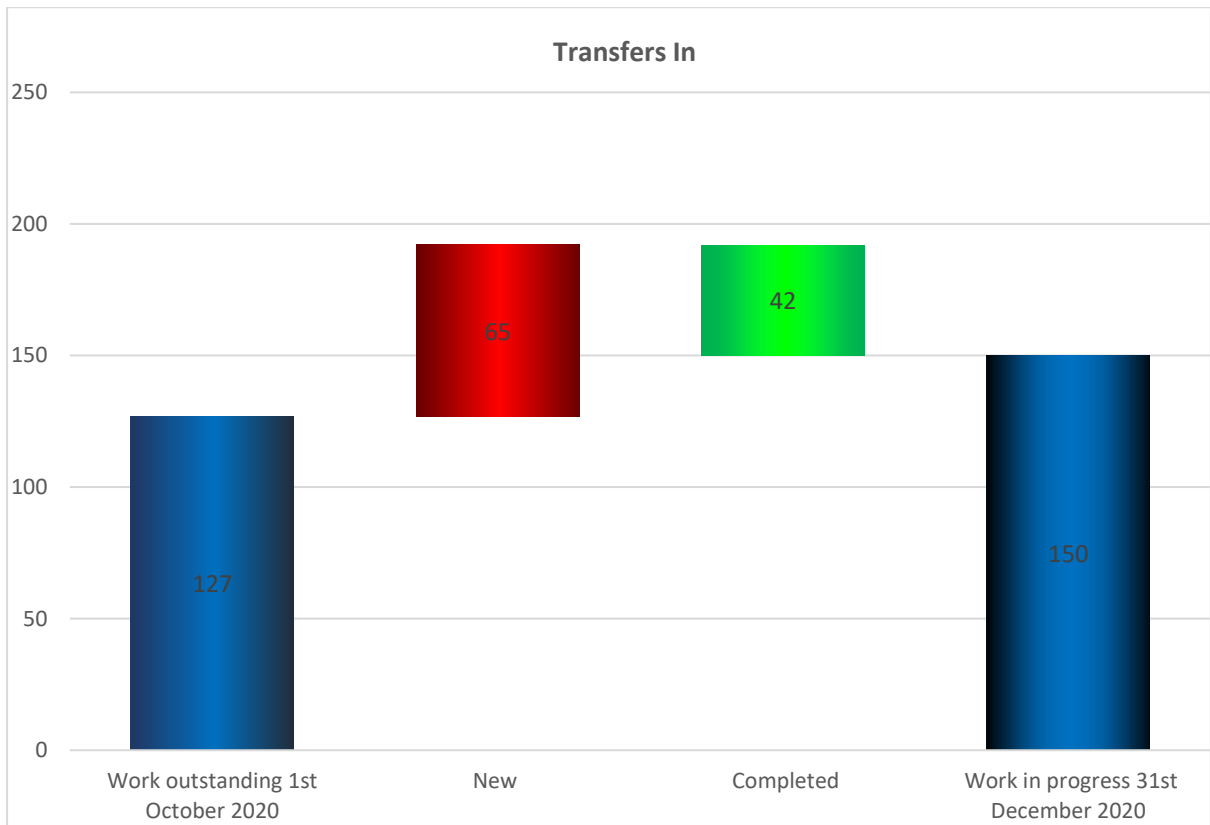
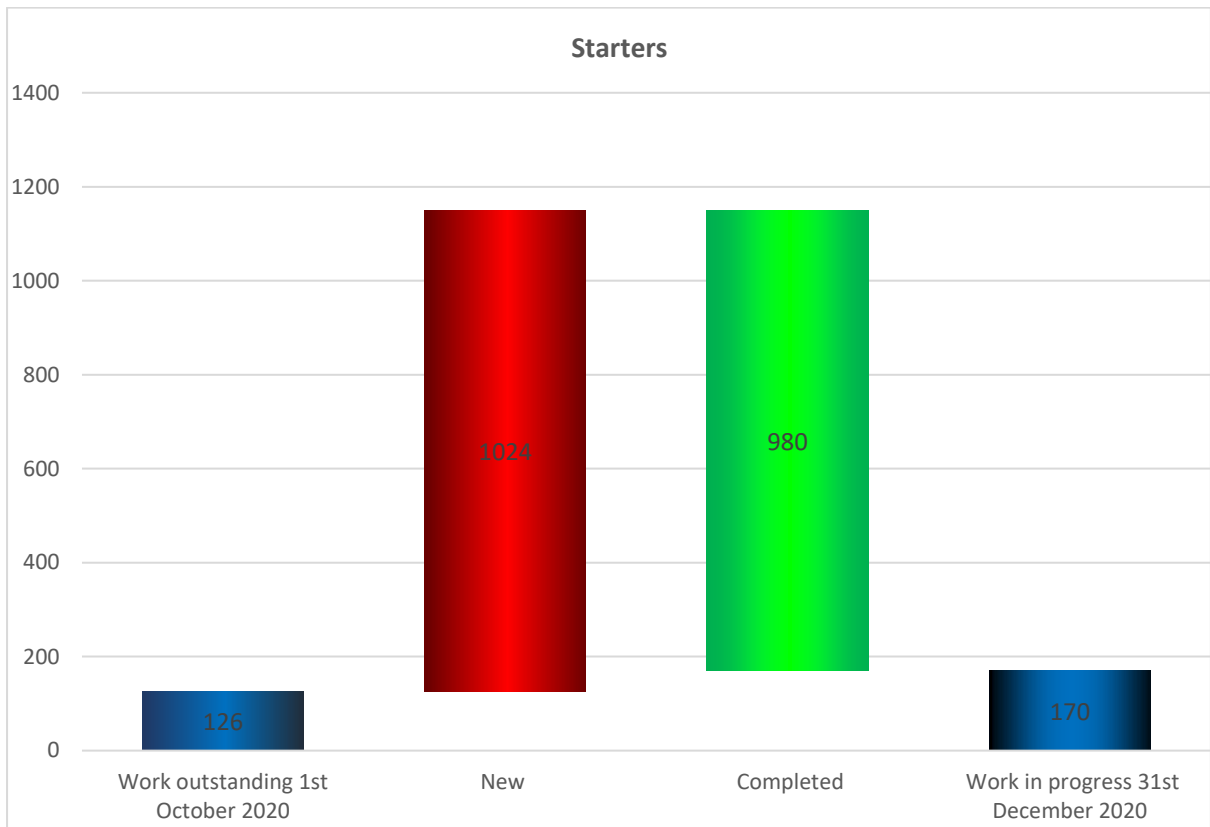
7. Workflow

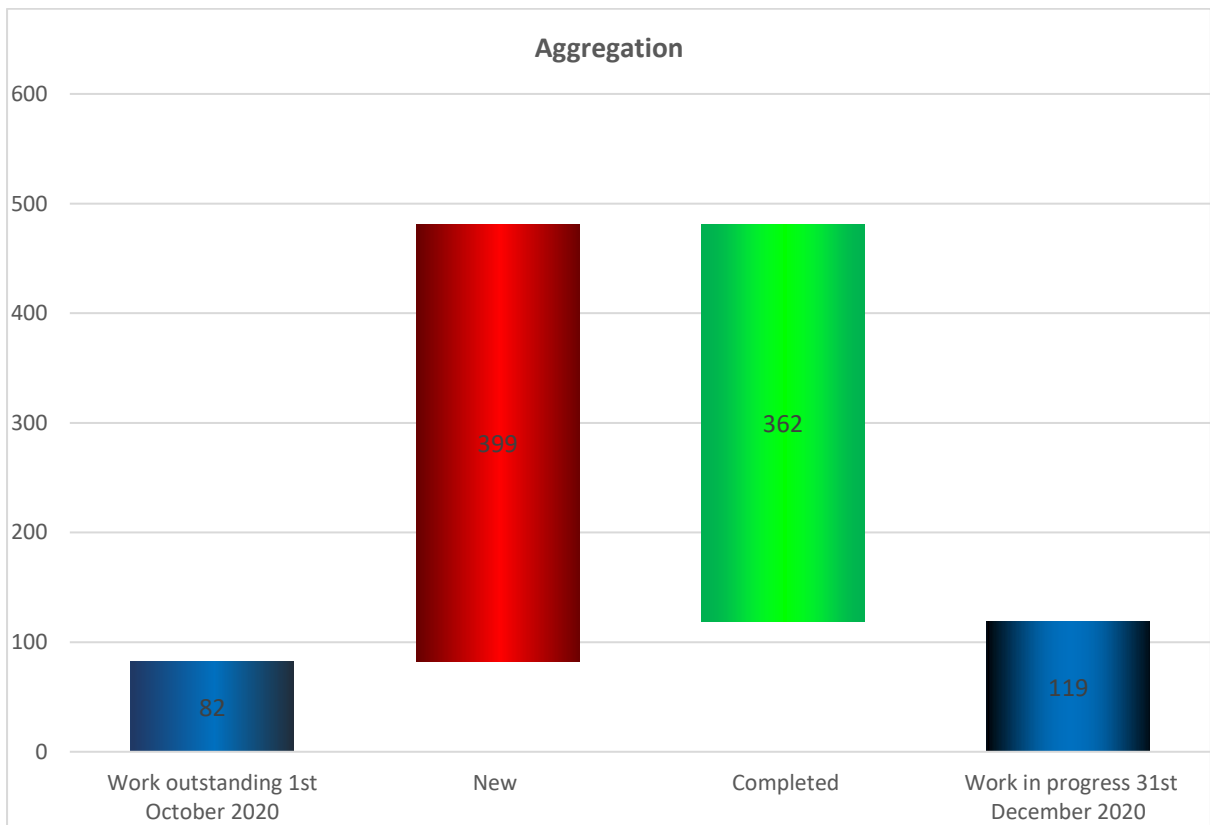
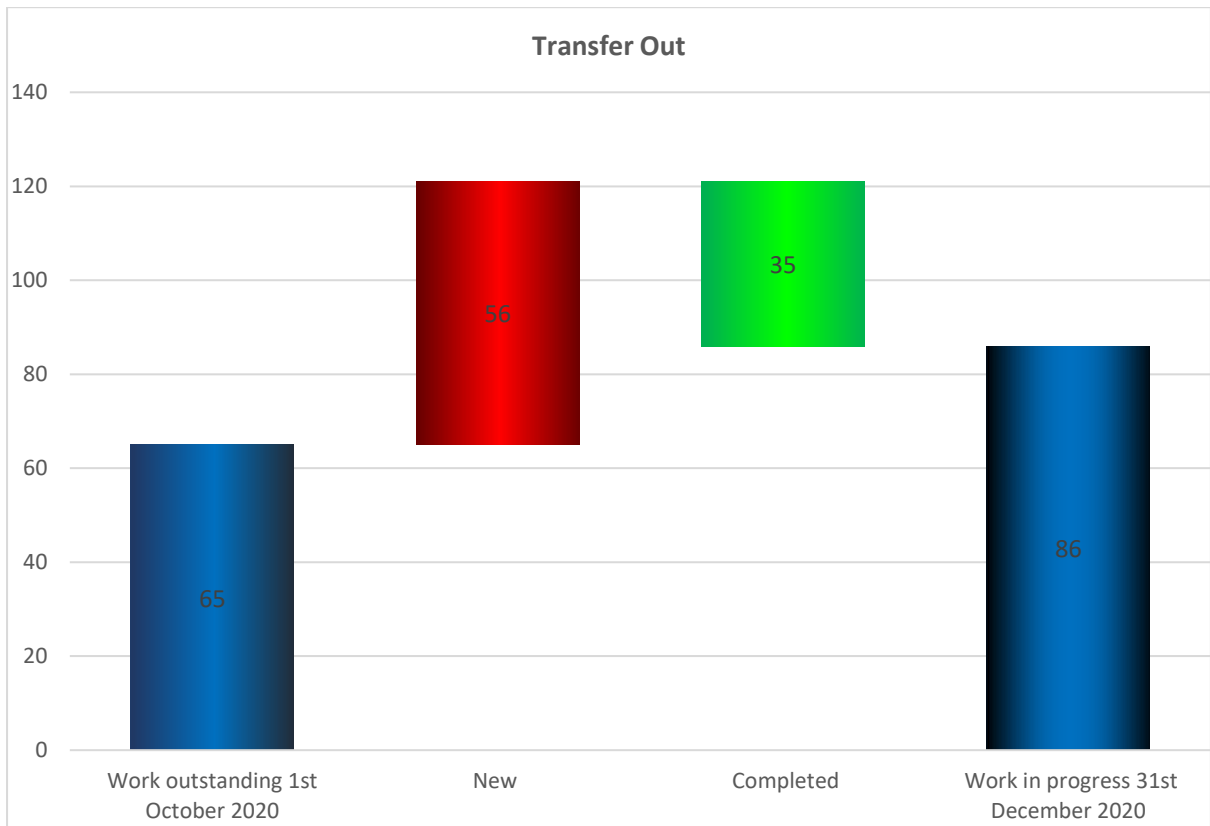
The tables overleaf detail the workflow statistics for the key tasks undertaken in the section for the period 1st October 2020 to 31st December 2020 in respect of the LGPS only. Please note that in circumstances where multiple iterations for the same calculation date have been undertaken, this is recorded as a single estimate. The workflow statistics are recorded on a quarterly basis.

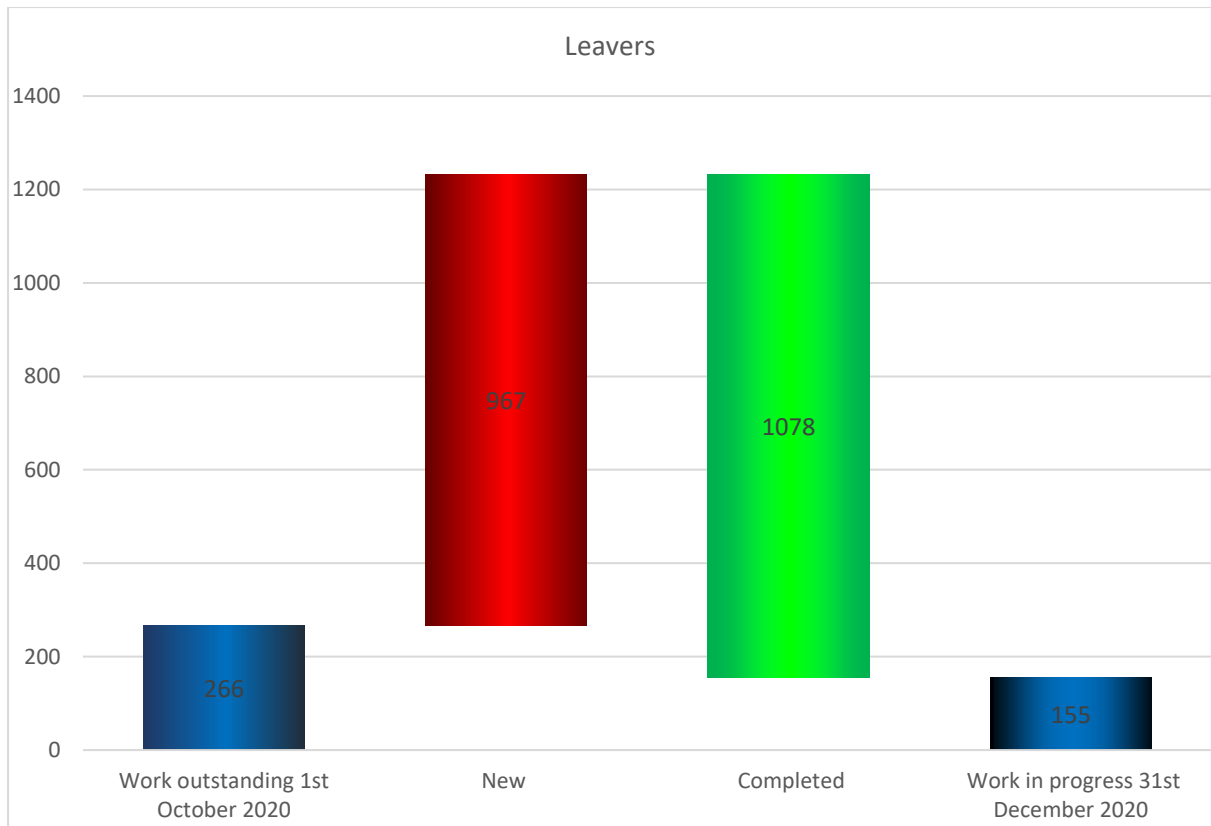
Kevin Gerard

Pensions Manager









Mae'r dudalen hon yn wag yn fwriadol

PWYLLGOR CRONFA BENSIWN DYFED
25/03/2021

Adroddiad Torri Amodau 2020-2021

Nodi unrhyw achosion o dorri amodau sydd wedi digwydd yng Nghronfa Bensiwn Dyfed yn 2020-2021 yn unol â Pholisi Torri Amodau.

YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:

Nodi unrhyw achosion o dorri amodau sydd wedi digwydd yng Nghronfa Bensiwn Dyfed yn 2020-2021.

Y RHESYMAU:

Yn unol â Pholisi Torri Amodau Cronfa Bensiwn Dyfed.

Angen ymgynghori â'r Pwyllgor Craffu perthnasol AMHERTHNASOL

Angen i'r Bwrdd Gweithredol wneud penderfyniad AMHERTHNASOL

Angen i'r Cyngor wneud penderfyniad AMHERTHNASOL

Yr Aelod o'r Bwrdd Gweithredol sy'n Gyfrifol am y Portffolio - AMHERTHNASOL

Y Gyfarwyddiaeth:
Gwasanaethau Corfforaethol

Enw'r Gyfarwyddwr:
Chris Moore

Awdur yr Adroddiad:
Chris Moore

Swydd:

Cyfarwyddwr
Gwasanaethau
Corfforaethol, Cyngor
Sir Gâr

Rhifau ffôn: 01267 224120

Cyfeiriad e-bost:

CMoore@sirgar.gov.uk

**EXECUTIVE SUMMARY
DYFED PENSION FUND COMMITTEE
DATE 25/03/2021**

BREACHES REPORT 2020-2021

Introduction

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 provides guidance on reporting these breaches. The Dyfed Pension Fund Breaches Policy was approved by the Dyfed Pension Fund Committee in March 2016.

Under the policy, breaches of the law are required to be reported to the Pensions Regulator where there is a reasonable cause to believe that:

- a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with
- the failure to comply is likely to be of material significance to the regulator in the exercise of any of its functions.

The up to date breaches report is attached. Since the last Committee meeting, there have been a number of instances where employee/employer contributions have not been received on time, no report has been sent to the Pensions Regulator.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore

Director of Corporate Services

1. Scrutiny Committee

NA

2. Local Member(s)

NA

3. Community / Town Council

NA

4. Relevant Partners

NA

5. Staff Side Representatives and other Organisations

NA

**EXECUTIVE BOARD PORTFOLIO
HOLDER(S) AWARE/CONSULTED**

NA

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THERE ARE NONE

Title of Document	File Ref No.	Locations that the papers are available for public inspection

Breaches Report

Breach Number	Year	Date of Breach / Likely Breach	Failure Type	A description of the breach (including relevant dates), its cause and effect, including the reasons it is, or is not, believed to be of material significance	Been reported to tPR before	RAG Status	Report to tPR	Actions taken to rectify the breach. A brief descriptions of any longer term implications and actions required to prevent similar types of breaches recurring in the future
89	2019-20	22/4/20	Contributions	An underpayment of contributions £435.34 has occurred during the year. Remittance advices were received late and often did not match the payments. The Accountant stated that it's the Employer's error but the Employer insists the responsibility of the Accountant.	No	Amber	No Report	Problems with differences between remittances and actual payments received and timing of payments has not been resolved. Accountant on Furlough Scheme at present. Underpayment for 19-20 still outstanding
90	2020-21	April 20 and May 20	Automatic payment of refund after 5 years for post 2014 leavers	Members have been contacted requesting bank details in order to pay refunds, however, no reply has been received from the scheme members. April - 9 members & total refunds = £627.51, May - 14 members & total refunds = £1289.69	No	Amber	No Report	The National Technical Group has recommended to the SAB that the regulations in respect of refunds is amended and reflects the position prior to April 2014.
91	2020-21	22/5/20	Contributions	April contributions (£284.81) received 4 days late. Cause: Difficulties between Accountant and Employer over who is responsible for accuracy and timing of payments. Effect: Payment has now been received.	No	Amber	No Report	Problems with differences between remittances and actual payments received and timing of payments has not been resolved. Accountant on Furlough Scheme at present. Underpayment for 19-20 still outstanding
92	2020-21	22/5/20	Contributions	April contributions (£21,425.90) received 14 days late. Cause: Payment not made by Finance Department Effect: Payment has now been received.	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
93	2020-21	22/5/20	Contributions (EES ONLY)	April EES contributions (£472.23) received 12 days late. Cause: Payment not made by Finance Department Effect: Payment has now been received.	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
94	2020-21	22/6/20	Contributions	May contributions (£21,168.63) received 2 days late. Cause: Payment runs now made fortnightly instead of weekly due to homeworking. Will put future payments on earlier run. Payment has now been received.	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
95	2020-21	22/7/20	PSD	June quarter PSD payment of £150 not received. Also underpayment of £435.34 from 2019-20 still not received. Another email sent 27th July to Accountant.	No	Amber	No Report	Accountant has replied stating that she will ask for underpayment to be paid in next payroll run. They do not have much contact with Employer at moment due to Covid 19 closure.
96	2020-21	June 20, July 20 & August 20	Automatic payment of refund after 5 years for post 2014 leavers	Members have been contacted requesting bank details in order to pay refunds, however, no reply has been received from the scheme members. June - 15 members & total refunds = £2625.12, July - 22 members & total refunds = £1734.26, August - 44 members & total refunds = £9653.66	No	Amber	No Report	The National Technical Group has recommended to the SAB that the regulations in respect of refunds is amended and reflects the position prior to April 2014.
97	2020-21	22/8/20	Contributions	July contributions (£21,673.12) received 2 days late. Cause: Payment runs now made fortnightly instead of weekly due to homeworking. Payment has now been received.	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
98	2020-21	22/9/20	Contributions & PSD	August contributions not yet received. Also, June quarter PSD payment of £150 not received as well as underpayment of £435.34 from 2019-20. Cause: Accountant has been on annual leave and difficulties between Accountant and Employer over who is responsible for accuracy and timing of payments is still ongoing	No	Amber	No Report	August contributions only received 6.10.20-awaiting further information from Accountant and Employer.
99	2020-21	22/10/20	Contributions & PSD	September contributions £262.73 received 4.11.20 (13 days late). Also, June & September qtrs PSD payment of £300 (£150x2) not received as well as underpayment of £435.34 from 2019-20. Cause: Accountant has been on annual leave and difficulties between Accountant and Employer over who is responsible for accuracy and timing of payments is still ongoing	No	Amber	No Report	Email sent 26 October to Accountant who will check outstanding balances and forward information to Employer. All liabilities for this admitted body have now been allocated to their guarantor.

100	2020-21	22/10/20	Contributions	September payment of £1,333.09 was received 23/10/20 (1 day late). Cause: Payment was put on hold as query with figures. Payment has now been received.	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
101	2020-21	September, October, November & December 20	Automatic payment of refund after 5 years for post 2014 leavers	Members have been contacted requesting bank details in order to pay refunds, however, no reply has been received from the scheme members. September - 11 members & total refunds = £1746.78, October - 14 members & total refunds = £1694.06, November - 14 members and total refund = £2713.58, December - 15 members and total refund = £2737.93	No	Amber	No Report	The National Technical Group has recommended to the SAB that the regulations in respect of refunds is amended and reflects the position prior to April 2014.
102	2020-21	22/12/20	Contributions	November payment of £1,250.63 not yet received. Finance Manager is looking into this. PAYMENT RECEIVED 21.1.2021	No	Amber	No Report	There are no long term implications associated with this breach.
103	2020-21	19/1/21	Contributions	October - December qtr contributions of £2,329.44 received 8 days late. Cause: Cheque was posted on the 19.1.21 and not received until 27.1.21. Effect: Payment has now been received. Employer has been advised that contributions should be received by the 19th of the following month	No	Amber	No Report	There are no long term implications associated with this breach. Contributions now up to date.
104	2020-21	January 2021 & February 2021	Automatic payment of refund after 5 years for post 2014 leavers	Members have been contacted requesting bank details in order to pay refunds, however, no reply has been received from the scheme members. January - 12 members & total refunds = £2212.38, February - 22 members & total refunds = £6883.49	No	Amber	No Report	The National Technical Group has recommended to the SAB that the regulations in respect of refunds is amended and reflects the position prior to April 2014.

PWYLLGOR CRONFA BENSIWN DYFED
25/03/2021

Cofrestr Risg 2021-2022

I sicrhau bod pob risg yn cael eu nodi a'u hasesu'n gywir

YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:

Hysbysu'r Pwyllgor bod y gofrestr risg ar gyfer 2021-2022 wedi'i hadolygu i sicrhau bod unrhyw risg yn cael eu nodi a'u hasesu.

Y RHESYMAU:

I sicrhau bod pob risg yn cael eu nodi a'u hasesu'n gywir.

Angen ymgynghori â'r Pwyllgor Craffu perthnasol AMHERTHNASOL

Angen i'r Bwrdd Gweithredol wneud penderfyniad AMHERTHNASOL

Angen i'r Cyngor wneud penderfyniad AMHERTHNASOL

Yr Aelod o'r Bwrdd Gweithredol sy'n Gyfrifol am y Portffolio - AMHERTHNASOL

Y Gyfarwyddiaeth:
Gwasanaethau Corfforaethol

Enw'r Cyfarwyddwr:
Chris Moore

Awdur yr Adroddiad:
Chris Moore

Swydd:

Cyfarwyddwr
Gwasanaethau
Corfforaethol, Cyngor
Sir Gâr

Rhifau ffôn: 01267 224120

Cyfeiriad e-bost:

CMoore@sirgar.gov.uk

**EXECUTIVE SUMMARY
DYFED PENSION FUND COMMITTEE
DATE 25/03/2021**

RISK REGISTER 2021-2022

The Risk Register is a working document that highlights all the risks identified in relation to the functions of the Dyfed Pension Fund. This is regularly monitored and reviewed.

The register includes:

- Details of all identified risks
- Assessment of the potential impact, probability and risk rating
- The risk control measures that are in place
- The responsible officer
- Target Date (if applicable)

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	YES	NONE	NONE

Risk Management Issues

The register is used to identify any risks relating to the functions of the Dyfed Pension Fund and highlights what measures are in place to mitigate these risks. Failure to manage the risks correctly could result in the Fund not meeting its objectives.

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore

Director of Corporate Services

1. Scrutiny Committee

NA

2. Local Member(s)

NA

3. Community / Town Council

NA

4. Relevant Partners

NA

5. Staff Side Representatives and other Organisations

NA

**EXECUTIVE BOARD PORTFOLIO
HOLDER(S) AWARE/CONSULTED**

NA

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THERE ARE NONE

Title of Document	File Ref No.	Locations that the papers are available for public inspection

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlle d Risk Rating
CSV400001 - Failure to comply with LGPS regulations as well as other overriding regulations	Substantial 4	Unlikely 2	Medium 8	<ul style="list-style-type: none"> • Altair Development Officer undertakes Altair system checks to ensure compliance with LGPS regulations <i>Implemented</i> • Network Groups (Altair & LGPC) <i>Implemented</i> • Communication & Training Officer Communication & Training Officer responsible for the maintenance of Online Procedure manuals, and the provision of training to all section staff and employing bodies via site visits. <i>Implemented</i> • Continue to act as an "Early Adopter" in conjunction with the system provider to ensure system meets regulatory requirements <i>Implemented</i> 	Pensions Manager Pensions Manager Pensions Manager		Substantial 4	Improbable 1	Low 4

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Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk Controls Controlle d Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> • Technical Officer ensures legislative accuracy of calculations <i>Implemented</i> 	Pensions Manager				
CSV400002 - Failure to respond to major change to the LGPS following Public Sector Pension Review	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> • Participation in all high level Government discussions and consultations <i>Implemented</i> • Ensure best practice is implemented and DPF is seen as a centre of excellence for pension administration <i>Implemented</i> • Continue to be recognised nationally by peers as one of the leaders in pension administration and facilitate site visits <i>Implemented</i> 	Pensions Manager and Treasury & Pensions Investments Manager Pensions Manager Pensions Manager		Substantial 4	Improbable 1	Low 4

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk Controls Controlle d Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> • Society of Welsh Treasurers review the suitability of existing and any new pension fund arrangements <i>Implemented</i> • CIPFA Pensions Network membership <i>Implemented</i> • Technical Officer ensures legislative accuracy of calculations <i>Implemented</i> 	<p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager</p>				
CSV400003 - Failure to process accurate pension benefits payments, including lump sum payments, in a timely manner	Significant 3	Unlikely 2	Medium 6	<ul style="list-style-type: none"> • Segregation of duties and authorisation of benefits following calculation by Senior Pensions Officer <i>Implemented</i> 	Pensions Manager		Significant 3	Improbable 1	Very Low 3

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk Controls Controlle d Risk Rating
	Impact	Probability				Current Risk Rating	Impact	
			<ul style="list-style-type: none"> • Altair Development Officer is responsible for regular system checks regarding calculations <i>Implemented</i> • Communication&Training Officer liaises closely with all employing authorities to ensure timely submission of information to DPF <i>Implemented</i> • Payroll deadline procedures in place <i>Implemented</i> • Item in Business Continuity/Disaster Recovery Plan <i>Implemented</i> • Participate in National Fraud Initiative (NFI) <i>Implemented</i> 	Pensions Manager				

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> Life Certificates exercise carried out for all cheque payments <i>Implemented</i> Undertake reviews of monthly performance to ensure service standards are maintained <i>Implemented</i> IT Contingency/Resilience Plan in place <i>Implemented</i> 	Pensions Manager				
CSV400004 - Failure to collect and account for full receipt of contributions from employers and employees on time Failure to collect full receipt of pension contributions from employees and employers in line with Regulation guidelines. Failure of employers' financial systems; absence of key staff; failure to	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Contributions monitoring procedures <i>Implemented</i> 	Pensions Manager and Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

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Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability				Current Risk Rating	Impact	
<p>communicate with employers effectively; failure of key systems such as on-line banking and/or financial ledger.</p> <p>Possible adverse audit opinion; negative cash flow position; delays in producing IAS19 accounting reports; delays in closure of year end accounts; employers forced to leave the scheme.</p>			<ul style="list-style-type: none"> Formal timescales for receipt of contributions <i>Implemented</i> Budget set and monthly monitoring against the budget <i>Implemented</i> Escalation of non receipt of contributions <i>Implemented</i> Systems Audit undertaken by Internal Audit and External Auditors <i>Implemented</i> 	<p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p>				

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk Controls
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlle d Risk Rating
CSV400005 - Failure to keep pension records up to date and accurate	Significant 3	Possible 3	Medium 9	<ul style="list-style-type: none"> Senior Officers liaise closely with employing authorities to ensure timely and accurate submission of data to DPF <i>Implemented</i> i-Connect ensures that data from employers is identified by a direct transfer from payroll on a monthly basis <i>Implemented</i> Data accuracy checks undertaken by the pension section prior to continual validation on workflow system <i>Implemented</i> Data integrity validation is performed monthly by Altair Development Officer <i>Implemented</i> 	<p>Pensions Manager</p> <p>Pensions Manager</p> <p>Pensions Manager</p> <p>Pensions Manager</p>		Significant 3	Improbable 1	Very Low 3

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> • Data validation checks also undertaken by the DPF's partners (e.g.the Actuary at Valuation) <i>Implemented</i> • Additional validation carried out through NFI <i>Implemented</i> • Opportunity to escalate non-compliance <i>Implemented</i> 	Pensions Manager Pensions Manager Pensions Manager				
CSV400006 - Failure to hold personal data securely	Substantial 4	Unlikely 2	Medium 8	<ul style="list-style-type: none"> • Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls <i>Implemented</i> • Disaster Recovery Plan for pensions system <i>Implemented</i> 	Pensions Manager Pensions Manager		Significant 3	Improbable 1	Very Low 3

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)				
	Impact	Probability				Current Risk Rating	Impact	Probability	Controlled Risk Rating	
				<ul style="list-style-type: none"> • Authorised users have unique usernames and passwords must be changed every 60 days <i>Implemented</i> • Documentation is scanned on to the pensions system and paper copies are held for a period of 3 months before shredding <i>Implemented</i> • Compliance with the Data Protection Act 1998 <i>Implemented</i> • Compliance with the Authority's in-house IT policies <i>Implemented</i> • Systems and Payroll audit undertaken annually <i>Implemented</i> 	Pensions Manager					

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk Controls
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlle d Risk Rating
CSV400007 - Loss of funds through fraud or misappropriation in administration related functions	Substantial 4	Unlikely 2	Medium 8	<ul style="list-style-type: none"> Internal and external audit checks performed to ensure that appropriate and effective controls are in place <i>Implemented</i> Segregation of duties and authorisation of benefits following calculation by Senior Pensions Officer and Pensions Officer <i>Implemented</i> Altair Development Officer undertakes data integrity checks <i>Implemented</i> Systems and Payroll audit undertaken annually <i>Implemented</i> 	Pensions Manager Pensions Manager Pensions Manager Pensions Manager		Moderate 2	Unlikely 2	Low 4
CSV400008 - Normal operations disrupted by uncontrollable external factors Service delivery threats from fire,	Substantial 4	Possible 3	High 12				Significant 3	Improbable 1	Very Low 3

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Control (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
<p>bomb, extreme weather, electrical faults etc.</p> <p>Insufficient daily back up, disaster recovery, and IT cover to support systems.</p> <p>Temporary loss of ability to provide service to stakeholders.</p>				<ul style="list-style-type: none"> Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls <i>Implemented</i> Disaster Recovery Plan for pensions system with the software provider <i>Implemented</i> Pension Software is a hosted system provided by Aquila Heywood and is a tier 4 design data centre with ISO27001 accreditation. <i>Implemented</i> 	Pensions Manager				
<p>CSV400009 - Inability to keep service going due to loss of main office, computer system, or staff</p>	Moderate 2	Unlikely 2	Low 4	<ul style="list-style-type: none"> Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls <i>Implemented</i> 	Pensions Manager		Moderate 2	Improbable 1	Very Low 2

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> Pension Software is a hosted system provided by Aquila Heywood and is a tier 4 design data centre with ISO27001 accreditation. <i>Implemented</i> 	Pensions Manager				
CSV400010 - Lack of expertise among some Pension Administration officers	Significant 3	Unlikely 2	Medium 6	<ul style="list-style-type: none"> Personal development plan in place to support the development of each officer in the Section <i>Implemented</i> Specific courses / seminars attended by officers to further their knowledge and understanding <i>Implemented</i> 	Pensions Manager Pensions Manager		Significant 3	Improbable 1	Very Low 3
CSV400011 - Over reliance on key Pensions Administration and Investment Officers Specialist nature of the work means there are relatively few experts in Investments and the Local Authority	Significant 3	Possible 3	Medium 9	<ul style="list-style-type: none"> Key officers convey specialist knowledge to colleagues on a function or topic basis by mentoring <i>Implemented</i> 	Pensions Manager and Treasury & Pensions Investments Manager		Significant 3	Unlikely 2	Medium 6

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
Pensions Regulations. Significant knowledge gap left if experts leave.				<ul style="list-style-type: none"> • Enhance training by bespoke sessions / courses / workshops <i>Implemented</i> • Specific relevant qualifications for administration and investment staff <i>Implemented</i> • External consultants and independent adviser available for short term assistance <i>Implemented</i> 	<p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p>				
CSV400012 - Failure to appropriately attract, manage, develop, and retain staff at all levels	Substantial 4	Unlikely 2	Medium 8	<ul style="list-style-type: none"> • Training and Development Plan established <i>Implemented</i> 	Pensions Manager		Substantial 4	Improbable 1	Low 4

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
<p>CSV400013 - Failure to communicate properly with stakeholders Lack of clear communications.</p> <p>Scheme members are not aware of their rights and entitlements, are distanced from the Fund, which could lead to a reduction in new members and an increase in leavers.</p> <p>Communication with investment managers, custodian, independent adviser, fund employers, pensioners, scheme members, actuary and government organisations.</p>	<p>Significant</p> <p>3</p>	<p>Unlikely</p> <p>2</p>	<p>Medium</p> <p>6</p>	<ul style="list-style-type: none"> Dedicated Communication & Training Officer post established Dedicated Communication & Training Officer will continue to fulfil all the communication requirements of the DPF, in accordance with the Communications Policy Statement <i>Implemented</i> Comprehensive website is continually updated and developed <i>Implemented</i> My Pension Online is used to enhance the service provided to scheme members <i>Implemented</i> Quarterly meetings with independent adviser and investment managers <i>Implemented</i> 	<p>Pensions Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager</p> <p>Treasury & Pensions Investments Manager</p>		<p>Significant</p> <p>3</p>	<p>Improbable</p> <p>1</p>	<p>Very Low</p> <p>3</p>

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk Controls Controlle d Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> • Communications Policy in place <i>Implemented</i> • Annual Employer & Consultative Meeting <i>Implemented</i> 	<p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p>				
<p>CSV400014 - No appropriate procedures for Employer bodies transferring out of the pension fund or Employer bodies closing to new membership</p>	<p>Significant</p> <p>3</p>	<p>Possible</p> <p>3</p>	<p>Medium</p> <p>9</p>	<ul style="list-style-type: none"> • Inter valuation monitoring and rate reassessment if appropriate <i>Implemented</i> • Identification of any issue and resolution via regular site visits by Communication & Training Officer <i>Implemented</i> 	<p>Pensions Manager</p> <p>Pensions Manager</p>		<p>Significant</p> <p>3</p>	<p>Unlikely</p> <p>2</p>	<p>Medium</p> <p>6</p>

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> Requirement for employing authorities to issue termination forms for each active member <i>Implemented</i> Validation of membership numbers <i>Implemented</i> Employer covenant checks <i>Implemented</i> 	Pensions Manager				
CSV400015 - Liquidity/cashflow risk - insufficient funds to meet liabilities as they fall due Failure of employers to pay contributions on time; low dividend income; significant number of liabilities paid out at the same time. Immediate cash contribution would be required via employers; delay in the payment of promised liabilities; negative	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Monthly cash and dividend reconciliations <i>Implemented</i> Quarterly monitoring of investment managers by Pension Committee <i>Implemented</i> 	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

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Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
publicity and an adverse audit report.				<ul style="list-style-type: none"> • Appointment of custodian <i>Implemented</i> 	Treasury & Pensions Investments Manager				
CSV400016 - Loss of funds through fraud or misappropriation in investment related functions Fraud or misappropriation of funds by an employer, investment managers or custodian. Financial loss to the fund.	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> • Internal and External Audit regularly test that appropriate controls are in place and working <i>Implemented</i> • Regulatory control reports from investment managers, custodian, etc., are also reviewed by audit. <i>Implemented</i> • Due diligence is carried out whenever a new manager is appointed. <i>Implemented</i> • Reliance also placed in Financial Conduct Authority registration. <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk Controls Controlle d Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> Quarterly monitoring by Pension Committee and Independent Adviser <i>Implemented</i> 	Treasury & Pensions Investments Manager				
CSV400017 - Excessive levels of Pension Fund Cash held within Carmarthenshire County Council investment balances High dividend / interest receipts and low benefit payments being made in period. Lower cash like return instead of equity or bond investment returns.	Significant 3	Unlikely 2	Medium 6	<ul style="list-style-type: none"> Monthly cash reconciliations and separate pension fund bank accounts <i>Implemented</i> Quarterly monitoring by Pension Fund Committee <i>Implemented</i> Internal Audit and Wales Audit Office review <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		Significant 3	Improbable 1	Very Low 3
CSV400018 - Significant rises in employer contributions due to increases in liabilities or fall in assets Scheme liabilities increase disproportionately as a result of	Substantial 4	Likely 4	Significant 16	<ul style="list-style-type: none"> Use qualified actuary who uses assumptions and recommends appropriate recovery period and strategy <i>Implemented</i> 	Treasury & Pensions Investments Manager		Significant 3	Possible 3	Medium 9

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
<p>increased longevity or falling bond yields. Poor economic conditions, incorrect investment strategy, poor selection of investment managers.</p> <p>Poor / negative returns leading to potential increase in employer's costs.</p>				<ul style="list-style-type: none"> Quarterly monitoring of investment managers by Pension Committee <i>Implemented</i> Diversified Strategic Asset Allocation <i>Implemented</i> 	Treasury & Pensions Investments Manager				
<p>CSV400019 - Lack of expertise on Pension Fund Committee and/or amongst Officers Lack of training, continuous professional development and 4 year election cycle.</p> <p>Flawed recommendations given to Pension Fund Committee which, unchallenged, could lead to incorrect decisions being made.</p>	Significant 3	Likely 4	High 12	<ul style="list-style-type: none"> Ensure Officers are trained and up to date in key areas through courses, seminars, reading, discussions with consultants, etc. <i>Implemented</i> Members given induction training on joining Committee with subsequent opportunities to attend other specialist training. <i>Implemented</i> 	Treasury & Pensions Investments Manager		Significant 3	Possible 3	Medium 9

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk Controls Controlle d Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> Members' training plan and Governance Policy established <i>Implemented</i> Specialist assistance available from consultants and independent adviser <i>Implemented</i> 	Treasury & Pensions Investments Manager				
CSV400020 - Failure of Investment Strategy to deliver investment objectives Inaccurate triennial valuation assumptions used. Incorrect recovery period used. Funding level decreases; employer contribution rates become unacceptable, causing potential increase in employer's costs.	Significant 3	Likely 4	High 12	<ul style="list-style-type: none"> Qualified Actuary makes assumptions and recommends appropriate recovery period and strategy. <i>Implemented</i> Independent Investment adviser employed to assist the committee in making informed decisions. <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		Significant 3	Possible 3	Medium 9

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk Controls
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlle d Risk Rating
CSV400021 - Prolonged failure of investment managers to achieve the returns specified on their mandates Under-performance by the investment managers; lack of monitoring and challenging by the Committee.	Substantial 4	Likely 4	Significant 16	<ul style="list-style-type: none"> Quarterly monitoring of investment managers and performance company reports by investment team and Pension Committee <i>Implemented</i> 	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8
CSV400022 - Concentration risk - single asset class having disproportionate impact on investment objectives Risk of the performance of a single asset class having a disproportionate impact on the ability to meeting investment objectives. Inappropriate investment strategy following the triennial valuation, including lack of diversification. Funding level decreases; employer contribution rates become unacceptable, causing potential increase in employers' costs.	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Establish & review diversified strategic asset allocation <i>Implemented</i> Proactive in decision making <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlle d Risk Rating
CSV400023 - Counterparty risk - risk of other party in a transaction failing to meet its obligation to the fund This arises from deposits held with banks and other financial institutions, as well as credit exposures to the fund's members and employers. Loss of capital; decrease in asset values; cost of legal proceedings; adverse publicity.	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Set appropriate parameters with fund managers and custodian to limit exposure to default risk <i>Implemented</i> 	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8
CSV400024 - Interest rate risk Arises from risk of exposure to significant interest rate movements on investments. Bond yields and cash decrease in value.	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Establish & review diversified strategic asset allocation <i>Implemented</i> 	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8
CSV400025 - Discount rate risk Use of inappropriate discount rate to estimate future liabilities. Funding level decreases; employer contribution rates become	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Engage qualified actuary to make assumptions <i>Implemented</i> 	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

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Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
unacceptable, causing potential increase in employers' costs.				<ul style="list-style-type: none"> Engage independent adviser to assist the committee in making informed decisions <i>Implemented</i> 	Treasury & Pensions Investments Manager				
<p>CSV400026 - Price risk The equity investments held exposes the fund to risk in relation to the market price of its investments.</p> <p>Funding level decreases; employer contribution rates become unacceptable, causing a potential increase in employers' costs.</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Establish & review a diversified strategic asset allocation. <i>Implemented</i> Anticipate long term returns on a prudent basis. <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8
<p>CSV400027 - Foreign exchange risk The fund holds financial assets and liabilities denominated in foreign currencies. It is therefore exposed to an element of risk in relation to currency fluctuation.</p> <p>Funding level decreases; employer contribution rates become unacceptable, causing a potential</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Establish & review diversified (within regions) strategic asset allocation <i>Implemented</i> 	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

Risk Register 2021-22

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Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk Controls Controlle d Risk Rating
	Impact	Probability					Impact	Probability	
increase in employers' costs.									
<p>CSV400028 - Failure to meet statutory deadlines leading to qualification of the accounts Lack of planning for closure of accounts; lack of training; loss of expert knowledge.</p> <p>Qualified audit report; potential bad publicity; members' loss of confidence on officers' abilities.</p>	<p>Substantial</p> <p>4</p>	<p>Possible</p> <p>3</p>	<p>High</p> <p>12</p>	<ul style="list-style-type: none"> • Timetabled Audit Committee cycles <i>Implemented</i> • Liaise with external audit <i>Implemented</i> • Establish closedown timetable <i>Implemented</i> • Establish WAO working paper guidance & planning document <i>Implemented</i> • Excellent time management skills <i>Implemented</i> 	<p>Treasury & Pensions Investments Manager</p> <p>Treasury & Pensions Investments Manager</p> <p>Treasury & Pensions Investments Manager</p> <p>Treasury & Pensions Investments Manager</p> <p>Treasury & Pensions Investments Manager</p>		<p>Substantial</p> <p>4</p>	<p>Unlikely</p> <p>2</p>	<p>Medium</p> <p>8</p>

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlle d Risk Rating
CSV400029 - Adequate skilled resources not available for accounts preparation Lack of training; loss of expert knowledge; annual or study leave. Qualified audit report; unsatisfactory internal audit report; failure to meet statutory closure deadlines; employee stress.	Significant 3	Likely 4	High 12	<ul style="list-style-type: none"> • Appropriate Treasury & Pension Investments structure in place <i>Implemented</i> • Arrange training courses and seminars, and mentoring <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		Significant 3	Possible 3	Medium 9
CSV400030 - Failure to recover all debts Lack of communication between fund officers and administering authority officers (debtors); lack of monitoring / recovery procedures. Loss of income to the Fund; loss of stakeholder confidence in the ability of the administering authority; potential increase in costs to Fund employers	Substantial 4	Likely 4	Significant 16	<ul style="list-style-type: none"> • Use of specialist debt recovery section within the administering authority <i>Implemented</i> • Monthly monitoring of debts due <i>Implemented</i> 	Pensions Manager and Treasury & Pensions Investments Manager Pensions Manager and Treasury & Pensions Investments Manager		Moderate 2	Improbable 1	Very Low 2

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Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlle d Risk Rating
CSV400031 - Officers acting outside delegated authority Threat of officers making unauthorised decisions or payments. Loss of income to fund; loss of stakeholder confidence in the ability of the administering authority; potential increase in costs to fund employers	Substantial 4	Unlikely 2	Medium 8	<ul style="list-style-type: none"> Undertake regular review of Standing Orders & Constitution <i>Implemented</i> Report to Executive Board <i>Implemented</i> Monitoring officer role <i>Implemented</i> 	Pensions Manager and Treasury & Pensions Investments Manager Pensions Manager and Treasury & Pensions Investments Manager Pensions Manager and Treasury & Pensions Investments Manager		Substantial 4	Improbable 1	Low 4
CSV400032 - Non-performance by Officers and Committee Members Lack of training for officers and members; turnover in officers and members; lack of appraisals; lack of PI monitoring; time constraints for	Substantial 4	Possible 3	High 12				Substantial 4	Unlikely 2	Medium 8

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Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Controls	Assigned To	Target Date Priority	Assessment of Controlled Risk (Assume CONTROLLED in place)		
	Impact	Probability				Current Risk Rating	Impact	Probability
<p>members; conflicting deadlines for officers.</p> <p>Qualified audit report; potential bad publicity; members' loss of confidence in officers' abilities; excessive pressure on officers; loss of income to the fund; loss of stakeholder confidence in the ability of the administering authority; potential increase in costs to fund employers</p>			<ul style="list-style-type: none"> • Establish performance measurement system <i>Implemented</i> • Pension Committee member assessments <i>Implemented</i> • Officer appraisals in October and March annually <i>Implemented</i> • Regular internal and external audits <i>Implemented</i> 	<p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p> <p>Pensions Manager and Treasury & Pensions Investments Manager</p>				

Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

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Risk (Threat to achievement of business objective)	Assessment of Uncontrolled Risk (Assume NO Controls in place)		Current Risk Rating	Controls	Assigned To	Target Date Priority	Assessment of Control (Assume CONTROLLED in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> Establish & review training plan for officers and members <i>Implemented</i> 	Pensions Manager and Treasury & Pensions Investments Manager				
<p>CSV400033 - Failure to operate strict financial and budgetary controls</p> <p>Lack of regular budget monitoring and budget setting; lack of communication between admin and investment sections; lack of scrutiny of investment managers', consultants', and advisers' fees.</p> <p>Unexpected variances over budget headings; members' loss of confidence in officers' abilities; loss of income to the fund; loss of stakeholder confidence in the ability of the administering authority; potential increase in costs to fund employers.</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Quarterly monitoring of budgets <i>Implemented</i> Quarterly forecasting and profiling of budgets <i>Implemented</i> Closure of accounts to Audit Committee <i>Implemented</i> Monthly reconciliations of contributions, dividends, and pension payroll <i>Implemented</i> 	Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

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Risk Register 2021-22

Organisation/Department/Function/Project: **Dyfed Pension Fund**

Manager **Pensions Manager and Treasury & Pensions Investments Manager**

Date: **15 March, 2021**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlle (Assume CONTROLLED in place)		Risk Controls
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlle d Risk Rating
CSV400034 - Insufficient resources to provide information requirements for the Wales Pension Partnership on the management of the fund	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Staffing resources to be kept under review to ensure the Fund's interests are properly met when developing investment pooling arrangements <i>Implemented</i> 	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8
CSV400035 - Coronavirus - COVID19 Service delivery threats from COVID-19 and / or similar pandemics. Insufficient daily back up, disaster recovery, and IT cover to support systems and staff. Temporary loss of ability to provide service to stakeholders.	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls. Remote working arrangements with access to key systems through CCC IT equipment and software. <i>Implemented</i> 	Pensions Manager and Treasury & Pensions Investments Manager		Significant 3	Unlikely 2	Medium 6

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Mae'r dudalen hon yn wag yn fwiadol

PWYLLGOR CRONFA BENSIWN DYFED
25/03/2021

Polisi Llywodraethu a Datganiad Cydymffurfio 2021

Cymeradwyo'r Polisi Llywodraethu a Datganiad Cydymffurfio 2021 wedi'i ddiweddarau.

YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:

Y Pwyllgor i gymeradwyo'r Polisi Llywodraethu a Datganiad Cydymffurfio 2021.

Y RHESYMAU:

Cymeradwyo'r Polisi Llywodraethu a Datganiad Cydymffurfio 2021 wedi'i ddiweddarau.

Angen ymgynghori â'r Pwyllgor Craffu perthnasol AMHERTHNASOL

Angen i'r Bwrdd Gweithredol wneud penderfyniad AMHERTHNASOL

Angen i'r Cyngor wneud penderfyniad AMHERTHNASOL

Yr Aelod o'r Bwrdd Gweithredol sy'n Gyfrifol am y Portffolio - AMHERTHNASOL

Y Gyfarwyddiaeth:
Gwasanaethau Corfforaethol

Enw'r Gyfarwyddwr:
Chris Moore

Awdur yr Adroddiad:
Chris Moore

Swydd:

Cyfarwyddwr
Gwasanaethau
Corfforaethol, Cyngor
Sir Gâr

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**EXECUTIVE SUMMARY
DYFED PENSION FUND COMMITTEE
DATE 25/03/2021**

GOVERNANCE POLICY AND COMPLIANCE STATEMENT 2021

A review has been undertaken on the Governance Policy and Compliance Statement of the Dyfed Pension Fund.

The Governance Policy details arrangements in relation to:

- The Governance of the Fund
- Terms of Reference for the Pension Committee
- Delegation to the Director of Cooperate Services and Head of Financial Services
- Committee meetings
- The Annual Consultative Meeting
- The Pension Board

The Compliance Statement sets out the Fund's compliance with best practice principles in relation to structure, representation, selection, voting, training, meetings, access, scope and publicity.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore

Director of Corporate Services

1. Scrutiny Committee

NA

2. Local Member(s)

NA

3. Community / Town Council

NA

4. Relevant Partners

NA

5. Staff Side Representatives and other Organisations

NA

**EXECUTIVE BOARD PORTFOLIO
HOLDER(S) AWARE/CONSULTED**

NA

**Section 100D Local Government Act, 1972 – Access to Information
List of Background Papers used in the preparation of this report:**

THERE ARE NONE

Title of Document	File Ref No.	Locations that the papers are available for public inspection

DYFED PENSION FUND
GOVERNANCE POLICY 2021

Introduction

The Dyfed Pension Fund is administered by Carmarthenshire County Council (the administering authority). All Local Government Pension Scheme (LGPS) Funds in England and Wales are required to publish a Governance Policy, under Regulation 73A of the LGPS 1997 Regulations. This regulation is superseded by Regulation 31 of the LGPS (Administration) Regulations 2008 and the 2013 Regulations. Additionally, one of the key requirements in the Public Service Pensions Act (PSPA) 2013 is for each Administering Authority in the LGPS to create a local Pension Board.

This policy has been prepared by the administering authority in consultation with appropriate interested persons.

Purpose of the Governance Policy

The regulations on governance policy requires an administering authority, after consultation with such persons as they consider appropriate, to prepare, maintain, publish and keep under review a written statement setting out:

- whether it delegates its function, or part of its function, in relation to maintaining a pension fund to a committee, sub-committee or officer of the authority, if it does so:
 - the frequency of any committee or sub-committee meetings
 - the terms, structure and operational procedures of the delegation
 - whether such a committee or sub-committee includes representatives of employing authorities (including non-scheme employers) or scheme members, and if so, whether those representatives have voting rights
- the extent to which a delegation, or absence of a delegation, complies with guidance given by the Secretary of State and, to the extent it does not so comply, the reasons for not complying.

Governance of the Dyfed Pension Fund

Within Carmarthenshire County Council's constitution, a pension committee must be set up for the Dyfed Pension Fund to:

- decide on all the policy matters and strategic direction relating to the investments of the Pension Fund
- review and monitor the investment performance of the Fund
- review and determine on all Pension Fund Valuation matters of the fund
- determine on Administering Pension Fund Authority policy and strategic matters

Operational matters of both the Investments and Administration Functions are delegated to the Director of Corporate Services.

Powers delegated to the Head of Financial Services for Pensions Administration, in accordance with The Local Government Pension Scheme Regulations 1997 or subsequent amending legislation, are:

- to collect employee and employer contributions from participating employers
- to make payments in respect of scheme benefits
- to collect and make pension transfer payments as elected by scheme members
- to determine non policy related discretions as an Employing / Administering Pension Authority
- to undertake Stage 1 determinations on disputes arising from the Local Government Pensions Scheme or related legislation
- to update and maintain the Fund's website
www.dyfedpensionfund.org.uk
- the maintenance and update of membership records
- the calculation and authorisation of benefit payments
- the provision of membership data for actuarial valuation purposes
- the preparation and maintenance of the Communication Policy Statement and the Pensions Administration Strategy Statement.

The Head of Financial Services will accept for admission into the Dyfed Pension Fund employees of authorities and bodies as prescribed in Regulations, subject to an approved Admission Agreement, and subject to any necessary indemnities as appropriate.

The Pension Committee

Terms of Reference

- To exercise the County Council's responsibility for the management of the Dyfed Pension Fund, including the management of the administration of the benefits and strategic management of Fund assets
- To meet at least quarterly, or otherwise as necessary
- To produce an Annual Report by 30 September each year on the state of the Fund and on the investment activities during the year
- To have overall responsibility for investment policy and monitor overall performance
- To review governance arrangements and the effective use of its advisers to ensure good decision-making
- To receive regular reports on Scheme administration to ensure that best practice standards are satisfied and met and to satisfy itself that and justify to all stakeholders, including Fund Employers that the Fund is being run on an effective basis
- To appoint Investment Managers to discharge functions relating to the management of the Fund's investments
- To appoint the Fund's custodian, performance measurement adviser, actuary, independent adviser and AVC provider
- To approve a Funding Strategy Statement and Investment Strategy Statement

Membership

The Committee comprises of:

- three members (one acting as Chair) plus a nominated substitute to act in the absence of a member. Each member of the committee has voting rights and each committee member and the substitute are nominated by Carmarthenshire County Council, the Administering Authority, from its elected membership. At least three members must attend each committee meeting
- at least two Carmarthenshire County Council officers from the Director of Corporate Services, Head of Financial Services, Treasury and Pension Investments Manager and Pensions Manager.
- the independent investment adviser.

The Director of Corporate Services, as Treasurer of the Dyfed Pension Fund, will also maintain all necessary accounts and records in relation to the Fund.

The Treasury and Pension Investments Manager and officers in the Treasury and Pension Investments team support the Director of Corporate Services and Head of Financial Services in the responsibility for the monitoring and review of the investments of the Fund including:

- preparation and maintenance of the accounts of the Dyfed Pension Fund including preparation of the Dyfed Pension Fund Annual Report
- preparation and distribution of the annual Dyfed Pension Fund Newsletter
- servicing the Committee meetings
- regular dialogue with the Fund's advisers, investment managers and custodian
- monitoring and reconciliation of investment manager and custodian records
- preparation and maintenance of the Fund's Investment Strategy Statement, Funding Strategy Statement, Governance Policy and compliance with the Myners review
- monitoring the activity and performance of the Fund's investment managers including compliance with policy and performance objectives
- interpretation of new legislation and research in respect of the investments and accounts of the Fund
- monitoring the corporate governance activity of the Fund including attendance at the Local Authority Pension Fund Forum (LAPFF)
- arrangement and provision of appropriate training for committee members

Committee Meetings

The Pension Committee meets four times a year. All meetings are held in Carmarthenshire, or virtually using online facilities where appropriate.

An agenda, minutes from the previous meeting and written reports are sent to each Committee member by the Democratic Services Unit before each meeting. During the Committee meeting the Committee members receive reports presented by Officers of Carmarthenshire County Council, the Independent Investment Adviser and any other person the Committee invites to speak at the meeting. Committee decisions are formally minuted by the Democratic Services Unit.

During the year, meetings are held with the Directors of Finance of the three County Councils, where Fund performance and other items dealt with at the Committee meetings are discussed. Issues raised at this meeting that the Committee need to be made aware of are reported back to the following Committee meeting for discussion.

The Annual Consultative Meeting (ACM)

The Dyfed Pension Fund is committed to the widest inclusion of all stakeholders in respect of consultation and communication arrangements. Any major policy changes are put to consultation with all participating employers, Trade Union representatives and retired member representatives before a decision is made.

An Annual Consultative Meeting (ACM) is held in Carmarthenshire. The ACM is open to all participating employers, retired member representatives and Trade Union representatives. Interested bodies are notified of the ACM in advance. The Chair of the Pension Committee, the Director of Corporate Services, the Head of Financial Services, the Fund Advisers and Investment Managers attend the ACM.

Pension Board

The Board has an oversight/assisting role not a decision making role. It assists the Administering Authority (Carmarthenshire County Council) in securing compliance with regulations and requirements imposed by the Pensions Regulator and the Ministry of Housing, Communities and Local Government (MHCLG) and ensuring effective and efficient governance and administration of the Fund.

There must be equal numbers of scheme member representatives and employer representatives on the Board. The Dyfed Pension Fund Board has 3 scheme member and 3 employer representatives and an independent member who is also the Chair of the Board.

Governance Compliance Statement

MHCLG is committed to ensure that all LGPS committees operate consistently at best practice standards. Therefore, in addition to the regulatory requirement to produce this Governance Policy, the LGPS regulations 1997 were further amended on 30 June 2007 to require administering authorities to report the extent of compliance to a set of best practice principles to be published by MHCLG, and where an authority has chosen not to comply, to state the reasons why. The Dyfed Pension Fund's Governance Compliance Statement is attached at Annex I.

This Governance Policy will be updated when necessary and reviewed at least annually. The last review was in 2021.

Mae'r dudalen hon yn wag yn fwriadol

DYFED PENSION FUND

GOVERNANCE COMPLIANCE STATEMENT

The purpose of the guidance is:

- To provide best practice principles against which compliance can be measured
- To provide guidance on how the compliance statement should be completed

The guidance sets out the best practice principles in relation to the following governance areas:

- Structure
- Representation
- Selection
- Voting
- Training, facility time and expenses
- Meetings (frequency / quorum)
- Access
- Scope
- Publicity

Best Practice Principle A: Structure

The guidance acknowledges that not all administering authorities are structured in the same way. It is not the intention to level out these differences but to ensure that structures reflect the following principles:

- The management of the administration of benefits and strategic management of fund assets clearly rests with the main committee established by the appointing council
- Representatives of participating LGPS employers, admitted bodies and scheme members (including pensioners and deferreds) are members of either the main or secondary committee (established to underpin the work of the main committee)
- Where a secondary committee or panel has been established the structure ensures effective communication across both levels
- Where a secondary committee or panel has been established at least one seat on the main committee is allocated for a member from the secondary committee or Committee

Compliance Statement: Not Fully Compliant

Justification:

The Dyfed Pension Fund Committee exists and meets four times a year. The Committee has three members and a substitute, officers (all from Carmarthenshire County Council) and an independent investment adviser. Other scheme employers, admitted bodies and scheme members do not attend Committee but they are all invited to the annual ACM where all Committee members and advisers report and are available to answer questions. Carmarthenshire County Council officers meet with officers of the other 2 major employers (Pembrokeshire County Council and Ceredigion County Council) during the year where Committee minutes are made available. This system is supported by all parties and has worked very well as evidenced by the fact that timely decisions are made, and investment performance is above the actuarial assumption over the long-term.

There is no secondary committee for the Dyfed Pension Fund.

Best Practice Principle B: Representation

The number of stakeholders affected by the local management of the pension scheme and governance of pension funds is vast and it is accepted that it would be impractical to expect individual committee structures to encompass every group or sector that has an interest in the decisions that fall to be made under the scheme's regulations.

- That all key stakeholders are afforded the opportunity to be represented within the main or secondary committee structure. These include:
 - employing authorities (including non-scheme employers, e.g. admitted bodies as well as scheduled bodies)
 - scheme members (including deferred and pensioner scheme members)
 - independent professional observers and expert advisors (on an ad-hoc basis)
- That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights

Compliance Statement: Not Fully Compliant**Justification:**

The Committee has representatives from Carmarthenshire County Council and the independent investment adviser. Other scheme employers, admitted bodies and scheme members do not attend Committee but they are all invited to the annual ACM where all Committee members and advisers report and are available to answer questions. Carmarthenshire County Council officers meet with officers of the other 2 major employers (Pembrokeshire County Council and Ceredigion County Council) during the year where Committee minutes are made available. There is no secondary committee for the Dyfed Pension Fund.

Best Practice Principle C: Selection

It is important to emphasise that it is not part of the fund authority's remit to administer the selection process for lay members sitting on main or secondary committees or to ensure their attendance at meetings, unless they wish to do so. Their role is to determine what sectors or groups are to be invited to sit on LGPS committees or panels and to make places available.

Effective representation is a two way process involving the fund authorities providing the opportunity and the representative bodies initiating and taking forward the selection process under the general oversight of fund authority.

That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee.

Compliance Statement: Fully Compliant

Justification:

The Dyfed Pension Fund's Governance Policy lists the delegated functions the Committee is to perform. If membership of the committee changes, the new member/members are informed of their status, role and function they are required to perform.

Best Practice Principle D: Voting

The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees.

Compliance Statement: Fully Compliant

Justification:

All Committee members can vote. Carmarthenshire County Council is the Administering Authority and all functions are delegated to the Committee.

Best Practice Principle E: Training, facility time and expenses

In 2001, the Government accepted the ten investment principles recommended by Paul Myners in his report, "Institutional Investment in the UK". The first of those principles, "Effective Decision Making", called for decisions to be made only by persons or organisations with the skills, information and resources necessary to take them effectively. Furthermore, where trustees - or in the case of the LGPS, members of formal committees - take investment decisions, that they have sufficient expertise to be able to evaluate critically any advice they take.

- That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision- making process
- That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum

Compliance Statement: Fully Compliant

Justification:

The Committee have regular training sessions run by the Fund Managers, the Actuary, the Consultant and officers. New Committee members attend intense training sessions on commencement of their committee duties, including the LGPC pension training session.

Best Practice Principle F: Meetings (frequency / quorum)

An administering authority's main committee or committees meet at least quarterly.

An administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits.

Administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented.

Compliance Statement: Fully Compliant

Justification:

The Dyfed Pension Fund Committee meets quarterly. The Annual Consultative Meeting is held annually where other scheme employers, admitted bodies and scheme members are invited.

Best Practice Principle G: Access

That subject to any rules in the council's constitution, all members of main and secondary committees or Committees have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee.

Compliance Statement: Fully Compliant

Justification:

All papers are circulated in advance to all members of the Committee, including the Committee's independent investment adviser.

Best Practice Principle H: Scope

That administering authorities have taken steps to bring wider scheme issues within the scope of their governance arrangements.

Compliance Statement: Fully Compliant

Justification:

The Committee receives and votes, on an ad-hoc basis, any major administration issues that affect the Fund. The officer managing the administration of the Fund provides regular training and updates for Committee members.

Best Practice Principle I: Publicity

That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the scheme is governed, can express an interest in wanting to be part of those arrangements.

Compliance Statement: Fully Compliant

Justification:

The Dyfed Pension Fund Governance Policy is reviewed annually. A Newsletter and Annual Report are produced annually. All published material (including the Governance Policy) are on the Dyfed Pension Fund website.

SUMMARY

Best Practice Principle	Fully Compliant	Not Fully Compliant	Explanation for Non-Compliance
Structure		✓	The DPF structure is supported by all parties and has worked very well
Representation		✓	Regular meetings and discussion with other major stakeholders occur and an annual consultative meeting is held
Selection	✓		
Voting	✓		
Training, facility time and expenses	✓		
Meetings (frequency/quorum)	✓		
Access	✓		
Scope	✓		
Publicity	✓		

PWYLLGOR CRONFA BENSIWN DYFED
25/03/2021

Cynllun Busnes 2021-2022

I ddarparu'r Cynllun Busnes 2021-2022 i'r Bwyllgor Cronfa Bensiwn Dyfed

YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:

Y Pwyllgor i gymeradwyo'r Cynllun Busnes 2021-2022.

Y RHESYMAU:

I ddarparu'r Cynllun Busnes 2021-2022 i'r Bwyllgor Cronfa Bensiwn Dyfed

Angen ymgynghori â'r Pwyllgor Craffu perthnasol AMHERTHNASOL

Angen i'r Bwrdd Gweithredol wneud penderfyniad AMHERTHNASOL

Angen i'r Cyngor wneud penderfyniad AMHERTHNASOL

Yr Aelod o'r Bwrdd Gweithredol sy'n Gyfrifol am y Portffolio - AMHERTHNASOL

Y Gyfarwyddiaeth:
Gwasanaethau Corfforaethol

Enw'r Gyfarwyddwr:
Chris Moore

Awdur yr Adroddiad:
Chris Moore

Swydd:

Cyfarwyddwr
Gwasanaethau
Corfforaethol, Cyngor
Sir Gâr

Rhifau ffôn: 01267 224120

Cyfeiriad e-bost:

CMoore@sirgar.gov.uk

**EXECUTIVE SUMMARY
DYFED PENSION FUND COMMITTEE
DATE 25/03/2021**

Business Plan 2021 - 2022

The Dyfed Pension Fund business plan describes how the Fund is going to achieve its goals. It lays out the plan from a marketing, financial and operational viewpoint.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore

Director of Corporate Services

1. Scrutiny Committee

NA

2. Local Member(s)

NA

3. Community / Town Council

NA

4. Relevant Partners

NA

5. Staff Side Representatives and other Organisations

NA

**EXECUTIVE BOARD PORTFOLIO
HOLDER(S) AWARE/CONSULTED**

NA

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THERE ARE NONE

Title of Document	File Ref No.	Locations that the papers are available for public inspection



Business Plan

2021 - 2022

Dyfed Pension Fund



Administered by:



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Dyfed Pension Fund Business Plan

This Business Plan explains how the **Dyfed Pension Fund** intends to develop and improve its services.

It enables the Fund to focus on achieving agreed targets and helps staff see how they contribute to the overall success of the Dyfed Pension Fund.

about the Dyfed Pension Fund

The Dyfed Pension Fund is one of 101 funds making up the Local Government Pension Scheme.

Carmarthenshire County Council is the statutorily appointed Administering Authority for the Dyfed Pension Fund. It administers the benefits and invests the assets of the Fund.

Carmarthenshire County Council also acts as the administrator for the unfunded Police and Fire pension schemes for Dyfed Powys Police Authority, Mid & West Wales Fire and Rescue Service and North Wales Fire and Rescue Service respectively.

The Fund's LGPS membership base consists of 50,782 members (as at 31st March 2020) from 46 contributing employing authorities.



Tudalen 128

how the fund is run



Chairman of the Pension Fund Committee (far left)
Councillor Elwyn Williams

Committee Members (left to right)
Councillor Jim Jones
Councillor Deryk Cundy
Councillor Dai Thomas (Substitute Committee Member)

All pension matters are delegated to the Pension Fund Committee and its members act as 'quasi trustees'.

The Committee delegates the day to day running of the Pension Fund to the Section 151 Officer and the Pensions Administration and Investment teams.

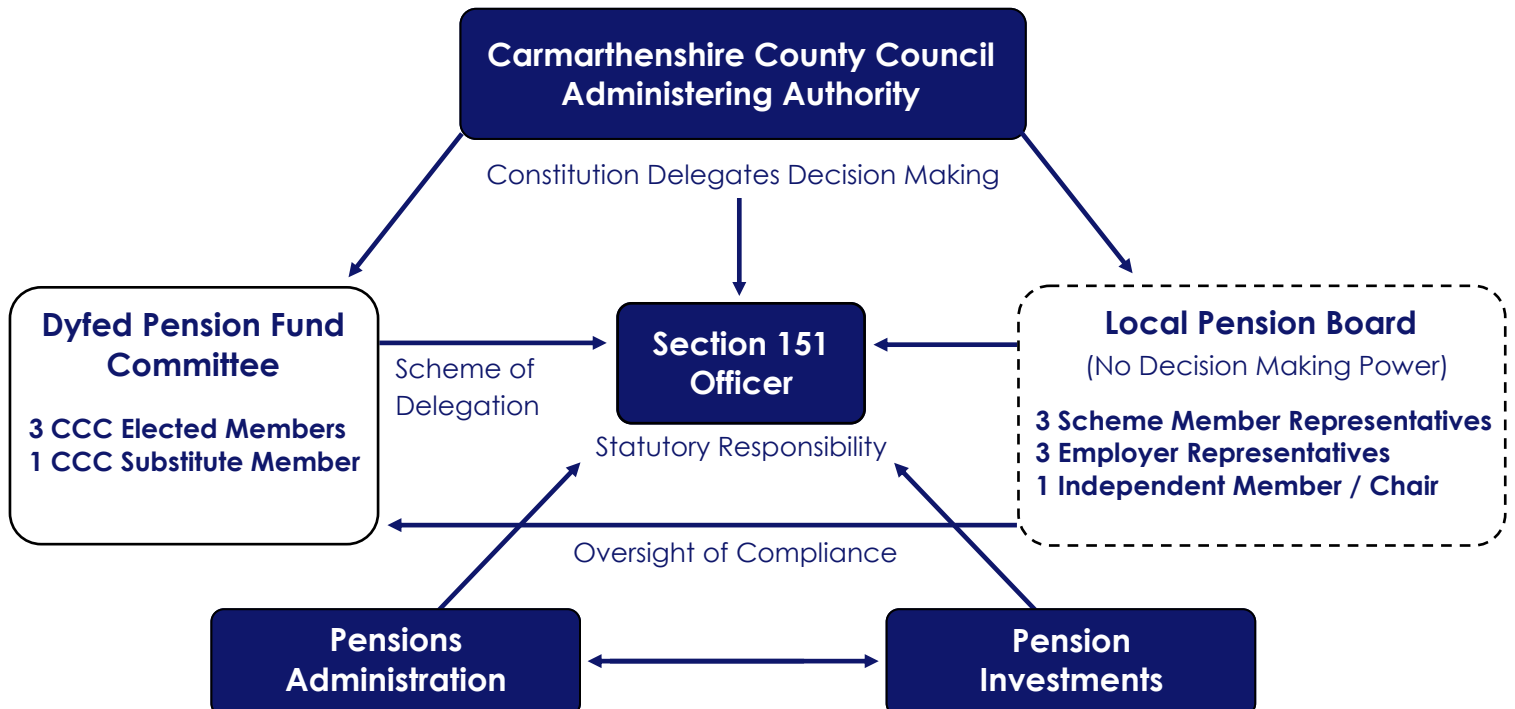
The Pensions Administration and Investment teams are responsible for all aspects of the Fund including administration, accounting, investment and governance.

The Local Pension Board was established on 1 April 2015 under the requirements of the Public Service Pensions Act (PSPA) 2013. It has an oversight/assisting role with the Administering Authority in securing compliance with regulations and requirements and ensuring effective and efficient governance and administration of the Fund. (see below)

The Dyfed Pension Fund aims to provide a high quality service that is transparent, efficient and supportive to all stakeholders

governance of the fund

The relationship between the Dyfed Pension Fund Committee and operational management within Carmarthenshire County Council can be illustrated as follows. The detailed governance of the Fund is set out in the **Governance Policy**.



- The independent investment adviser advises the Committee on all aspects of investment management at quarterly and ad-hoc meetings.
- The custodian (Northern Trust) is responsible for the safe-keeping of the Fund's investment assets, arranges the settlement of sales and purchases and collects income on the investments held.
- The actuary (Mercer) carries out statutorily required fund valuations including the setting of employer contribution rates, IAS 19 schedules and other general actuarial advice.
- The performance management company (PIRC) reviews the performance of the investment managers relative to agreed benchmarks.

principal responsibilities



These responsibilities include:

- **Pension administration services including calculating and paying benefits. To ensure accuracy of the member database in partnership with all stakeholders.**
- **Implementation of the funding strategy to ensure Fund assets are sufficient to meet pension liabilities.**
- **Investing Fund assets, implementing investment strategy, managing external investment managers.**
- **Internal management of assets and promoting responsible investment.**
- **Safekeeping and accounting of Fund assets.**
- **Preparing the Fund's annual report and accounts.**
- **Providing information and guidance on pension issues to employers and others.**

overall goal of the fund

To continuously develop our services by aiming to:

- **Provide excellent customer care**
- **Support and develop staff**
- **Ensure that assets meet scheme liabilities**
- **Reduce the risk of employer contribution rate volatility**



The Fund's members fall into four categories.



Ministry of Housing,
Communities &
Local Government



Department for Work & Pensions



Scheme Membership as at 31st March 2020

Local Government	
Active Members (Contributors)	18,564
Deferred Pensioners	15,900
Pensioners	14,059
Undecided leavers	2,259
Total Membership	50,782

Employers of the Scheme Members

The Fund is dependant on the information provided by its employers in order to provide and maintain an accurate and effective service to members. The Dyfed Pension Fund has 46 contributing employing authorities participating in the Local Government Pension Scheme as at 31st March 2020.

Regulatory Bodies

The key bodies that the Fund liaise with include:

- **The Ministry of Housing, Communities and Local Government** – the regulatory body responsible for the LGPS.
- **HM Revenues & Customs**
- **The Department for Work & Pensions**

key policy documents

Key policy documents which the reader may wish to refer to are available on the Dyfed Pension Fund website (www.dyfedpensionfund.org.uk):

- **Administration Strategy & Service Standards**
- **Customer Charter**
- **Funding Strategy Statement**
- **Investment Strategy Statement**
- **Communication Policy Statement**
- **Governance Compliance Statement**
- **Governance Policy Statement**



business objectives of the fund



1. To ensure the effective management and governance of the Dyfed Pension Fund in a way that strives for continuous improvement through improved value for money, the promotion of excellent customer service and compliance with all regulatory and best practice requirements.



2. To ensure the proper administration, accounting and reporting of all the Dyfed Pension Fund's financial affairs.

3. To recruit, train, nurture and retain highly motivated staff with the necessary professional, managerial and customer focus skills.

4. To become a recognised role model of best practice amongst LGPS Funds and to be recognised by our customers as providing an excellent service.

5. To establish a strategic asset allocation benchmark which is expected to deliver the required investment return, at an accepted level of risk, in the long term.



6. To ensure that the assets of the Fund match or exceed its liabilities thus minimising and avoiding the volatility of the employers contribution rate.

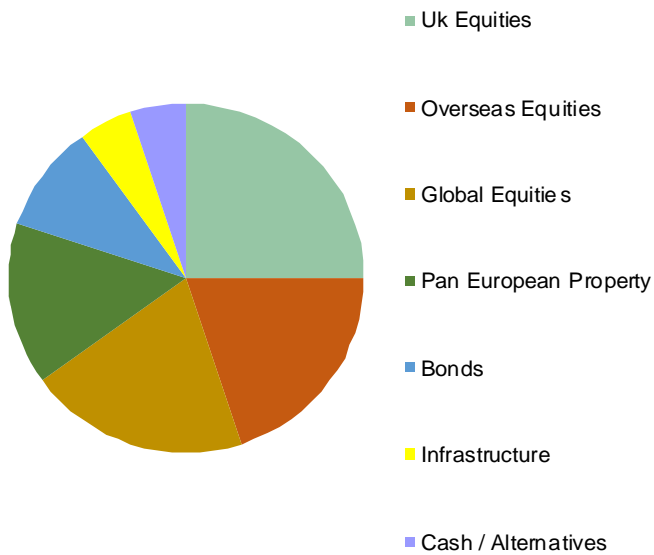
7. To provide a lean, effective, customer friendly benefits administration service, which ensures:

- The calculation and payment of scheme benefits accurately and promptly;
- The accurate maintenance of the records of all members of the Fund; and
- Effective communication, as well as fair explanation and support to the Fund's scheme members and employer bodies.

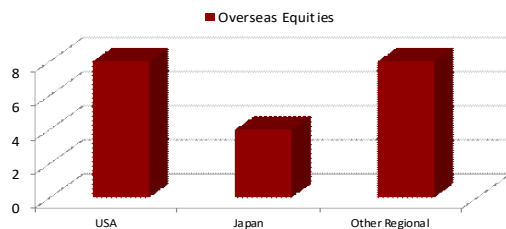


The Fund's performance objectives are encapsulated in its strategic benchmark. The following illustrations show the Fund's investment strategy and benchmarks.

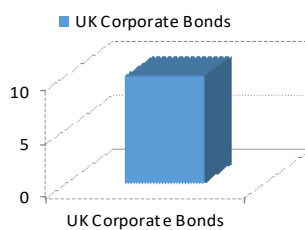
Asset Class



Asset Class	Benchmark (%)
UK Equities	25.00
Overseas Equities	20.00
Global Equities	20.00
Pan European Property	15.00
Fixed Income	10.00
Infrastructure	5.00
Cash / Alternatives	5.00
Total	100.00



Overseas Equities	Benchmark (%)
USA	8.00
Japan	4.00
Other Regional	8.00
Total	20.00



Fixed Income	Benchmark (%)
UK Corporate Bonds	10.00
Total	10.00

The approach to investment of the Fund's assets is built around the policies and practices set out in the Investment Strategy Statement (ISS) and the Funding Strategy Statement (FSS).

The Fund has a range of managers, including the All Wales Pool (Wales Pension Partnership), and expert advisers in place to support its investment objectives detailed in its ISS.

The in-house management is formulated to provide advice on investment management, promote best practice and implement the decisions of the Committee.

Best practice having regard to:

- **Myners' Principles**
- **Professional and industry standards**
- **Audit Wales, and other professional bodies' views, codes and recommendations**
- **Investment management regulations**
- **Accounting standards**
- **LGPS Regulations**
- **Overriding pensions legislation**



Partners Group
Passion for Alternative Investments



Schroders

budget

April 2021 - March 2022

key statistics

- **105% Funded as at 31st March 2019**
One of the best funded LGPS schemes
- **18.3% primary employer contribution rate 2021/22 - 2022/23**
One of the lowest in the LGPS.
- **Investment Return of -7.2% in 2019/2020**
55th out of 63 LGPS Pension Funds in the universe.
- **Market Value of the Fund - £2,378m as at 31st March 2020**

	Budget £'000
Pensions Payable	78,863
Lump Sum, Death benefit, Transfers Out	16,620
Administration fees	715
Investment Management expenses	6,860
Central recharges	1,254
EXPENDITURE	104,312
Employee Contributions	22,121
Employer Contributions	66,893
Investment Income	12,298
Transfers In	3,000
INCOME	104,312

Ongoing Topic	Main task
Scheme Developments	To implement amendments to the Local Government Pension Scheme as a consequence of legislation changes and any further AVC changes due to Freedom & Choice legislation.
Committee Member training	To provide training for committee members on specific issues ahead of relevant decisions by the Committee.
Keep under review and refresh key policy documents	To seek committee member approval and formally publish documents e.g. Governance Policy, Communication Strategy, etc.
Investment Manager Review	Continuous review of existing managers' performance or new developments in the markets may trigger a review of part or all of the Fund's investments.
Investment Strategy Statement / Funding Strategy Statement	To implement any changes as a result of scheme developments and investment strategy reviews.
Guaranteed Minimum Pension (GMP) Reconciliation	Complete reconciliation of member data to that held by the HMRC in respect of contracted-out membership.
My Pension Online	Continue to promote the service to members.
i-Connect	Implement the i-Connect data exchange for uploading and improving data transfer for employers that wish to transfer data electronically.
Auto Enrolment	Ensure compliance with the implementation of auto enrolment in accordance with the requirement of the Pensions Act.
Improve access to personal information	Improve communication in line with best practice and serve the needs of our members and employers by: - developing and keeping up to date the Fund's website. - reviewing existing fact sheets and letters to improve readability.
Continue to develop a high performing team	To have a highly motivated staff team with the necessary professional, managerial and customer skills to provide excellent service.
Review of all Administration Procedures	To identify where more efficient customer focused procedures and processes can be adopted.
Continue to undertake regular road shows / seminars	To improve communications with the Fund's members.
Developing collaboration with other Local Government Pension Funds	Assess the opportunities for further collaboration.
Pension Board	Coordinate and provide ongoing support for Pension Board.
Wales Pension Partnership - Host Authority	Continue to provide Host Authority support to the Wales Pension Partnership.
Developments/New Topic	Main task
New Committee Member training	To provide training for new committee members.
New Local Pension Board Member training	To provide training for new board members.
Custody Services	Review and retender the contract.
Actuarial and Benefit Consultancy Services	Review and tender the contract.
Equity Portfolio	Investigate low carbon investment opportunities.
Strategic Asset Allocation	Review the strategic asset allocation of the Fund.
McCloud Judgement	Once regulatory clarity is received, a project plan will be developed to implement changes resulting from the judgement.
Data Quality	Ensure that the Data Quality scores in respect of both common and scheme specific data which are reported to the Pensions Regulator increase annually.



Contacting the Dyfed Pension Fund...



Pension Administration

Dyfed Pension Fund
Building 2
St David's Park
Carmarthen
SA31 3HB

Pension Investments & Governance

Dyfed Pension Fund
County Hall
Carmarthen
SA31 1JP



pensions@carmarthenshire.gov.uk



www.dyfedpensionfund.org.uk

PWYLLGOR CRONFA BENSIWN DYFED
25/03/2021

Cynllun Hyfforddi 2021-2022

Rhoi Cynllun Hyfforddi 2021-2022 i Bwyllgor Cronfa Bensiwn Dyfed.

YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:

Bod y Pwyllgor yn cymeradwyo Cynllun Hyfforddi 2021-2022.

Y RHESYMAU:

Rhoi Cynllun Hyfforddi 2021-2022 i Bwyllgor Cronfa Bensiwn Dyfed.

Angen ymgynghori â'r Pwyllgor Craffu perthnasol AMHERTHNASOL

Angen i'r Bwrdd Gweithredol wneud penderfyniad AMHERTHNASOL

Angen i'r Cyngor wneud penderfyniad AMHERTHNASOL

Yr Aelod o'r Bwrdd Gweithredol sy'n Gyfrifol am y Portffolio - AMHERTHNASOL

Y Gyfarwyddiaeth:
Gwasanaethau Corfforaethol

Enw'r Cyfarwyddwr:
Chris Moore

Awdur yr Adroddiad:
Chris Moore

Swydd:

Cyfarwyddwr
Gwasanaethau
Corfforaethol, Cyngor
Sir Gâr

Rhifau ffôn: 01267 224120

Cyfeiriad e-bost:

CMoore@sirgar.gov.uk

**EXECUTIVE SUMMARY
DYFED PENSION FUND COMMITTEE
DATE 25/03/2021**

TRAINING PLAN 2021-2022

The report includes the schedule of Committee meetings and training events, along with the members / officers who are anticipated to attend the events. Following the approval of the plan, the Committee reserves the right to vary the attendees at the training events.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore

Director of Corporate Services

1. Scrutiny Committee

NA

2. Local Member(s)

NA

3. Community / Town Council

NA

4. Relevant Partners

NA

5. Staff Side Representatives and other Organisations

NA

**EXECUTIVE BOARD PORTFOLIO
HOLDER(S) AWARE/CONSULTED**

NA

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THERE ARE NONE

Title of Document	File Ref No.	Locations that the papers are available for public inspection

DYFED PENSION FUND**Committee Members and Officers Training 2021-22****Committee Members**

Councillor Elwyn Williams (EW) – Chair
 Councillor Deryk Cundy (DC) – Committee Member
 Councillor Jim Jones (JJ) – Committee Member
 Councillor Dai Thomas (DT) – Substitute Committee Member

Officers

Chris Moore (CM) – Director of Corporate Services
 Randal Hemingway (RH) – Head of Financial Services
 Anthony Parnell (AP) – Treasury & Pension Investments Manager
 Kevin Gerard (KG) – Pensions Manager
 Martin Morgan (MM) – Deputy Pensions Manager
 Martin Owens (MO) – Assistant Accountant

<u>Date</u>	<u>Subject</u>	<u>Provider</u>	<u>Venue</u>	<u>Attendees</u>
18 - 19 May 2021	LA Conference	PLSA	Virtual Meeting	All members & officers
16 June 2021	Committee Meeting		Virtual Meeting	CM, RH, AP, KG, MO & all members
14 July 2021	Business Meeting	LAPFF	Virtual Meeting	AP & EW
8 - 9 September 2021	Investment Summit	LGC	Leeds	RH, AP, DT & DC
6 October 2021	AGM & Business Meeting	LAPFF	London	AP & EW
7 October 2021	ACM		Llanelli	All members & officers
8 October 2021	Committee Meeting		Llanelli	CM, RH, AP, KG, MO & all members
October 2021 (tbc)	Fundamentals Training	LGPC	Cardiff	DC & DT
November 2021 (tbc)	Pension Managers Conference	SWPE	TBC	KG & MM
November 2021 (tbc)	Fundamentals Training	LGPC	Cardiff	DC & DT
December 2021(tbc)	Committee Meeting		Carmarthen	CM, RH, AP, KG, MO & all members

8 – 10 December 2021	Annual Conference	LAPFF	Bournemouth CM & DC	
December 2021 (tbc)	Fundamentals Training	LGPC	Cardiff	DC & DT
January 2022 (tbc)	Pension Fund Accounts	CIPFA	London	MO
January 2022 (tbc)	ESG issues	LAPFF	London	AP & DC
March 2022 (tbc)	Committee Meeting		Carmarthen	CM, RH, AP, KG, MO & all members

Note: The Committee reserves the right to occasionally vary the attendees at the training sessions. Courses/conferences may arise at short notice and when this occurs the Director of Corporate Services has the authority to approve attendance with Executive Board /Leader being notified retrospectively.

PWYLLGOR CRONFA BENSIWN DYFED
25/03/2021

Diweddariad Gweithredwr

Y Pwyllgor Cronfa Bensiwn Dyfed i gael y wybodaeth ddiweddaraf gan Link a Russell am gerrig milltir a chynnydd Partneriaeth Pensiwn Cymru.

YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:

Link a Russell i ddarparu'r wybodaeth ddiweddaraf am garreg filltir a chynnydd Partneriaeth Pensiwnau Cymru.

Y RHESYMAU:

Link a Russell i roi diweddariad ar y meysydd allweddol isod:

- Daliadau Presennol y Cronfeydd
- Cynnydd Lansio'r Gronfa
- Diweddariad ac ymgysylltiad corfforaethol Link / Russell Investments

Angen ymgynghori â'r Pwyllgor Craffu perthnasol AMHERTHNASOL

Angen i'r Bwrdd Gweithredol wneud penderfyniad AMHERTHNASOL

Angen i'r Cyngor wneud penderfyniad AMHERTHNASOL

Yr Aelod o'r Bwrdd Gweithredol sy'n Gyfrifol am y Portffolio - AMHERTHNASOL

Y Gyfarwyddiaeth:
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Enw'r Gyfarwyddwr:
Chris Moore

Awdur yr Adroddiad:
Chris Moore

Swydd:

Cyfarwyddwr
Gwasanaethau
Corfforaethol, Cyngor
Sir Gâr

Rhifau ffôn: 01267 224120

Cyfeiriad e-bost:

CMoore@sirgar.gov.uk

**EXECUTIVE SUMMARY
DYFED PENSION FUND COMMITTEE
DATE 25/03/2021**

OPERATOR UPDATE

A report from Link and Russell providing an update on the progress and milestones of the following Sub Funds:

- Tranche 3 – Fixed Income
- Tranche 4 – Emerging Markets
- Tranche 5 – Private Markets strategy development

Also, an update on the Engagement Protocol, including key meeting dates.

DETAILED REPORT ATTACHED?

YES

IMPLICATIONS

I confirm that other than those implications which have been agreed with the appropriate Directors / Heads of Service and are referred to in detail below, there are no other implications associated with this report:

Signed: **C Moore**

Director of Corporate Services

Policy, Crime & Disorder and Equalities	Legal	Finance	ICT	Risk Management Issues	Staffing Implications	Physical Assets
NONE	NONE	NONE	NONE	NONE	NONE	NONE

CONSULTATIONS

I confirm that the appropriate consultations have taken in place and the outcomes are as detailed below

Signed: C Moore

Director of Corporate Services

1. Scrutiny Committee

NA

2. Local Member(s)

NA

3. Community / Town Council

NA

4. Relevant Partners

NA

5. Staff Side Representatives and other Organisations

NA

**EXECUTIVE BOARD PORTFOLIO
HOLDER(S) AWARE/CONSULTED**

NA

Section 100D Local Government Act, 1972 – Access to Information

List of Background Papers used in the preparation of this report:

THERE ARE NONE

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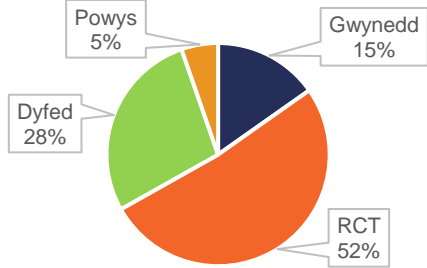
Wales Pension Partnership

Joint Governance Committee

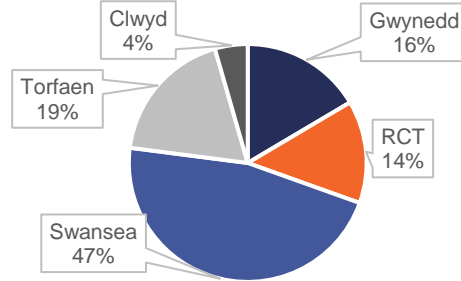
24th March 2021

December 2020 LF Wales PP Fund Snapshot

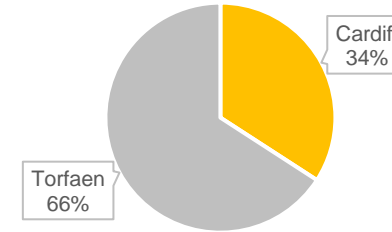
Global Growth



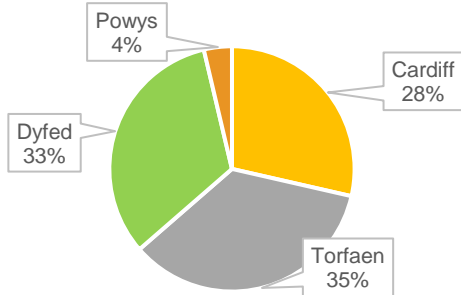
Global Opportunities



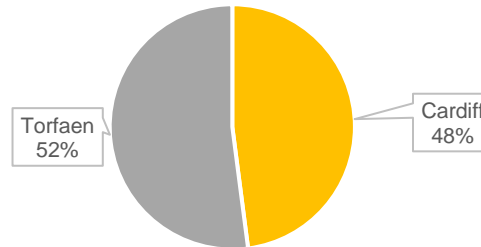
UK Opportunities



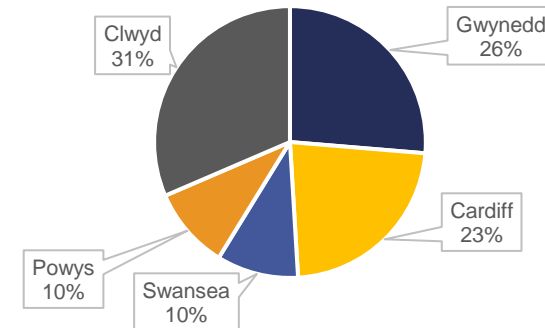
Global Credit



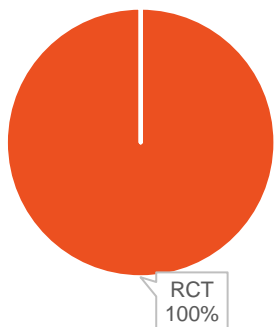
Global Gov. Bond



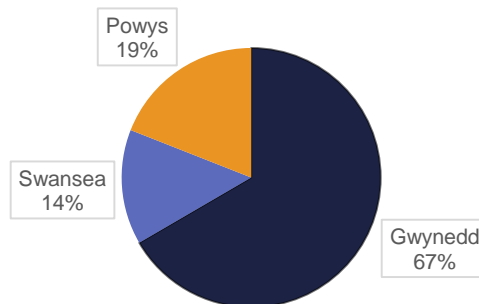
Multi Asset Credit



Sterling Credit



Absolute Return Bond



Key:

- Dyfed
- Powys
- Gwynedd
- RCT
- Torfaen
- Clwyd
- Swansea
- Cardiff

Tudalen 148

December 2020 LF Wales PP Fund Snapshot

Fund	AUM	Inception date
Global Growth	£2,765,653,588	6 th Feb 2019
Global Opportunities	£2,497,364,432	14 th Feb 2019
UK Opportunities	£635,984,319	10 th Oct 2019
Global Credit	£813,895,265	21 st Aug 2020
Global Government Bond	£541,409,848	20 th Aug 2020
Multi Asset Credit	£672,186,892	12 th Aug 2020
Sterling Credit	£575,953,784	19 th Aug 2020
Absolute Return Bond	£441,065,073	30 th Sept 2020
Total	£8,943,513,201	

Note: All data as at 31st December 2020

Fund Launch Progress Report

Tranche 3, 4 & 5 updates

Open Launch Activity

Key Achievements & Updates

Key:

- On track
- Progressing with delays
- On hold / progressing with major delays

Fund Launches Progress				
	Overview	Status	Progress in period	Launch dates
Tranche 3: Fixed Income sub-fund launch	<ul style="list-style-type: none"> ■ Establishment of 5 Fixed Income sub-funds within the ACS ■ FCA approval received and BlackRock appointed as transition manager 	Completed	<ul style="list-style-type: none"> ■ All 5 funds launched successfully ■ BlackRock have completed the post transition report and review with Host Authority / Hymans 28th September (final document issued 26th October) ■ Byhiras review of transition completed 	27 th and 30 th July 2020 30 th September
Tranche 4: Emerging Markets sub-fund launch	<ul style="list-style-type: none"> ■ Emerging Market fund to be created under the Enhanced Portfolio Implementation model with a carbon reducing overlay 	In progress	<ul style="list-style-type: none"> ■ JGC agreed manager structure proposal March 2020 ■ Prospectus review completed by LFS, Burgess Salmon and NT Depositary ■ Submission to FCA due 19th February 	September 2021

Strategic developments				
	Overview	Status	Progress in period	Planned Launch date
Tranche 5: Private Markets strategy development	<ul style="list-style-type: none"> ■ Development of a WPP Private Market strategy including a road map for the potential creation of Private Market sub-funds with particular focus on Private Debt and Infrastructure 	In progress	<ul style="list-style-type: none"> ■ Russell Investments paper to outline launch proposal based on legacy asset and strategic plan of each participating Authority discussed within Working Group ■ LFS provided a consultation paper on suitable structures to Host Authority / Hymans on 28th August ■ Follow up paper on operating model and investment approach provided to Host Authority / Hymans on 28th October 	September to December 2021

LFS Corporate Update & Engagement

LFS Corporate Update & Engagement

ASX Announcement

- A non-binding indicative proposal to acquire Link Group was received from a consortium comprising Pacific Equity Partners, Carlyle Group and their affiliates (Consortium) dated 10 October 2020
- This offer was rejected as it did not represent compelling value for Link Group shareholders and a subsequent offer is under review
- These events have no impact to our service delivery and commitment to the WPP

Key Q3 and future WPP Engagement

Link attendance at OWG/JGC meetings in period:

- OWG 4th November 2020 (VC)
- JGC 10th December 2020 (VC)

Link attendance at OWG/JGC meetings in next quarter:

- OWG 26th February 2021 (VC)
- JGC 24th March 2021 (VC)

Link - Pension Committee attendance in period:

- Dyfed – 16th October 2020
- Clwyd – 25th November 2020

Link - Pension Committee attendance in next quarter :

- RCT – 1st March 2021 (VC)

Other meetings in period

- Host Authority update – occurs bi-weekly
- Working group - occurs bi-weekly

Other meetings in next quarter

- Host Authority update – occurs bi-weekly
- Working group - occurs bi-weekly

LFS Engagement Protocol

Business as Usual

Strategic Relationship Review	Frequency	Objective
-------------------------------	-----------	-----------

- | | |
|---|--|
| <ul style="list-style-type: none"> ▪ Bi-annual | <ul style="list-style-type: none"> ▪ Ensure strategic alignment between Host Authority and Link |
|---|--|

WPP Attendees

- Chris Moore
- Anthony Parnell
- Two Section 151 / Deputy Section 151 officers

Link Attendees

- Karl Midl, Managing Director
- Richard Thornton, Head of Relationship Management, Asset Owners
- Duncan Lowman, Head of Client Coverage

JGC Engagement	Frequency	Objective
----------------	-----------	-----------

- | | |
|---|---|
| <ul style="list-style-type: none"> ▪ Quarterly | <ul style="list-style-type: none"> ▪ Engage with JGC on pertinent matters and strategic deliverables |
|---|---|

WPP Attendees

- Joint Governance Committee (JGC)

Link Attendees

- Karl Midl, Managing Director / Adam Tookey, Head of Product – as required
- Richard Thornton, Head of Relationship Management, Asset Owners / Duncan Lowman, Head of Client Coverage
- Eamonn Gough, Senior Relationship Manager
- Russell Investments

OWG Engagement	Frequency	Objective
----------------	-----------	-----------

- | | |
|--|---|
| <ul style="list-style-type: none"> ▪ Every 2 Months | <ul style="list-style-type: none"> ▪ Identify and deliver on opportunities to improve and expand the relationship ▪ Provide update on open projects or issues ▪ Monthly KPI Review (Data supplied monthly) |
|--|---|

WPP Attendees

- Officers Working Group (OWG)

Link Attendees

- Eamonn Gough, Senior Relationship Manager
- Richard Thornton, Head of Relationship Management, Asset Owners
- Adam Tookey, Head of Product (as required)
- Ada Wabara, Relationship Manager (as required)
- Ad-hoc Link attendance from functional departments: Tax, Compliance, Product, etc.
- Russell Investments

Link Engagement Protocol continued...

Business as Usual

Host Authority Update		Frequency	Objective
		<ul style="list-style-type: none"> ▪ Bi-Weekly 	<ul style="list-style-type: none"> ▪ Regular Host Authority – LFS to discuss deliverables and business updates
WPP Attendees			
<ul style="list-style-type: none"> ▪ Anthony Parnell ▪ Tracey Williams 			<ul style="list-style-type: none"> ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ Eamonn Gough, Senior Relationship Manager ▪ Ada Wabara, Relationship Manager (as required) ▪ Sheetal Shetty, Client Service Manager (as required)
WPP Working Group		Frequency	Objective
		<ul style="list-style-type: none"> ▪ Bi-Weekly 	<ul style="list-style-type: none"> ▪ Regular project call to discuss progress of deliverables
WPP Attendees			
<ul style="list-style-type: none"> ▪ Officers Working Group (OWG) ▪ Hymans 			<ul style="list-style-type: none"> ▪ Link Client Team ▪ Northern Trust ▪ Russell Investments ▪ Other consultants (e.g. bFinance)
Annual Shareholder Day		Frequency	Objective
		<ul style="list-style-type: none"> ▪ Annual 	<ul style="list-style-type: none"> ▪ Open day for presentations on strategy and performance (with IM)
<ul style="list-style-type: none"> ▪ Open to all involved parties 			<ul style="list-style-type: none"> ▪ Link Client Team ▪ Northern Trust ▪ Russell Investments and other Investment Managers (e.g. Global Growth Managers) ▪ Other consultants as required (e.g. bFinance)
Pension Fund Committees			Objective
		<ul style="list-style-type: none"> ▪ Annual 	<ul style="list-style-type: none"> ▪ General update on the ACS and planned initiatives
Individual Pension Fund Committee meetings			<ul style="list-style-type: none"> ▪ Eamonn Gough, Senior Relationship Manager ▪ Ada Wabara, Relationship Manager ▪ Richard Thornton, Head of Relationship Management, Asset Owners ▪ Russell Investments

Mae'r dudalen hon yn wag yn fwiadol

Eitem Rhif 17

Yn rhinwedd paragraff(s) 12 o Rhan 4 o Atodlen 12A% o ddeddf Llywodraeth Leol 1972 fel y'i diwygiwyd
Orchymyn Llywodraeth Leol (Mynediad at Wybodaeth) (Amrywio) (Cymru) 2007

Document is Restricted

Mae'r dudalen hon yn wag yn fwriadol

Document is Restricted

Mae'r dudalen hon yn wag yn fwriadol

Eitem Rhif 18

Yn rhinwedd paragraff(s) 12 o Rhan 4 o Atodlen 12A% o ddeddf Llywodraeth Leol 1972 fel y'i diwygiwyd
Orchymyn Llywodraeth Leol (Mynediad at Wybodaeth) (Amrywio) (Cymru) 2007

Document is Restricted

Mae'r dudalen hon yn wag yn fwriadol

Document is Restricted

Mae'r dudalen hon yn wag yn fwriadol

Eitem Rhif 19

Yn rhinwedd paragraff(s) 12 o Rhan 4 o Atodlen 12A% o ddeddf Llywodraeth Leol 1972 fel y'i diwygiwyd
Orchymyn Llywodraeth Leol (Mynediad at Wybodaeth) (Amrywio) (Cymru) 2007

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Mae'r dudalen hon yn wag yn fwriadol

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Mae'r dudalen hon yn wag yn fwriadol

Eitem Rhif 20

Yn rhinwedd paragraff(s) 12 o Rhan 4 o Atodlen 12A% o ddeddf Llywodraeth Leol 1972 fel y'i diwygiwyd
Orchymyn Llywodraeth Leol (Mynediad at Wybodaeth) (Amrywio) (Cymru) 2007

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