

**DYDD MAWRTH, 4 HYDREF 2022**

**AT: HOLL AELODAU'R PWYLLGOR CRONFA BENSIWN DYFED**

YR WYF DRWY HYN YN EICH GALW I FYNYCHU CYFARFOD  
AMLLEOLIAD O'R **PWYLLGOR CRONFA BENSIWN DYFED** A  
GYNHELIR YN Y **SIAMBR, NEUADD Y SIR, CAERFYRDDIN, AC O  
BELL AM 3.00 YP, DYDD MAWRTH, 11EG HYDREF, 2022** ER MWYN  
CYFLAWNI'R MATERION A AMLINELLIR AR YR AGENDA SYDD  
YNGHLWM

*Wendy Walters*

**PRIF WEITHREDWR**

<b>Swyddog Democrataidd:</b>	<b>Martin S. Davies</b>
<b>Ffôn (Ilinell uniongyrchol):</b>	<b>01267 224059</b>
<b>E-bost:</b>	<b>MSDavies@sirgar.gov.uk</b>

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 (2)**

- |   |            |                            |
|---|------------|----------------------------|
| 1 | Cynghorydd | Elwyn Williams (Cadeirydd) |
| 2 | Cynghorydd | Dai Thomas                 |

**GRŴP LLAFUR (1)**

- |   |            |           |
|---|------------|-----------|
| 1 | Cynghorydd | Rob James |
|---|------------|-----------|

**DIRPRWY ENWEBEDIG (1)**

**Cynghorydd Denise Owen**

# AGENDA

1. YMDDIHEURIADAU AM ABSENOLDEB
2. DATGAN BUDDIANNAU PERSONOL
3. COFNODION CYFARFOD Y PWYLLGOR A GYNHALIWDYD AR 28 MEHEFIN 2022 5 - 10
4. COFNODION BWRDD PENSIWN CRONFA BENSIGN DYFED 3 MAI 2022 11 - 22
5. MONITRO CYLLIDEB 1 EBRILL 2022 - 30 MEHEFIN 2022 23 - 28
6. CYSONI ARIAN PAROD FEL YR OEDD AR 30 MEHEFIN 2022 29 - 34
7. ADRODDIAD GWEINYDDU PENSIYNAU 35 - 46
8. ADRODDIAD TORRI AMODAU 2022-2023 47 - 52
9. COFRESTRE RISG 53 - 84
10. CYNLLUN HYFFORDDI 2022-2023 85 - 90
11. PARTNERIAETH PENSIWN CYMRU - DIWEDDARIAD Y GWEITHREDWR 91 - 104
12. AILSTRWYTHURO ECWITI CAM III 105 - 112
13. GORCHYMYN I'R CYHOEDD ADAEL Y CYFARFOD  
NI DDYLID CYHOEDDI'R ADRODDIADAU 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.
14. ADRODDIAD PERFFORMIAD A RISG YMGYNGHORYDD BUDDSODDI ANNIBYNNOL 30 MEHEFIN 2022 113 - 124
15. ADRODDIAD PERFFORMIAD NORTHERN TRUST 30 MEHEFIN 2022 125 - 136
16. ADRODDIADAU'R RHEOLWR BUDDSODDI AR 30 MEHEFIN 2022 137 - 230



Dydd Mawrth, 28 Mehefin 2022

**YN BRESENNOL:** Y Cyngorydd D.E. Williams (Cadeirydd)

**Y Cynghorwyr:**

D. Thomas, R. James a D. Owen (Sylwedydd)

**Hefyd yn bresennol:**

A. Brown - Ymgynghorydd Buddsoddi Annibynnol

J. Blewitt – Archwilio Cymru

**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

K. Gerard, Rheolwr Pensiwn

M. Owens, Cyfrifydd Cynorthwywr

S. Rees, Cyfieithydd Ar Y Pryd

E. Evans, Prif Swyddog Gwasanaethau Democrataidd

M.S. Davies, Swyddog Gwasanaethau Democrataidd

E. Bryer, Swyddog Gwasanaethau Democrataidd

**Rhith-Gyfarfod - 2.20 yp - 4.30 yp**

**1. YMDDIHEURIADAU AM ABSENOLDEB**

Ni chafwyd ymddiheuriadau am absenoldeb.

Croesawodd y Cadeirydd aelodau newydd y Pwyllgor i'r cyfarfod.

**2. DATGAN BUDDIANNAU PERSONOL**

<b>Y Cyngorydd</b>	<b>Rhif y Cofnod</b>	<b>Y Math o Fuddiant</b>
Y Cyngorydd D.E. Williams	Pob eitem ar yr agenda	Aelod o Gronfa Bensiwn Dyfed
Y Cyngorydd D. Thomas	Pob eitem ar yr agenda	Aelod o Gronfa Bensiwn Dyfed
Y Cyngorydd R. James	Pob eitem ar yr agenda	Aelod o Gronfa Bensiwn Dyfed

**3. COFNODION CYFARFOD Y PWYLLGOR A GYNHALIWYD AR 29AIN MAWRTH, 2022**

**PENDERFYNWYD** llofnodi cofnodion cyfarfod y Pwyllgor a gynhaliwyd ar 29 Mawrth 2022, gan eu bod yn gywir.

**4. 2022 CYNLLUN ARCHWILIO**

Croesawodd y Pwyllgor Jason Blewitt o Archwilio Cymru i'r cyfarfod a gyflwynodd yr adroddiad ar Gynllun Archwilio 2022 ar gyfer Cronfa Bensiwn Dyfed i'r Pwyllgor.

Roedd y Cynllun yn nodi'r cwmpas arfaethedig, pryd i'w gyflawni, cost a chyfrifoldebau.

Rhodddwyd gwybod i'r Pwyllgor mai Archwilio Cymru oedd yn gyfrifol am gyhoeddi'r adroddiad ar y datganiadau cyfrifyddu a oedd yn cynnwys barn ar eu 'gwirionedd a thegwch'. Roedd hyn yn rhoi sicrwydd y byddai'r cyfrifon yn:

- rhydd rhag camddatganiad, p'un a wedi'i achosi gan dwyll neu wall
- cydymffurfio â gofynion statudol a gofynion cymwys eraill ac yn
- cydymffurfio â'r holl ofynion perthnasol ar gyfer cyflwyno a datgelu cyfrifyddu.

Tynnwyd sylw'r Pwyllgor at y ffi a oedd wedi cynyddu tua £3,000. Gofynnwyd a oedd y ffi hon yn gystadleuol o gymharu â'r prisiau gan sefydliadau eraill. Cadarnhaodd Archwilio Cymru fod hon yn ffi gystadleuol.

## **PENDERFYNWYD YN UNFRYDOL gymeradwyo Cynllun Archwilio 2022.**

### **5. COFNODION BWRDD PENSIWN CRONFA BENSIWN DYFED 25 IONAWR 2022**

**PENDERFYNWYD YN UNFRYDOL fod cofnodion cyfarfod Bwrdd Pensiwn Cronfa Bensiwn Dyfed ar 25 Ionawr, 2022 yn cael eu derbyn.**

### **6. SEFYLLFA GYLLIDEBOL DERFYNOL 2021-2022**

Derbyniodd y Pwyllgor sefyllfa derfynol cyllideb Cronfa Bensiwn Dyfed ar gyfer 2021-22 ar 31 Mawrth 2022 a ddangosodd danwariant o gymharu â'r gyllideb o £6.5m ar eitemau arian parod.

Nodwyd bod treuliau rheoli yn dangos gorwariant o £433k a arweiniodd at wariant o £886k yn fwy na'r hyn a gyllidebwyd. Cyfanswm y gwariant oedd £105.2m a chyfanswm yr incwm oedd £111.7m.

Gofynnwyd a oedd cap ar y cyfandaliad sy'n ddyladwy i aelodau'r gronfa bensiwn. Dywedwyd wrth y Pwyllgor fod y gronfa'n rhan o gynllun buddion diffiniedig ac y byddai buddion yn cael eu talu yn unol â'r rheoliadau. Dywedwyd bod Cyllid a Thollau Ei Mawrhydi yn pennu'r terfyn ar gyfer y cyfandaliad di-dreth sy'n daladwy.

**PENDERFYNWYD YN UNFRYDOL dderbyn Adroddiad Sefyllfa Derfynol y Gyllideb ar gyfer Cronfa Bensiwn Dyfed fel yr oedd ar 31 Mawrth 2022.**

### **7. CYSONI ARIAN PAROD FEL YR OEDD AR 31 MAWRTH 2022**

Bu'r Pwyllgor yn ystyried yr adroddiad Cysoni Arian Parod a roddai'r wybodaeth ddiweddaraf am sefyllfa ariannol Cronfa Bensiwn Dyfed. Nodwyd ar 31 Mis Mawrth, 2022 fod Cyngor Sir Caerfyrddin yn cadw £4.5m 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.**

## 8. DIWEDDARIADAU GWEINYDDOL

### 8.1. ADRODDIAD GWEINYDDU PENSIYNAU

Derbyniodd y Pwyllgor adroddiad a roddai ddiweddariad ar Weinyddu Pensiynau. Roedd yr adroddiad yn cynnwys diweddariadau ar y gweithgareddau yn y gwasanaeth Gweinyddu Pensiynau ac roedd yn cynnwys materion rheoleiddiol, cyflogwyr newydd, y gofrestr torri amodau, i-Connect, cysoniad GMP a llif gwaith.

Er budd aelodau newydd y pwyllgor, darparwyd briff ynghylch dyfarniad McCloud.

Cadarnhaodd yr adroddiad fod Grŵp Technegol y DU wedi nodi dirywiad yn lefelau gwasanaeth drwy gronfeydd Pru yn genedlaethol. Codwyd y mater hwn yng nghyfarfodydd y Pwyllgor Pensiynau Llywodraeth Leol a Bwrdd Cynghori'r Cynllun Cenedlaethol.

Tynnodd yr adroddiad sylw at yr argymhelliad i DLUHC ddileu'r rhwystr 75 oed o ran talu grant marwolaeth goroeswr i adlewyrchu newidiadau a wnaed gan gynlluniau eraill yn y sector cyhoeddus.

**PENDERFYNWYD YN UNFRYDOL nodi'r Adroddiad Gweinyddu Pensiynau mewn perthynas â Chronfa Bensiwn Dyfed.**

### 8.2. CYFATHREBIAD PRU

Derbyniodd y Pwyllgor ohebiaeth a gafwyd gan Pru mewn perthynas ag oedi gweinyddol ar gyfer cyfraniadau gwirfoddol ychwanegol Llywodraeth Leol. Roedd yr ohebiaeth yn cynnwys:

- Cydnabyddiaeth o'r oedi
- Disgrifiad o'r problemau
- Camau a gymerwyd i wella'r gwasanaeth
- Amserlenni disgwylidig ar gyfer ailddechrau gwasanaeth arferol

**PENDERFYNWYD YN UNFRYDOL nodi'r ohebiaeth â Pru mewn perthynas â'r oedi gweinyddol ar gyfer cyfraniadau gwirfoddol ychwanegol Llywodraeth Leol.**

## 9. ADRODDIAD TORRI AMODAU 2022-2023

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 Côd 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 oes 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 ychydig o achosion wedi bod ers y cyfarfod diwethaf lle nad oedd cyfraniadau gweithwyr/cyflogwr wedi'u derbyn ar amser. Nid oedd adroddiad wedi gorfod cael ei anfon at y Rheoleiddiwr Pensiynau.

Mewn ymateb i gwestiwn ynghylch pam nad oedd enwau cwmnïau wedi'u cynnwys yn yr adroddiad, dywedwyd bod hyn o ganlyniad i gyfrinachedd. Pe bai achosion parhaus o dorri amodau, byddent yn cael eu riportio yn unol â hynny.

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

## **10. COFRESTR RISG**

Rhoddwyd gwybod i'r Pwyllgor fod y Gofrestr Risg yn ddogfen waith a oedd yn tynnu sylw at holl risgiau a nodwyd mewn perthynas â swyddogaethau Cronfa Bensiwn Dyfed. Dywedwyd bod y gofrestr risg wedi'i hadolygu ac na fu unrhyw newidiadau ers cyfarfod diwethaf y pwyllgor. Byddai'r risgiau yn parhau i gael eu hadolygu, a byddai unrhyw newidiadau yn cael eu dwyn at sylw'r Pwyllgor.

Nodwyd bod y risgiau wedi'u rhannu rhwng agweddau gweinyddu, buddsoddi a llywodraethu Cronfa Bensiwn Dyfed.

Mewn ymateb i risg CSV400036 (Marchnadoedd ariannol byd-eang yr effeithir arnynt gan yr hinsawdd economaidd, mesurau cyni cenedlaethol/byd-eang a digwyddiadau geowleidyddol) gofynnwyd a ellid darparu adroddiad i'r Pwyllgor ynghylch sefyllfa'r farchnad fyd-eang a'r camau lliniaru sydd ar waith. Dywedodd Rheolwr y Trysorlys a Buddsoddiadau Pensiwn y byddai trefniadau'n cael eu gwneud ar y cyd â'r Ymgynghorydd Buddsoddi a Chyfarwyddwr y Gwasanaethau Corfforaethol i roi mwy o fanylion am liniaru digwyddiadau'r farchnad fyd-eang yng nghyfarfod nesaf y pwyllgor.

### **PENDERFYNWYD YN UNFRYDOL gymeradwyo'r adroddiad am y gofrestr risg.**

## **11. CYNLLUN HYFFORDDI 2022-2023**

Derbyniodd y Pwyllgor y wybodaeth ddiweddaraf am y Cynllun Hyfforddi ar gyfer 2022-2023 i'w hystyried a oedd yn darparu manylion am gyfarfodydd, digwyddiadau hyfforddi a'r aelodau a'r swyddogion y rhagwelwyd y byddent yn mynychu'r digwyddiadau.

### **PENDERFYNWYD YN UNFRYDOL nodi diweddariad y Cynllun Hyfforddi.**

## **12. DIWEDDARIAD AR ÔL TROED CARBON**

Cafodd y Pwyllgor y wybodaeth ddiweddaraf am y gweithgarwch a'r cynnydd o ran sefyllfa Ôl Troed Carbon y Gronfa i'w hystyried.



Dangosodd y diweddariad y Cyfartaledd Pwysedig o ran Dwyster Carbon (WACI) ar gyfer portffolio ecwiti'r Gronfa a dangosodd fod y gronfa wedi lleihau ei hól troed carbon o waelodlin o 147 WACI ym mis Medi 2020 i 127 WACI ym mis Mawrth 2022.

Mewn ymateb i gwestiwn, dywedwyd wrth y Pwyllgor mai'r prif wahaniaeth yn y data rhwng mis Rhagfyr a mis Mawrth oedd y ffaith bod sectorau sy'n ddwys o ran carbon yn perfformio'n dda. Nodwyd nad oedd y data diweddar ynghylch dwyster carbon ar gyfer cronfeydd Partneriaeth Pensiwn Cymru ar gael eto a bod data Mawrth 2021 wedi'i gynnwys. Rhagwelwyd y byddai rhywfaint o welliant o ran dwyster carbon cronfeydd Partneriaeth Pensiwn Cymru dros y cyfnod hwnnw.

Gofynnwyd i swyddogion pryd y byddai'r gronfa'n cyrraedd y targed carbon niwtral. Dywedwyd wrth y Pwyllgor nad oedd y data wedi'i fodelu mor bell ymlaen â hynny, fodd bynnag, yn fathemategol pe bai gostyngiad blynyddol o 7%, byddai dwyster carbon yn cael ei haneru erbyn 2030 a byddai'r gronfa'n garbon niwtral erbyn 2050.

Gofynnwyd a oedd cronfeydd pensiwn eraill yn defnyddio'r un dull ar gyfer mesur data ac a oedd y data hwnnw ar gael i Gronfa Bensiwn Dyfed gymharu ei sefyllfa yn ei erbyn. Dywedwyd wrth y Pwyllgor fod rhai yn defnyddio'r un cyfrifiadau neu gyfrifiadau tebyg ac nad oedd eraill yn defnyddio unrhyw gyfrifiadau. Nid oedd data cymharol o gronfeydd eraill ar gael ar hyn o bryd oni bai eu bod wedi'u cyhoeddi gydag agendâu pwyllgorau. Nodwyd y byddai gofyniad yn y dyfodol am Dasglu ar Ddatgeliadau Ariannol sy'n gysylltiedig â'r Hinsawdd a byddai hyn yn darparu dull mesur cyson ar draws y Cynllun Pensiwn Llywodraeth Leol.

Mewn ymateb i gwestiwn ynghylch cyflogi ail ymgynghorydd sy'n arbenigo mewn newid yn yr hinsawdd, dywedwyd, gan fod 70% o fuddsoddiadau'r Gronfa wedi'u cronni ym Mhartneriaeth Pensiwn Cymru, y byddai'n ddoeth i ymgynghorwyr Partneriaeth Pensiwn Cymru ddarparu'r adnodd hwn ar draws holl gronfeydd Cymru yn hytrach na chyflogi ymgynghorydd arbenigol ym mhob cronfa. Cadarnhawyd bod adnodd ychwanegol ar Fuddsoddi Cyfrifol wedi'i gynnwys yng nghyllideb Partneriaeth Pensiwn Cymru. Byddai adroddiad cynnydd yn cael ei roi i'r Pwyllgor yn y dyfodol agos.

### **PENDERFYNWYD YN UNFRYDOL nodi'r Diweddariad ynghylch Ôl Troed Carbon mewn perthynas â Chronfa Bensiwn Dyfed.**

#### **13. 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.**

#### **14. ADRODDIAD PERFFORMIAD A RISG YMGYNGHORYDD BUDDSODDI ANNIBYNNOL 31 MAWRTH 2022**

**Yn sgil gweithredu'r prawf budd y cyhoedd PENDERFYNWYD YN UNFRYDOL, yn unol â'r Ddeddf y cyfeiriwyd ati yng nghofnod rhif 13 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 31 Mawrth 2022.

**PENDERFYNWYD YN UNFRYDOL nodi Adroddiad yr Ymgynghorydd Buddsoddi Annibynnol fel yr oedd ar 31 Mawrth 2022.**

#### **15. ADRODDIAD PERFFORMIAD NORTHERN TRUST 31 MAWRTH 2022**

Yn sgil gweithredu'r prawf budd y cyhoedd **PENDERFYNWYD YN UNFRYDOL**, yn unol â'r Ddeddf y cyfeiriwyd ati yng nghofnod rhif 13 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 31 Mawrth 2022 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 31 Mawrth 2022.**

#### **16. ADRODDIADAU'R RHEOLWR BUDDSODDI AR 31 MAWRTH 2022**

Yn sgil gweithredu'r prawf budd y cyhoedd **PENDERFYNWYD YN UNFRYDOL**, yn unol â'r Ddeddf y cyfeiriwyd ati yng nghofnod rhif 13 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.

Rhoddodd y Pwyllgor ystyriaeth i adroddiadau rheolwyr buddsoddi a oedd yn nodi perfformiad pob rheolwr fel yr oeddent ar 31 Mawrth 2022.

- BlackRock - Adroddiad Chwarterol 31 Mawrth 2022;
- Schroders - Adroddiad Buddsoddi Ch1 2022;
- Partners Group – Adroddiad Chwarterol Ch1 2022;
- Cronfa Tyfu Byd-eang Partneriaeth Pensiwn Cymru - 31 Mawrth 2022;
- Cronfa Credyd Byd-eang Partneriaeth Pensiwn Cymru - 31 Mawrth 2022.

**PENDERFYNWYD YN UNFRYDOL dderbyn adroddiadau'r rheolwr buddsoddi ar gyfer Cronfa Bensiwn Dyfed.**

---

**CADEIRYDD**

---

**DYDDIAD**

**PWYLLGOR CRONFA BENSIWN DYFED  
DYDDIAD 11/10/2022**

**Cofnodion Bwrdd Pensiwn Cronfa Bensiwn Dyfed 3 Mai 2022**

**Rhoi gwybod i'r Pwyllgor am gyfarfod y Bwrdd Pensiwn a gynhaliwyd ar 3 Mai 2022.**

**YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:**

Y Pwyllgor i nodi cofnodion cyfarfod Bwrdd Pensiwn Cronfa Bensiwn Dyfed a gynhaliwyd ar 3 Mai 2022.

**Y RHESYMAU:**

Rhoi gwybod i'r Pwyllgor am gyfarfod y Bwrdd Pensiwn a gynhaliwyd ar 3 Mai 2022.

Ymgynghorwyd â'r pwyllgor craffu perthnasol	AMHERTHNASOL
---	--------------

Angen i'r Cabinet wneud penderfyniad	AMHERTHNASOL
--------------------------------------	--------------

Angen i'r Cyngor wneud penderfyniad	AMHERTHNASOL
-------------------------------------	--------------

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO - AMHERTHNASOL

Y Gyfarwyddiaeth: Gwasanaethau Corfforaethol	Swydd:	Rhifau ffôn: 01267 224120
---	--------	---------------------------

Enw'r Cyfarwyddwr: Chris Moore	Cyfarwyddwr Gwasanaethau Corfforaethol, Cyngor Sir Gâr	Cyfeiriad e-bost:  CMoore@sirgar.gov.uk
-----------------------------------	---	---

Awdur yr Adroddiad: Chris Moore		
------------------------------------	--	--

**EXECUTIVE SUMMARY**  
**DYFED PENSION FUND COMMITTEE**  
**DATE 11/10/2022**

**Dyfed Pension Fund Pension Board Minutes 3 May 2022**

A meeting of the Dyfed Pension Fund Pension Board took place on 3 May 2022. The following items were considered:

- Draft Minutes of the Pension Fund Committee meeting 29 March 2022
- Budget Monitoring 1 April 2021 – 31 December 2021
- Budget 2022-2023
- Cash reconciliation as at 31 December 2021
- Pensions Administration Report
- Breaches Report 2021-2022
- Risk Register
- Responsible Investment Update
- Draft Responsible Investment Policy
- Business Plan 2022-2023
- Training Plan 2022-2023
- Wales Pension Partnership (WPP) Business Plan
- Wales Pension Partnership (WPP) Link and Russell Update
- Pension Board Work Plan 2022
- Pension Board Budget Monitoring 1 April 2021 – 31 March 2022
- Independent Advisor Performance & Risk Report to 31 December 2021
- Northern Trust Performance Report to 31 December 2021
- Investment Manager Reports to 31 December 2021

**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

**CABINET MEMBER 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

3 MAI 2022

**YN BRESENNOL:** John Jones (Cadeirydd)

## **Aelodau'r Pwyllgor:-**

Mr. M. Evans, – Cynrychiolydd Aelodau;  
Cllr. Gareth Lloyd – Cynrychiolydd Cyflogwyr sy'n Aelodau;  
Mr. Tommy Bowler – Cynrychiolydd o'r Undeb.

## **Yr oedd y swyddogion canlynol yn gwasanaethu yn y cyfarfod:**

R. Hemingway, Pennaeth Gwasanaethau Ariannol;  
A. Parnell, Rheolwr Pensiwn a Buddsodiadau Gyllidol;  
J. Williams, Cyfrifydd Cynorthwywr;  
E. Evans, Prif Swyddog Gwasanaethau Democrataidd;  
K. Thomas, Swyddog Gwasanaethau Democrataidd;  
S. Rees, Cyfieithydd Ar Y Pryd;  
J. Owen, Swyddog Gwasanaethau Democrataidd.

## **Hefyd yn bresennol:-**

Mr A. Brown - Ymgynghorydd Buddsoddi Annibynnol.

## **Hefyd yn bresennol fel sylwedydd:-**

Y Cynghorydd D.E. Williams - Cadeirydd Pwyllgor Cronfa Bensiwn Dyfed.

**Rhith-Gyfarfod: 2:00yp - 3:28yp**

### **1. YMDDIHEURIADAU AM ABSENOLDEB**

Cafwyd ymddiheuriadau gan Mr Mike Rogers, Cynrychiolydd Pensiynwyr sy'n Aelodau a Mr Paul Ashley Jones, Cynrychiolydd Aelodau.

Croesawyd Mr Michael Evans, Cynrychiolydd Aelodau, gan y Cadeirydd.

### **2. DATGANIADAU O FUDDIANNAU PERSONOL**

Ni ddatganwyd unrhyw fuddiannau personol yn y cyfarfod.

### **3. COFNODION CYFARFOD Y BWRDD PENSIWN A GYNHALIWYD AR 25 IONAWR 2022**

**CYTUNWYD** bod cofnodion cyfarfod y Bwrdd Pensiwn a gynhaliwyd ar 25 Ionawr 2022 yn gywir.

#### **4. CYFARFOD Y PWYLLGOR CRONFA BENSIWN DYFED A GYNHALIWDYD AR 29 MAWRTH 2022**

##### **4.1. COFNODION BWRDD PENSIWN CRONFA BENSIWN DYFED 9 TACHWEDD 2021**

Nododd y Bwrdd fod cofnodion cyfarfod Bwrdd Pensiwn Dyfed a gynhaliwyd ar 9 Tachwedd, 2021 wedi'u derbyn gan Bwyllgor Cronfa Bensiwn Dyfed.

##### **4.2. MONITRO CYLLIDEB 1 EBRILL 2021 - 31 RHAGFYR 2021**

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 2021 - 31 Mehefin 2021.

**CYTUNWYD bod yr adroddiad yn cael ei nodi.**

##### **4.3. CYLLIDEB 2022-2023**

Bu'r Bwrdd yn ystyried cyllideb Cronfa Bensiwn Dyfed rhwng 1 Ebrill 2022 a 31 Mawrth 2023. Tynnwyd sylw at y ffaith fod y gwariant arian parod cysylltiedig ar gyfer 2022/23 a oedd wedi'i bennu ar £107.8m a'r incwm arian parod cysylltiedig o £107.8m wedi arwain at gyllideb net o £0 a oedd yn rhoi hyblygrwydd i'r Gronfa ddefnyddio incwm buddsoddi ar sail gofynion llif arian.

O ran lefelau gwariant, nododd y Bwrdd fod y buddion sydd i'w talu wedi cael eu hamcangyfrif i fod yn £93.9m a oedd yn cynnwys darpariaeth ar gyfer cynnydd o 3.1% yn y pensiynau, ar sail Mynegai Prisiau Defnyddiwr mis Medi 2021, ynghyd ag effaith net o 1.9% ar gyfer aelodau newydd y pensiwn ac aelodau gohiriedig.

**CYTUNWYD bod yr adroddiad yn cael ei nodi.**

##### **4.4. CYSONI ARIAN PAROD FEL YR OEDD AR 31 RHAGFYR 2021**

Bu'r Bwrdd yn ystyried yr adroddiad Cysoni Arian Parod a roddai'r wybodaeth ddiweddaraf am sefyllfa ariannol Cronfa Bensiwn Dyfed.

**CYTUNWYD bod yr adroddiad yn cael ei nodi.**

##### **4.5. ADRODDIAD GWEINYDDU PENSIYNAU**

Derbyniodd y Bwrdd adroddiad a roddai ddiweddariad ar Weinyddu Pensiynau. Roedd yr adroddiad yn cynnwys diweddariadau ar y gweithgareddau yn y gwasanaeth Gweinyddu Pensiynau ac roedd yn cynnwys materion rheoleiddiol, cyflogwyr newydd, y gofrestr torri amodau, i-Connect, cysoniad GMP a llif gwaith.



Mewn ymateb i ymholiad ynghylch pryd y byddai pob cyflogwr yn weithredol ar i-Connect, eglurodd Pennaeth y Gwasanaethau Ariannol fod Pwyllgor Cronfa Bensiwn Dyfed hefyd wedi codi ymholiad tebyg a dywedodd fod yr amserlen yn cael ei phennu gan gyflogwyr yn blaenoriaethu cynhyrchu darn mewn fformat penodol i'w lwytho'n uniongyrchol i mewn i'r system bensiynau.

Gofynnodd y Bwrdd am anogaeth bellach i'r cyflogwyr hynny sy'n rhan o'r cynllun ac sydd heb ddod yn weithredol ar i-Connect hyd yn hyn.

#### **CYTUNWYD bod Adroddiad Gweinyddu Pensiynau mewn perthynas â Chronfa Bensiwn Dyfed yn cael ei nodi.**

#### **4.6. ADRODDIAD TORRI AMODAU 2021-22**

Cafodd y Bwrdd yr Adroddiad Torri Amodau, mewn perthynas â Chronfa Bensiwn Dyfed, i'w ystyried. Nodwyd bod 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.

Gan nad oedd unrhyw oblygiadau i'r achosion o dorri'r rheolau, nid oedd unrhyw adroddiad wedi'i anfon at y Rheoleiddiwr Pensiynau, ond dywedwyd ei bod yn ymddangos bod patrwm mynych o achosion lle nad oedd cyfraniadau gweithwyr/cyflogwyr wedi'u derbyn yn brydlon. Eglurodd Rheolwr y Trysorlys a Buddsoddiadau Pensiwn fod ymgysylltu parhaus yn digwydd er mwyn lleihau'r mathau hyn o achosion o dorri amodau.

#### **CYTUNWYD bod yr Adroddiad Torri Amodau mewn perthynas â Chronfa Bensiwn Dyfed yn cael ei nodi.**

#### **4.7. COFRESTR RISG**

Rhodddwyd gwybod i'r Bwrdd fod y Gofrestr Risg yn tynnu sylw at yr holl risgiau a nodwyd mewn perthynas â swyddogaethau Cronfa Bensiwn Dyfed. Dywedwyd bod y gofrestr risg wedi'i hadolygu a bod risg CSV400035 wedi'i diwygio a bod risg newydd CSV400036 – Risg y Farchnad Ariannol Fyd-eang wedi'i chynnwys.

O ran nifer y risgiau a restrir ar y gofrestr risg, gofynnodd y Bwrdd a ellid cynhyrchu adroddiad mwy cryno yn tynnu sylw at y risgiau strategol ar wahân i'r risgiau gweithredol?

Dywedodd Rheolwr y Trysorlys a Buddsoddiadau Pensiwn y byddai'n cysylltu â'r tîm sy'n gyfrifol am gynhyrchu'r adroddiad ac yn y cyfamser byddai'r risgiau'n cael eu hadolygu bob chwarter a byddai unrhyw newidiadau yn cael eu dwyn i sylw'r Bwrdd.

#### **4.8. DIWEDDARIARD YNGHYLCH BUDDSODDI CYFRIFOL**

Cafodd y Bwrdd y wybodaeth ddiweddaraf am weithgarwch a chynnydd y Gronfa o ran Buddsoddi Cyfrifol. Rhoddodd yr adroddiad y wybodaeth ddiweddaraf am lywodraethu, stiwardiaeth (Ymgysylltu /Cyfathrebu) a'r cynnydd a wnaed hyd yma.

Roedd y Bwrdd yn falch o dderbyn yr adroddiad a gofynnwyd am gyfleoedd i roi cyhoeddusrwydd ehangach i'r adroddiad.

**CYTUNWYD bod y wybodaeth ddiweddaraf am Fuddsoddi Cyfrifol mewn perthynas â Chronfa Bensiwn Dyfed yn cael ei nodi.**

#### **4.9. POLISI BUDDSODDI CYFRIFOL DRAFFT**

Derbyniodd y Bwrdd Bolisi Buddsoddi Cyfrifol Drafft Cronfa Bensiwn Dyfed a oedd yn cynnwys yr eitemau canlynol:

- Cyflwyniad
- Buddsoddi Cyfrifol
- Credoau Buddsoddi
- Rôl y Bwrdd Pensiwn
- Rhoi Benthyc Stoc
- Ymgysylltu
- Newid yn yr Hinsawdd
- Hawliau Dynol

**CYTUNWYD bod Polisi Buddsoddi Cyfrifol Drafft Cynllun Pensiwn Dyfed yn cael ei nodi**

#### **4.10. CYNLLUN BUSNES 2022-2023**

Derbyniodd y Bwrdd Gynllun Busnes Cronfa Bensiwn Dyfed ar gyfer y cyfnod 2022-2023, yn nodi sut oedd y Gronfa yn mynd i gyflawni ei hamcanion o safbwynt marchnata, a safbwynt ariannol a gweithredol.

**CYTUNWYD bod Cynllun Busnes Cronfa Bensiwn Dyfed ar gyfer 2022/23 yn cael ei nodi.**

#### **4.11. CYNLLUN HYFFORDDI 2022-23**

Derbyniodd y Bwrdd Gynllun Hyfforddi Cronfa Bensiwn Dyfed ar gyfer 2022-2023, a oedd yn darparu manylion am gyfarfodydd, digwyddiadau hyfforddi a'r aelodau a'r swyddogion y rhagwelwyd y byddent yn mynychu'r digwyddiadau.

**CYTUNWYD bod Cynllun Hyfforddi Cronfa Bensiwn Dyfed ar gyfer 2022-23 yn cael ei nodi.**

#### **4.12. CYNLLUN BUSNES PARTNERIAETH PENSIYNAU CYMRU 2022-2025**

Derbyniodd y Bwrdd Gynllun Busnes Cronfa Bensiwn Dyfed ar gyfer y cyfnod 2022-2025, yn nodi sut oedd y Gronfa yn mynd i gyflawni ei hamcanion a sicrhau bod adnoddau digonol yn cael eu dyrannu i gyflawni'r amcanion hynny.

**CYTUNWYD bod Cynllun Busnes Partneriaeth Pensiwn Cymru ar gyfer 2022-25 yn cael ei gymeradwyo.**

#### **4.13. Y DIWEDDARAF AM BARTNERIAETH PENSIYNAU CYMRU LINK A RUSSELL**

Derbyniodd y Bwrdd y wybodaeth ddiweddaraf am gynnydd Partneriaeth Pensiwn Cymru mewn perthynas â'r Is-Gronfeydd ynghyd â daliadau cyfredol y gronfa, cynnydd lansio'r gronfa a Diweddariad Corfforaethol ac Ymgysylltu Buddsoddiadau Link / Russell, fel y'i cyflwynwyd i'r Cyd-bwyllgor Llywodraethu ar 29 Mawrth 2022.

Yn ogystal, rhoddodd y Bwrdd ystyriaeth i'r diweddariad Corfforaethol ac Ymgysylltu, gan gynnwys y protocol ymgysylltu ac unrhyw ddyddiadau cyfarfodydd allweddol.

**CYTUNWYD bod Adroddiad Diweddarau'r Gweithredwr yn cael ei dderbyn a bod y cerrig milltir a chynnydd Partneriaeth Pensiwn Cymru yn cael eu nodi.**

#### **4.14. PWYLLGOR CRONFA BENSIWN DYFED DRAFFT - 29 MAWRTH 2022**

**CYTUNWYD bod cofnodion drafft cyfarfod Pwyllgor Cronfa Bensiwn Dyfed a gynhaliwyd ar 29 Mawrth 2022 yn cael eu nodi.**

### **5. CYNLLUN GWAITH Y BWRDD PENSIWN 2022-2023**

Bu'r Bwrdd yn ystyried Cynllun Gwaith y Bwrdd Pensiwnau ar gyfer 2022-23 a oedd yn amlinellu gwaith y Bwrdd Pensiwnau drwy gydol 2022 a'r eitemau i'w cyflwyno ym mhob cyfarfod.

**CYTUNWYD bod Cynllun Gwaith y Bwrdd Pensiwn ar gyfer 2022-2023 yn cael ei nodi.**

### **6. MONITRO CYLLIDEB Y BWRDD PENSIWN 1 EBRILL 2021 - 31 MAWRTH 2022**

Derbyniodd y Bwrdd adroddiad Monitro Cyllideb y Bwrdd Pensiwn ar 31 Mawrth 2022. Cyfanswm y gwir wariant oedd £14.477k. Y gwariant a ragwelwyd ar gyfer y flwyddyn oedd £9.683k o danwariant o gymharu â'r gyllideb.

**CYTUNWYD bod yr adroddiad yn cael ei 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 PERFFORMIAD A RISG YMGYNGHORYDD BUDDSODDI ANNIBYNNOL 31 RHAGFYR 2021**

**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 cael effaith andwyol ar y Gronfa Bensiwn drwy beri risg i'r perfformiad buddsoddi.

Bu'r Bwrdd yn ystyried 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 31 Rhagfyr 2021, ynghyd â chefnidir y farchnad fyd-eang a materion i'w hystyried.

**CYTUNWYD bod Adroddiad yr Ymgynghorydd Buddsoddi Annibynnol fel yr oedd ar 31 Rhagfyr 2021 yn cael ei nodi.**

**9. ADRODDIAD PERFFORMIAD NORTHERN TRUST 31 RHAGFYR 2021**

**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 cael effaith andwyol ar y Gronfa Bensiwn drwy beri risg i'r perfformiad buddsoddi.

Bu'r Bwrdd yn ystyried adroddiad perfformiad Northern Trust ar gyfer Cronfa Bensiwn Dyfed fel yr oedd ar 31 Rhagfyr 2021 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.

**CYTUNWYD bod adroddiad perfformiad Northern Trust ar gyfer Cronfa Bensiwn Dyfed fel yr oedd ar 31 Rhagfyr 2021 yn cael ei nodi.**

## 10. ADRODDIADAU'R RHEOLWR BUDDSODDI AR 31 RHAGFYR 2021

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 cael effaith andwyol ar y Gronfa Bensiwn drwy beri risg i'r perfformiad buddsoddi.

Derbyniodd y Bwrdd adroddiadau i'w hystyried a ddarparwyd gan y Rheolwyr Buddsoddi a oedd yn nodi perfformiad pob rheolwr fel yr oedd ar 31 Rhagfyr 2021:

- BlackRock - Adroddiad Chwarterol 31 Rhagfyr 2021;
- Schroders – Adroddiad Buddsoddi Ch4 2021 31 Rhagfyr 2021;
- Partners Group – Adroddiad Chwarterol 31 Rhagfyr 2021;
- Cronfa Twf Byd-eang Partneriaeth Pensiwn Cymru – 31 Rhagfyr 2021;
- Cronfa Credyd Byd-eang Partneriaeth Pensiwn Cymru – 31 Rhagfyr 2021.

**CYTUNWYD** bod adroddiadau'r Rheolwr Buddsoddi ar gyfer Cronfa Bensiwn Dyfed yn cael eu nodi.

---

CADEIRYDD

---

DYDDIAD

Mae'r dudalen hon yn wag yn fwriadol

**PWYLLGOR CRONFA BENSIWN DYFED  
DYDDIAD 11/10/2022**

**Monitro Cyllideb 1 Ebrill 2022 – 30 Mehefin 2022**

**Rhoi'r wybodaeth ddiweddaraf i Bwyllgor Cronfa Bensiwn Dyfed am y sefyllfa gyllidebol fel yr oedd ar 30 Mehefin 2022.**

**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 30 Mehefin 2022.

Ymgynghorwyd â'r pwyllgor craffu perthnasol AMHERTHNASOL

Angen i'r Cabinet wneud penderfyniad AMHERTHNASOL

Angen i'r Cyngor wneud penderfyniad AMHERTHNASOL

YR AELOD O'R CABINET 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 11/10/2022**

**Budget Monitoring 1 April 2022 – 30 June 2022**

The position as at 30 June 2022 was an under spend compared to budget of £3.9m on cash items.

Expenditure

Expenditure is projected to be underspent by £612k. This is due to lower than budgeted management expenses being forecast.

Income

The net effect of Contributions and Investment Income is an increase of £3.3m over budget. This is mainly due to higher than budgeted investment income being forecast.

Total expenditure is estimated at £107.2m and total income estimated at £111.1m resulting in a positive cash flow position of £3.9m.

**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
<b>NONE</b>	<b>NONE</b>	<b>YES</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>

## Finance

Overall, the Fund needs to maintain a positive cash flow balance to meet its obligations. The cash flow projection was positive by £3.9m as at 30 June 2022.

# 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

**CABINET MEMBER 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 2022 - 30th June 2022

	Budget Type	Actual 2021-2022	Budget 2022-2023	Total income/ expenditure to date	Forecast Commitments	Forecast 2022-2022	End of year variance		Assumptions/Comments
	Controllable / Non Controllable	£ '000 (a)	£ '000 (b)	£ '000 (c)	£ '000 (d)	£ '000 (e)	£ '000 (f)	%	
<b>Expenditure</b>									
<b>Benefits Payable</b>	Both	92,402	93,908	22,321	71,587	93,908	0	0.0	Forecast in line with budget
Pensions Payable	Controllable	77,006	80,408	20,013	60,395	80,408	0		
Commutation and lump sum retirement benefits	Non Controllable	14,169	12,000	2,101	9,899	12,000	0		Forecast in line with budget
Lump sum death benefits	Non Controllable	1,227	1,500	207	1,293	1,500	0		Forecast in line with budget
<b>Payments to and account of leavers</b>	Non Controllable	3,534	3,120	597	2,523	3,120	0	0.0	Forecast in line with budget
<b>Management Expenses</b>		9,262	10,754	1,770	8,372	10,142	-612	-5.7	
Computer Software	Controllable	443	534	150	384	534	0		
Printing charges	Controllable	11	20	6	14	20	0		
Subscriptions, Legal fees, Conf Exps, Med Exps	Controllable	46	70	10	60	70	0		
Fund Managers									
BlackRock	Controllable	1,756	2,850	247	2,200	2,447	-403		SAIF fees projected to be lower than budgeted due to less transaction costs
Schroders	Controllable	659	749	0	752	752	3		
Wales Pension Partnership	Controllable	4,245	4,200	0	4,104	4,104	-96		Market values lower than budgeted
Partners Group	Controllable	721	700	0	580	580	-120		Administration and other fees lower than budgeted
Custodian									
Northern Trust	Controllable	31	31	0	31	31	0		
Actuary									
Mercer	Controllable	99	175	24	151	175	0		
Performance Manager									
Northern Trust / PIRC / CEM	Controllable	23	26	0	26	26	0		
Independent Advisor	Controllable	28	30	7	23	30	0		
Other									
Euraplan, LSE, Pension Board	Controllable	26	27	9	18	27	0		
Central recharges	Non Controllable	1,145	1,314	1,314	0	1,314	0		
Audit fees	Controllable	29	28	3	29	32	4		Audit fee not available at budget setting
<b>Controllable Expenditure</b>		85,122	89,848	20,468	68,767	89,233	-612		
<b>Non Controllable Expenditure</b>		20,076	17,934	4,220	13,715	17,934	0		
<b>Total Expenditure</b>		105,198	107,782	24,688	82,482	107,167	-612		
<b>Income</b>									
<b>Contributions</b>									
Employer	Controllable	-66,168	-68,339	-43,769	-24,964	-68,733	-394	0.6	Advance payments made resulting in discounted contributions; Carms CC, Ceredigion CC, Pembrokeshire CC and Dyfed Powys Police in 2022-23.
Member	Controllable	-22,890	-23,045	-1,570	-21,785	-23,355	-310	1.3	Employee pensionable pay higher than anticipated at budget setting.
<b>Investment Income</b>	Controllable	-18,436	-13,398	-7,768	-8,221	-15,989	-2,591	19.3	Includes higher SAIF and Schroders dividend income than budgeted.
<b>Other Income</b>	Controllable	0	0	0	0	0	0	0.0	
<b>Transfers in from other pension funds</b>	Non Controllable	-4,154	-3,000	-1,338	-1,662	-3,000	0	0.0	
<b>Controllable Income</b>		-107,494	-104,782	-53,109	-54,971	-108,079	-3,296		
<b>Non Controllable Income</b>		-4,154	-3,000	-1,338	-1,662	-3,000	0		
<b>Total Income</b>		-111,648	-107,782	-54,447	-56,633	-111,079	-3,296		
<b>Controllable Total</b>		-22,372	-14,934	-32,641	13,795	-18,847	-3,910		
<b>Non Controllable Total</b>		15,922	14,934	2,882	12,053	14,935	0		
<b>Total</b>		-6,450	0	-29,759	25,848	-3,912	-3,910		
<b>Cash</b>									
Transfer to Fund Managers	Cash	14,078	0	24,078	-10,000	14,078	14,078		
<b>Net Total of Cash Related Items</b>		7,628	0	-5,681	15,848	10,166	10,168		
<b>Indirect Transactional Management Fees (fees deducted from NAV)</b>	Non Cash	5,150	3,500	0	3,500	3,500	0	0.0	CIPFA Management cost guidance issued to show indirect transactional fees indirectly paid by the funds
<b>Investment Income (fees deducted from NAV)</b>	Non Cash	-5,150	-3,500	0	-3,500	-3,500	0	0.0	Contra entry to the Indirect transactional fees
<b>Realised gain/loss</b>	Non Cash	-55,268	-50,000	3,021	0	3,021	53,021	-106.0	Non Controllable. No impact to cash.
<b>Net Total of Non-Cash Related Items</b>		-55,268	-50,000	3,021	0	3,021	53,021		

Mae'r dudalen hon yn wag yn fwriadol

**PWYLLGOR CRONFA BENSIWN DYFED  
DYDDIAD 11/10/2022**

**Cysoni Arian Parod fel yr oedd ar 30 Mehefin 2022**

**Rhoi'r wybodaeth ddiweddaraf i Bwyllgor Cronfa Bensiwn Dyfed am y sefyllfa arian parod fel yr oedd ar 30 Mehefin 2022.**

**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 30 Mehefin 2022.

Ymgynghorwyd â'r pwyllgor craffu perthnasol	AMHERTHNASOL
---	--------------

Angen i'r Cabinet wneud penderfyniad	AMHERTHNASOL
--------------------------------------	--------------

Angen i'r Cyngor wneud penderfyniad	AMHERTHNASOL
-------------------------------------	--------------

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO - AMHERTHNASOL

Y Gyfarwyddiaeth: Gwasanaethau Corfforaethol	Swydd:	Rhifau ffôn: 01267 224120
---	--------	---------------------------

Enw'r Gyfarwyddwr: Chris Moore	Cyfarwyddwr Gwasanaethau Corfforaethol, Cyngor	Cyfeiriad e-bost:  CMoore@sirgar.gov.uk
-----------------------------------	--	---

Awdur yr Adroddiad: Chris Moore	Sir Gâr	
------------------------------------	---------	--

**EXECUTIVE SUMMARY  
DYFED PENSION FUND COMMITTEE  
DATE 11/10/2022**

**Cash Reconciliation as at 30 June 2022**

The position as at 30 June 2022 reports £11.4m 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
<b>NONE</b>	<b>NONE</b>	<b>YES</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>

### 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

**CABINET MEMBER 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 Cash Reconciliation

June 2022

Balance b/f 1st April 2022 £5,927,558.47

### ***Investment trades***

Sales	12,179,305.60	
Purchases	-40,369,788.47	
		<hr/>
		-£28,190,482.87

Contributions received	£48,969,296.68	
Payments made	-£23,828,848.80	
Dividend Income	£7,819,566.59	£32,960,014.47
		<hr/>
		£10,697,090.07

<b>Total Available for Investment</b>		<hr/> <b>£10,697,090.07</b> <hr/>
---------------------------------------	--	-----------------------------------

### ***Represented by :***

Cash at Carmarthenshire		£11,447,650.53
Cash due to be received/deducted		£0.00
CCC Debtors		£261,290.70
CCC Creditors		-£1,011,851.16
		<hr/>
		<b>£10,697,090.07</b> <hr/>
		£0.00

Mae'r dudalen hon yn wag yn fwriadol

**PWYLLGOR CRONFA BENSIWN DYFED  
DYDDIAD 11/10/2022**

**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.

Ymgynghorwyd â'r pwyllgor craffu perthnasol      AMHERTHNASOL

Angen i'r Cabinet wneud penderfyniad      AMHERTHNASOL

Angen i'r Cyngor wneud penderfyniad      AMHERTHNASOL

YR AELOD O'R CABINET 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 11/10/2022**

**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
- Valuation
- Annual Benefit Statements
- Breaches register
- i-Connect
- 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
<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>

# 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

**CABINET MEMBER 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

## PENSIONS ADMINISTRATION REPORT – 29<sup>th</sup> September 2022

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 1<sup>st</sup> April 2014 for those that were active on 31<sup>st</sup> March 2012. This will require all employers to provide the hours each part time scheme member, including any changes, they have worked between 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2022. All Employers have also been provided with data extracts to undertake data comparisons and identify any issues. Data reconciliation and validation is progressing well and query resolution is underway. Once amending regulations are issued our software supplier will be in a position to reflect the changes in the pensions system. 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.
- b. Pru – It was identified at the UK Technical Group that there had been a deterioration in service levels experienced by funds nationally. This was raised at the both the Local Government Pensions Committee and the National Scheme Advisory Board who met with representatives from Pru. Pru have acknowledged the issues experienced by funds and detailed the actions they are taking to improve the quality of service. UK Technical Group representatives will meet directly with PRU in September.

### 2. Valuation

Data was forward to the Fund Actuary within set timescales which will enable Employer contribution rates to be reassessed. Preliminary outcomes will be made available to Employers at the Fund ACM.

### 3. Annual Benefit Statements

Annual Benefit Statements were issued by the statutory deadline of 31<sup>st</sup> August in respect of all schemes administered.

#### 4. 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 July 2022 and August 2022 have been included on the breaches register as the scheme members have not replied in order for the refund to be paid.

#### 5. 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. In order to expedite the transition to electronic transmission of data, Pembrokeshire College, Coleg Ceredigion and Coleg Sir Gar have all be provided with a spreadsheet template to provide updates similar to i-connect. This process is known colloquially as ‘Monthly Updates’. Many of the other smaller employers already utilise ‘Monthly Updates’.

Coleg Ceredigion and Coleg Sir Gar are working with their payroll provider to ensure the data required is extracted and inputted into the correct fields on the spreadsheet. Pembrokeshire College have provided test extracts and are working on resolving the queries identified.



<b>Employer</b>	<b>i-Connect status</b>
ABERYSTWYTH TOWN COUNCIL	Active
ADAPT	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
CWARTER BACH COMMUNITY COUNCIL	
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
LLESANT 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

## 6. GMP Reconciliation

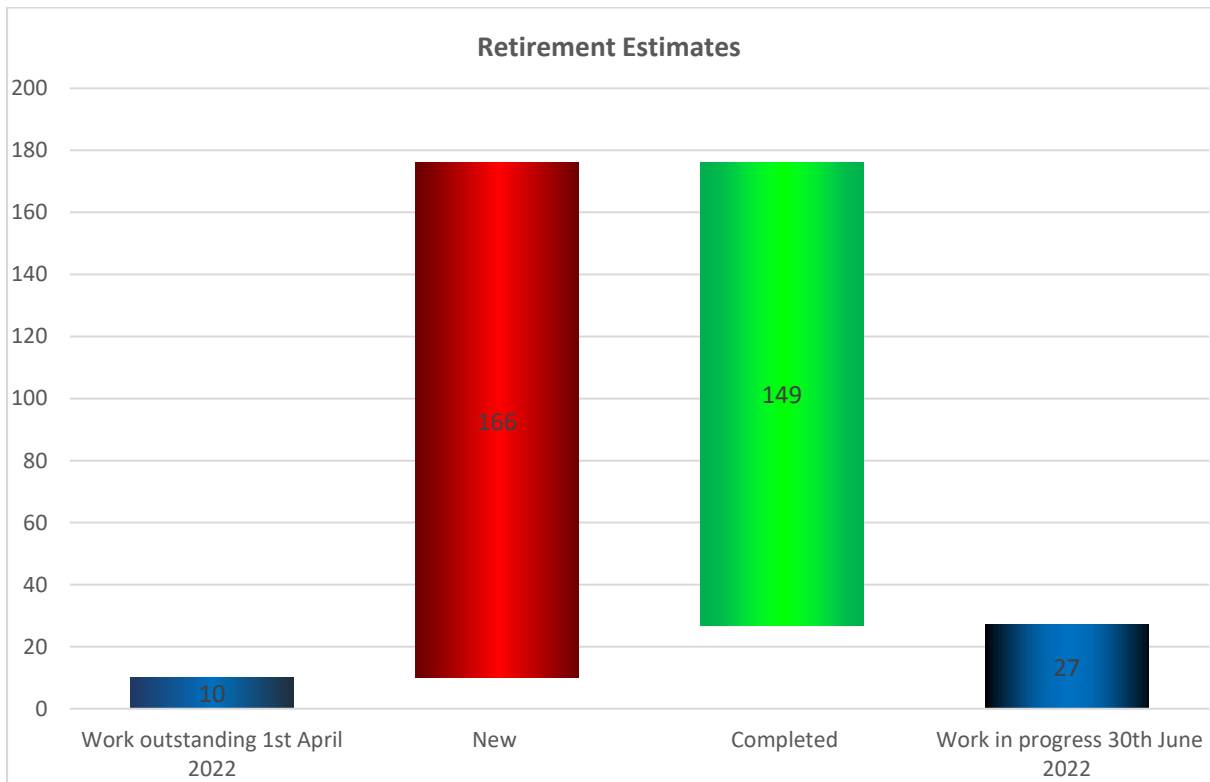
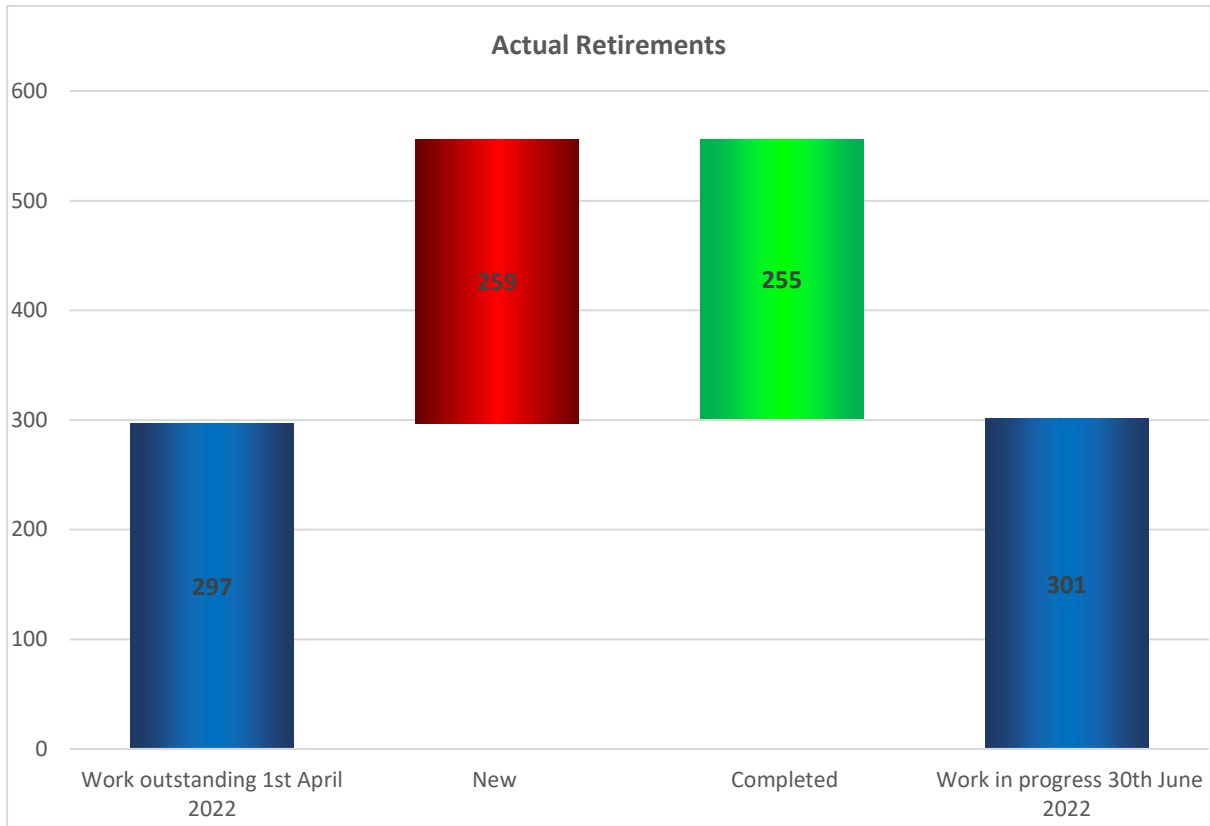
When a scheme member attains State Pension Age, they will be advised of the amount of Guaranteed Minimum Pension (GMP) which is included in their pension. The GMP relates to the part of the pension for the period between April 1978 and April 1997 for which they were 'contracted-out'. For this period, 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.

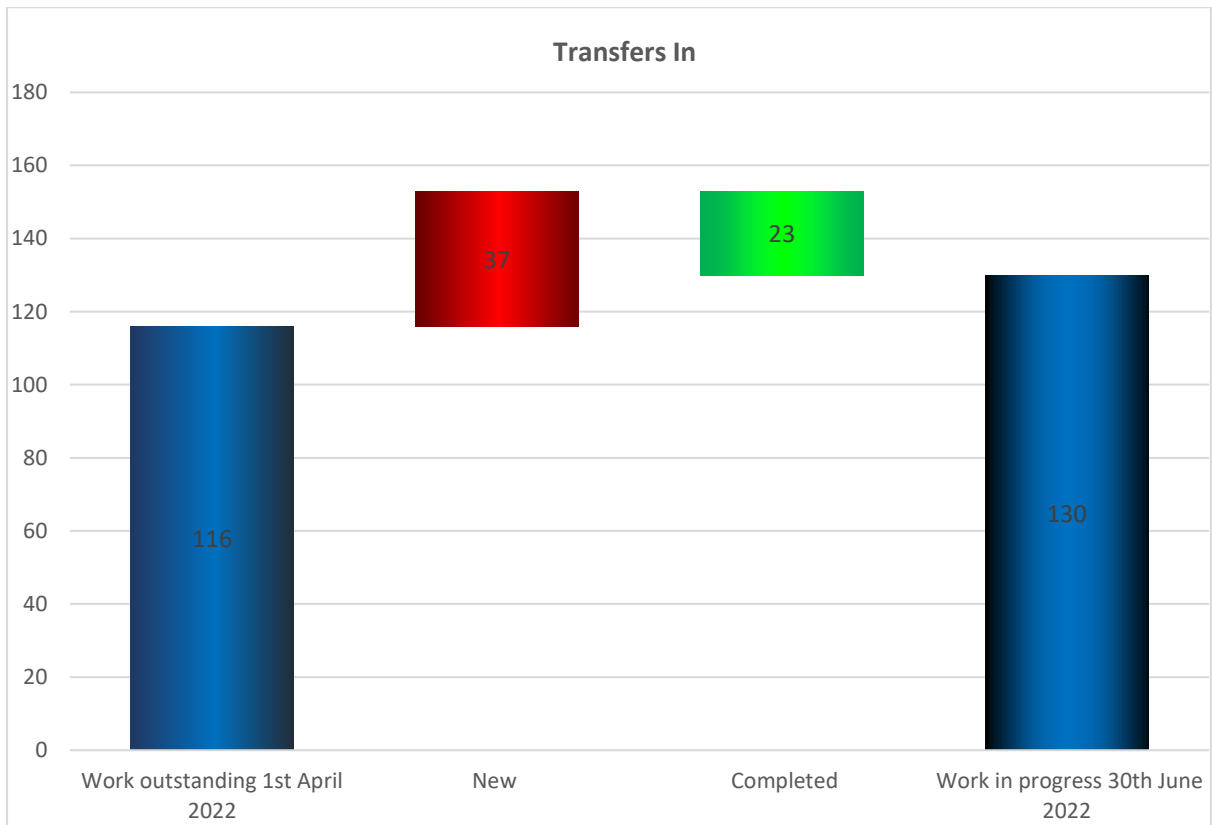
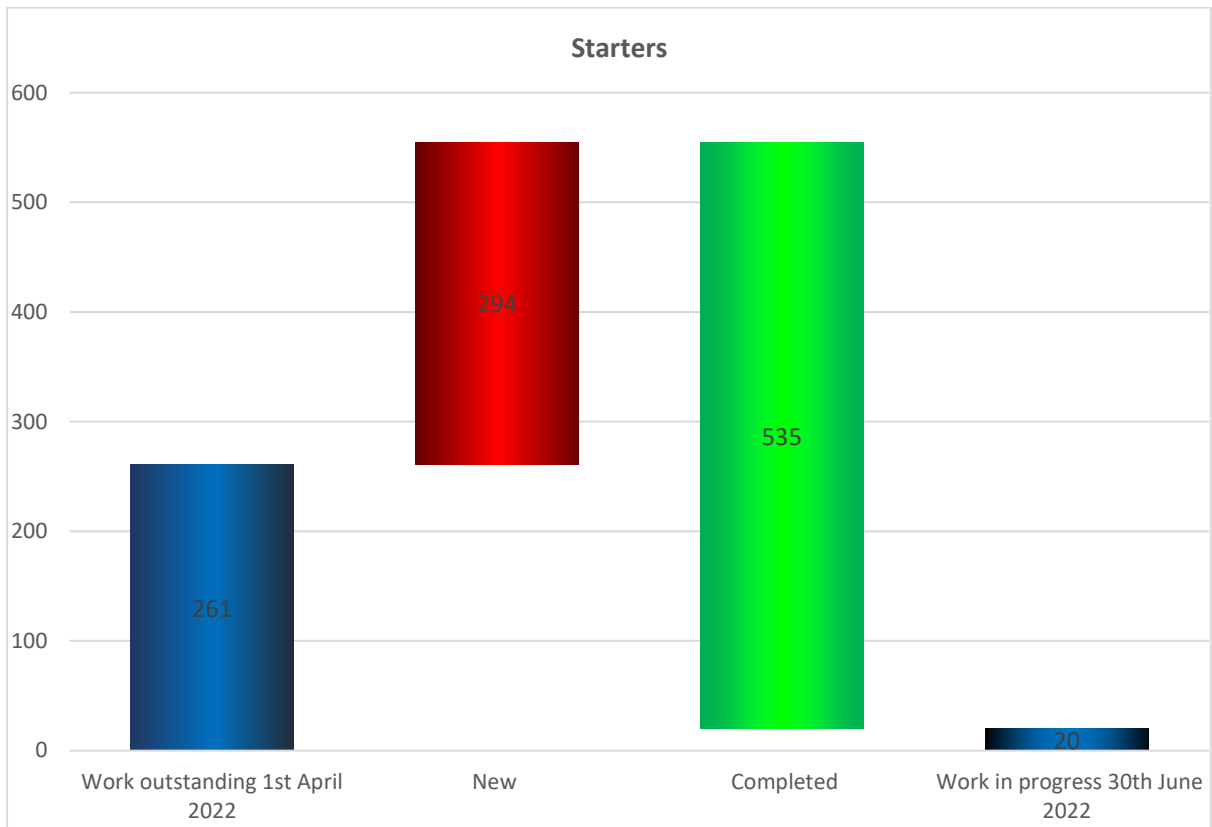
## 7. Workflow

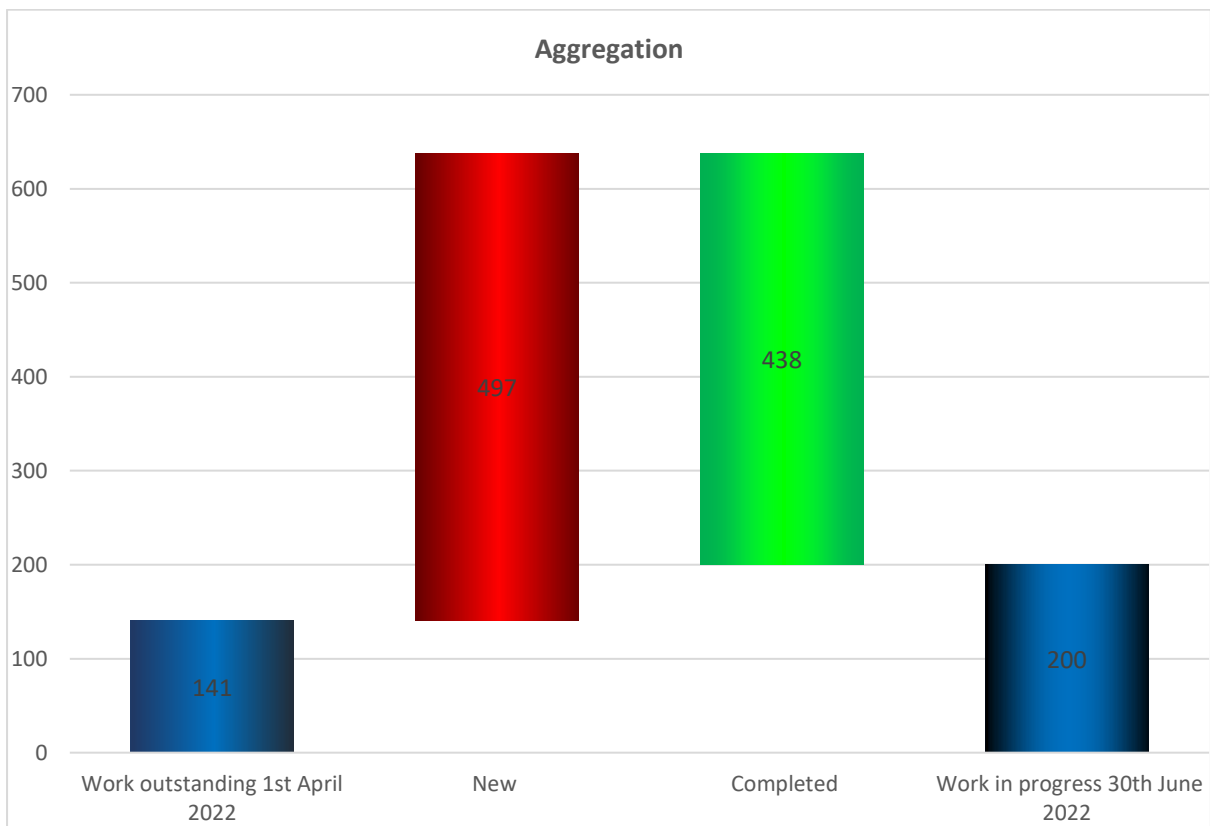
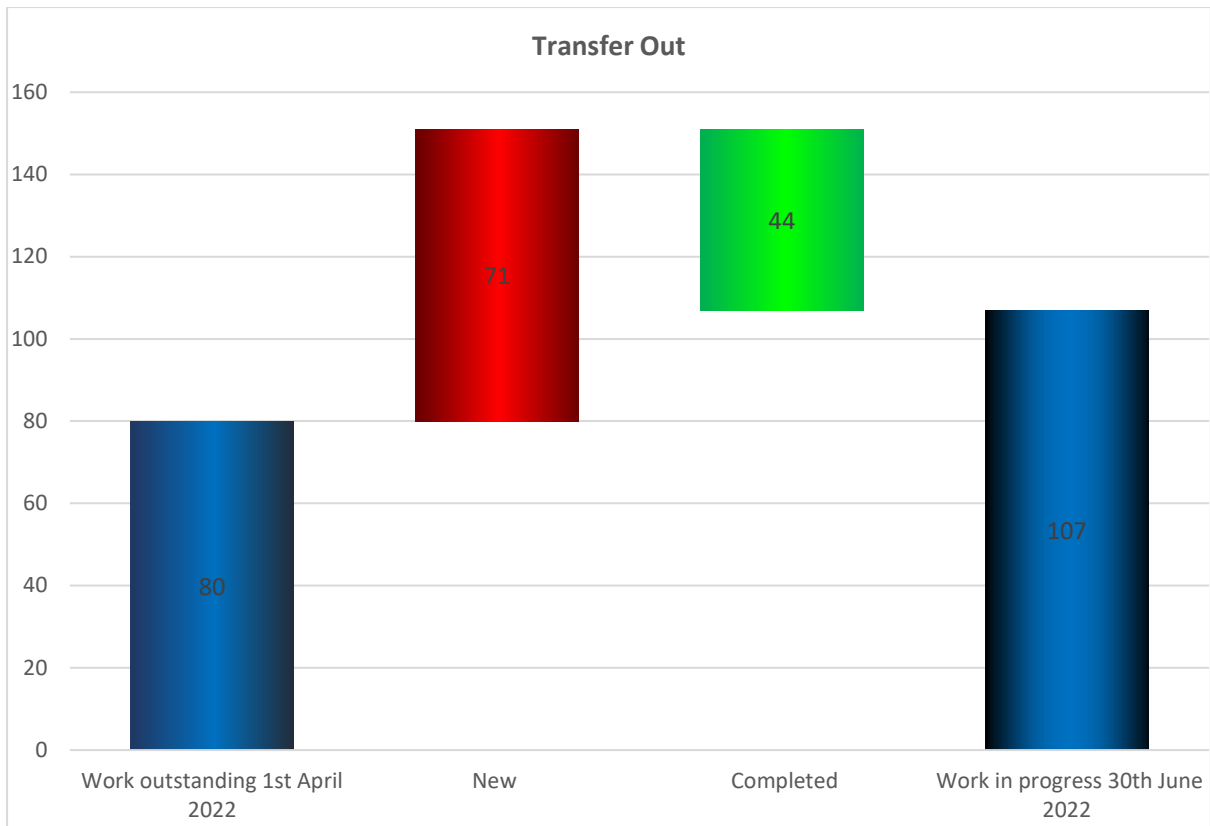
The tables overleaf detail the workflow statistics for the key tasks undertaken in the section for the period 1<sup>st</sup> April 2022 to 30<sup>th</sup> June 2022 in respect of the LGPS only. Please note that in circumstances where multiple iterations for the same calculation date have been undertaken, this is recorded as a single estimate. The workflow statistics are recorded on a quarterly basis.

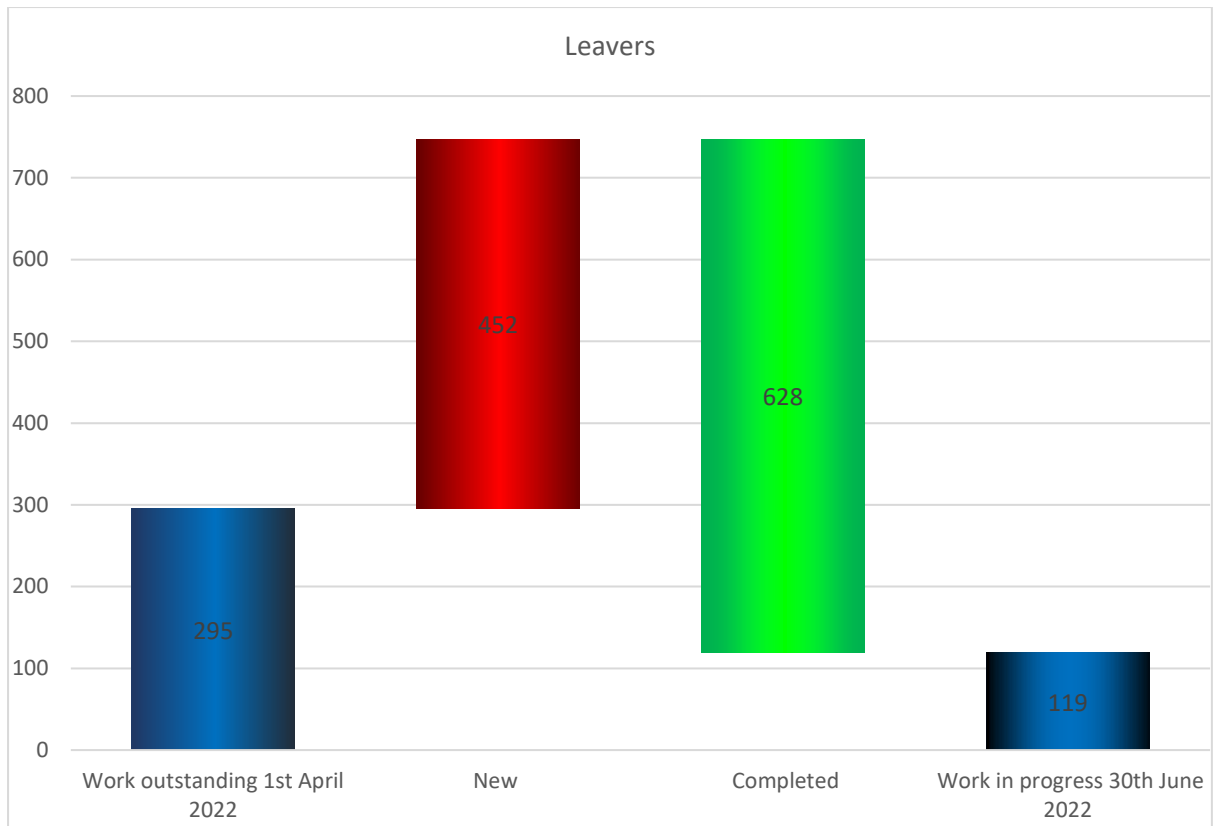
Kevin Gerard

Pensions Manager









**PWYLLGOR CRONFA BENSIWN DYFED  
DYDDIAD 11/10/2022**

**Adroddiad Torri Amodau 2022-2023**

**Nodi unrhyw achosion o dorri amodau sydd wedi digwydd yng Nghronfa Bensiwn Dyfed yn 2022-2023 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 2022-2023.

**Y RHESYMAU:**

Yn unol â Pholisi Torri Amodau Cronfa Bensiwn Dyfed.

Ymgynghorwyd â'r pwyllgor craffu perthnasol	AMHERTHNASOL
---	--------------

Angen i'r Cabinet wneud penderfyniad	AMHERTHNASOL
--------------------------------------	--------------

Angen i'r Cyngor wneud penderfyniad	AMHERTHNASOL
-------------------------------------	--------------

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO - AMHERTHNASOL

Y Gyfarwyddiaeth: Gwasanaethau Corfforaethol	Swydd:	Rhifau ffôn: 01267 224120
Enw'r Gyfarwyddwr: Chris Moore	Cyfarwyddwr Gwasanaethau Corfforaethol, Cyngor Sir Gâr	Cyfeiriad e-bost:  CMoore@sirgar.gov.uk
Awdur yr Adroddiad: Chris Moore		

**EXECUTIVE SUMMARY  
DYFED PENSION FUND COMMITTEE  
DATE 11/10/2022**

**Breaches Report 2022-2023**

**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 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 few instances where employee/employer contributions have not been received on time. No report has been sent to the Pensions Regulator as there are no implications of these breaches.

**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
<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>

# 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

**CABINET MEMBER 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
117	2022-23	22/4/22	Contributions	March payment of £693.45 not yet received. Finance Manager has been contacted by email.	No	Amber	No Report	Ongoing discussions taking place.
118	2022-23	22/4/22	Contributions	March qtr payment & paperwork not received yet. Clerk (only contributor) passed away in February 2022. Pensions Admin in contact with new clerk regarding paperwork.	No	Amber	No Report	There are no long term implications associated with this breach.
119	2022-23	April 2022, May 2022, June 2022	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 - 16 members & total refunds = £4374.47, May - 10 members & total refunds = £1821.48, June - 11 members & total refunds = £1883.03	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.
120	2022-23	22/5/22	Contributions	April payment & remittance not yet received. Finance Manager has been contacted by email.	No	Amber	No Report	Ongoing discussions taking place.
121	2022-23	22/6/22	Contributions	May payment & remittance not yet received.	No	Amber	No Report	Ongoing discussions taking place.
122	2022-23	22/7/22	Contributions	Remittance advices dated April-July have now been received. No payments received but are expected to be made by 19 August.	No	Amber	No Report	Ongoing discussions taking place.
123	2022-23	July 2022, August 2022	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. July - 21 members & total refunds = £2948.40, August - 27 members & total refunds = £8464.63	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.
124	2022-23	22/7/22	Contributions	June contributions of £185.54 received 8 days late. New Clerk in post, slight delay due to payment issues. Future payments will be made by Standing Order	No	Amber	No Report	There are no long term implications associated with this breach.
125	2022-23	22/8/22	Contributions	July contributions of £802.17 received 10 days late. April, May and June payments that were outstanding were received on the same date (1.9.22). March 22 payment still outstanding, email sent requesting that payment be made immediately.	No	Amber	No Report	Ongoing discussions taking place.

Mae'r dudalen hon yn wag yn fwriadol

**PWYLLGOR CRONFA BENSIWN DYFED  
DYDDIAD 11/10/2022**

<b>Cofrestr Risg</b>		
<b>I sicrhau bod pob risg yn cael eu nodi a'u hasesu'n gywir</b>		
<b>YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:</b> Hysbysu'r Pwyllgor bod y gofrestr risg wedi'i hadolygu i sicrhau bod unrhyw risg yn cael eu nodi a'u hasesu.		
<b>Y RHESYMAU:</b> I sicrhau bod pob risg yn cael eu nodi a'u hasesu'n gywir.		
Ymgynghorwyd â'r pwyllgor craffu perthnasol	AMHERTHNASOL	
Angen i'r Cabinet wneud penderfyniad	AMHERTHNASOL	
Angen i'r Cyngor wneud penderfyniad	AMHERTHNASOL	
<b>YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO - AMHERTHNASOL</b>		
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 11/10/2022**

**Risk Register**

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)

The Risk Register has been reviewed and no changes to individual risks have been identified since the previous Committee meeting. The document has been revised to highlight the risks as operational and strategic.

**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
<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>YES</b>	<b>NONE</b>	<b>NONE</b>

## **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

**CABINET MEMBER 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

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

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

Date: **5 September, 2022**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlled (Assume CONTROLLED in place)		Risk
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlled Risk Rating
DPFOP0001 - 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"> <li>• Segregation of duties and authorisation of benefits following calculation by Senior Pensions Officer <i>Implemented</i></li> <li>• Altair Development Officer is responsible for regular system checks regarding calculations <i>Implemented</i></li> <li>• Communication&amp;Training Officer liaises closely with all employing authorities to ensure timely submission of information to DPF <i>Implemented</i></li> <li>• Payroll deadline procedures in place <i>Implemented</i></li> <li>• Item in Business Continuity/Disaster Recovery Plan <i>Implemented</i></li> </ul>	Pensions Manager  Pensions Manager  Pensions Manager  Pensions Manager		Significant 3	Improbable 1	Very Low 3

# Risk Register

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

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

Date: **5 September, 2022**

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 Controls in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> <li>Participate in National Fraud Initiative (NFI) <i>Implemented</i></li> <li>Life Certificates exercise carried out for all cheque payments <i>Implemented</i></li> <li>Undertake reviews of monthly performance to ensure service standards are maintained <i>Implemented</i></li> <li>IT Contingency/Resilience Plan in place <i>Implemented</i></li> </ul>	Pensions Manager				
<b>DPFOP0002 - Failure to collect and account for full receipt of contributions from employers and employees on time</b> Failure to collect full receipt of pension contributions from employees and employers in line with Regulation guidelines.	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> <li>Contributions monitoring procedures <i>Implemented</i></li> </ul>	Pensions Manager and Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

# Risk Register

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

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

Date: **5 September, 2022**

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 Controls in place)			
	Impact	Probability				Current Risk Rating	Impact	Probability	Controlled Risk Rating
<p>Failure of employers' financial systems; absence of key staff; failure to 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"> <li>• <b>Formal timescales for receipt of contributions</b> <i>Implemented</i></li> <li>• <b>Budget set and monthly monitoring against the budget</b> <i>Implemented</i></li> <li>• <b>Escalation of non receipt of contributions</b> <i>Implemented</i></li> <li>• <b>Systems Audit undertaken by Internal Audit and External Auditors</b> <i>Implemented</i></li> </ul>	<p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p> <p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p> <p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p> <p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p>					

# Risk Register

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

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

Date: **5 September, 2022**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlled (Assume CONTROLLED in place)		Risk
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlled Risk Rating
DPFOP0003 - Failure to keep pension records up to date and accurate	Significant 3	Possible 3	Medium 9	<ul style="list-style-type: none"> <li>Senior Officers liaise closely with employing authorities to ensure timely and accurate submission of data to DPF <i>Implemented</i></li> <li>i-Connect ensures that data from employers is identified by a direct transfer from payroll on a monthly basis <i>Implemented</i></li> <li>Data accuracy checks undertaken by the pension section prior to continual validation on workflow system <i>Implemented</i></li> <li>Data integrity validation is performed monthly by Altair Development Officer <i>Implemented</i></li> <li>Data validation checks also undertaken by the DPF's partners (e.g.the Actuary at Valuation) <i>Implemented</i></li> </ul>	Pensions Manager  Pensions Manager  Pensions Manager  Pensions Manager		Significant 3	Improbable 1	Very Low 3

# Risk Register

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

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

Date: **5 September, 2022**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlled (Assume CONTROLLED in place)		Risk
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlled Risk Rating
				<ul style="list-style-type: none"> <li>Additional validation carried out through NFI <i>Implemented</i></li> <li>Opportunity to escalate non-compliance <i>Implemented</i></li> </ul>	Pensions Manager				
DPFOP0004 - Failure to hold personal data securely	Substantial 4	Unlikely 2	Medium 8	<ul style="list-style-type: none"> <li>Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls <i>Implemented</i></li> <li>Disaster Recovery Plan for pensions system <i>Implemented</i></li> <li>Authorised users have unique usernames and passwords must be changed every 60 days <i>Implemented</i></li> </ul>	Pensions Manager  Pensions Manager  Pensions Manager		Significant 3	Improbable 1	Very Low 3

# Risk Register

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

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

Date: **5 September, 2022**

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"> <li>• <b>Documentation is scanned on to the pensions system</b> and paper copies are held for a period of 3 months before shredding <i>Implemented</i></li> <li>• <b>Compliance with the Data Protection Act 1998</b> <i>Implemented</i></li> <li>• <b>Compliance with the Authority's in-house IT policies</b> <i>Implemented</i></li> <li>• <b>Systems and Payroll audit undertaken annually</b> <i>Implemented</i></li> </ul>	Pensions Manager				
DPFOP0005 - Loss of funds through fraud or misappropriation in administration related functions	Substantial 4	Unlikely 2	Medium 8	<ul style="list-style-type: none"> <li>• <b>Internal and external audit checks performed to ensure that appropriate and effective controls are in place</b> <i>Implemented</i></li> </ul>	Pensions Manager		Moderate 2	Unlikely 2	Low 4

# Risk Register

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

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

Date: **5 September, 2022**

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"> <li>• Segregation of duties and authorisation of benefits following calculation by Senior Pensions Officer and Pensions Officer <i>Implemented</i></li> <li>• Altair Development Officer undertakes data integrity checks <i>Implemented</i></li> <li>• Systems and Payroll audit undertaken annually <i>Implemented</i></li> </ul>	Pensions Manager				
<p><b>DPFOP0006 - Normal operations disrupted by uncontrollable external factors</b> Service delivery threats from fire, 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>	<b>Substantial</b> 4	<b>Possible</b> 3	<b>High</b> 12	<ul style="list-style-type: none"> <li>• Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls <i>Implemented</i></li> <li>• Disaster Recovery Plan for pensions system with the software provider <i>Implemented</i></li> </ul>	Pensions Manager  Pensions Manager		<b>Significant</b> 3	<b>Improbable</b> 1	<b>Very Low</b> 3

# Risk Register

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

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

Date: **5 September, 2022**

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 Controls in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> <li>Pension Software is a hosted system provided by Aquila Heywood and is a tier 4 design data centre with ISO27001 accreditation. <i>Implemented</i></li> </ul>	Pensions Manager				
DPFOP0007 - Inability to keep service going due to loss of main office, computer system, or staff	Moderate 2	Unlikely 2	Low 4	<ul style="list-style-type: none"> <li>Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls <i>Implemented</i></li> <li>Pension Software is a hosted system provided by Aquila Heywood and is a tier 4 design data centre with ISO27001 accreditation. <i>Implemented</i></li> </ul>	Pensions Manager  Pensions Manager		Moderate 2	Improbable 1	Very Low 2
DPFOP0008 - Lack of expertise among some Pension Administration officers	Significant 3	Unlikely 2	Medium 6	<ul style="list-style-type: none"> <li>Personal development plan in place to support the development of each officer in the Section <i>Implemented</i></li> </ul>	Pensions Manager		Significant 3	Improbable 1	Very Low 3



# Risk Register

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

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

Date: **5 September, 2022**

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 Controls in place)		
	Impact	Probability					Impact	Probability	Controlled Risk Rating
				<ul style="list-style-type: none"> <li>• <b>Specific courses / seminars attended by officers to further their knowledge and understanding</b> <i>Implemented</i></li> </ul>	Pensions Manager				
<p><b>DPFOP0009 - Over reliance on key Pensions Administration and Investment Officers</b> Specialist nature of the work means there are relatively few experts in Investments and the Local Authority Pensions Regulations.</p> <p>Significant knowledge gap left if experts leave.</p>	<b>Significant</b> 3	<b>Possible</b> 3	<b>Medium</b> 9	<ul style="list-style-type: none"> <li>• <b>Key officers convey specialist knowledge to colleagues on a function or topic basis by mentoring</b> <i>Implemented</i></li> <li>• <b>Enhance training by bespoke sessions / courses / workshops</b> <i>Implemented</i></li> <li>• <b>Specific relevant qualifications for administration and investment staff</b> <i>Implemented</i></li> </ul>	<p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p> <p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p> <p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p>		<b>Significant</b> 3	<b>Unlikely</b> 2	<b>Medium</b> 6

# Risk Register

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

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

Date: **5 September, 2022**

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 Controls in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> <li>External consultants and independent adviser available for short term assistance <i>Implemented</i></li> </ul>	Pensions Manager and Treasury & Pensions Investments Manager				
<b>DPFOP0010 - Failure to appropriately attract, manage, develop, and retain staff at all levels</b>	<b>Substantial</b> 4	<b>Unlikely</b> 2	<b>Medium</b> 8	<ul style="list-style-type: none"> <li>Training and Development Plan established <i>Implemented</i></li> </ul>	Pensions Manager		<b>Substantial</b> 4	<b>Improbable</b> 1	<b>Low</b> 4
<b>DPFOP0011 - Failure to communicate properly with stakeholders</b> Lack of clear communications.  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.  Communication with investment managers, custodian, independent adviser, fund employers, pensioners, scheme members, actuary and government organisations.	<b>Significant</b> 3	<b>Unlikely</b> 2	<b>Medium</b> 6	<ul style="list-style-type: none"> <li>Dedicated Communication &amp; Training Officer post established Dedicated Communication &amp; Training Officer will continue to fulfil all the communication requirements of the DPF, in accordance with the Communications Policy Statement <i>Implemented</i></li> </ul>	Pensions Manager		<b>Significant</b> 3	<b>Improbable</b> 1	<b>Very Low</b> 3

# Risk Register

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

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

Date: **5 September, 2022**

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 Controls in place)			
	Impact	Probability				Current Risk Rating	Impact	Probability	Controlled Risk Rating
				<ul style="list-style-type: none"> <li><b>Comprehensive website is continually updated and developed</b> <i>Implemented</i></li> <li><b>My Pension Online is used to enhance the service provided to scheme members</b> <i>Implemented</i></li> <li><b>Quarterly meetings with independent adviser and investment managers</b> <i>Implemented</i></li> <li><b>Communications Policy in place</b> <i>Implemented</i></li> <li><b>Annual Employer &amp; Consultative Meeting</b> <i>Implemented</i></li> </ul>	<p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p> <p>Pensions Manager</p> <p>Treasury &amp; Pensions Investments Manager</p> <p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p> <p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p>				

# Risk Register

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

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

Date: **5 September, 2022**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlled (Assume CONTROLLED in place)		Risk
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlled Risk Rating
<p><b>DPFOP0012 - Liquidity/cashflow risk - insufficient funds to meet liabilities as they fall due</b></p> <p>Failure of employers to pay contributions on time; low dividend income; significant number of liabilities paid out at the same time.</p> <p>Immediate cash contribution would be required via employers; delay in the payment of promised liabilities; negative publicity and an adverse audit report.</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> <li>• <b>Monthly cash and dividend reconciliations</b> <i>Implemented</i></li> <li>• <b>Quarterly monitoring of investment managers by Pension Committee</b> <i>Implemented</i></li> <li>• <b>Appointment of custodian</b> <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8
<p><b>DPFOP0013 - Loss of funds through fraud or misappropriation in investment related functions</b></p> <p>Fraud or misappropriation of funds by an employer, investment managers or custodian.</p> <p>Financial loss to the fund.</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> <li>• <b>Internal and External Audit regularly test that appropriate controls are in place and working</b> <i>Implemented</i></li> <li>• <b>Regulatory control reports from investment managers, custodian, etc., are also reviewed by audit.</b> <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

# Risk Register

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

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

Date: **5 September, 2022**

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 Controls in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> <li>• <b>Due diligence is carried out whenever a new manager is appointed.</b> <i>Implemented</i></li> <li>• <b>Reliance also placed in Financial Conduct Authority registration.</b> <i>Implemented</i></li> <li>• <b>Quarterly monitoring by Pension Committee and Independent Adviser</b> <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager				
<b>DPFOP0014 - Excessive levels of Pension Fund Cash held within Carmarthenshire County Council investment balances</b> 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"> <li>• <b>Monthly cash reconciliations and separate pension fund bank accounts</b> <i>Implemented</i></li> <li>• <b>Quarterly monitoring by Pension Fund Committee</b> <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager		Significant 3	Improbable 1	Very Low 3

# Risk Register

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

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

Date: **5 September, 2022**

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 Controls in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> <li>Internal Audit and Wales Audit Office review <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager				
<p><b>DPFOP0015 - Lack of expertise on Pension Fund Committee and/or amongst Officers</b> 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>	<p><b>Significant</b></p> <p>3</p>	<p><b>Likely</b></p> <p>4</p>	<p><b>High</b></p> <p>12</p>	<ul style="list-style-type: none"> <li>Ensure Officers are trained and up to date in key areas through courses, seminars, reading, discussions with consultants, etc. <i>Implemented</i></li> <li>Members given induction training on joining Committee with subsequent opportunities to attend other specialist training. <i>Implemented</i></li> <li>Members' training plan and Governance Policy established <i>Implemented</i></li> <li>Specialist assistance available from consultants and independent adviser <i>Implemented</i></li> </ul>	<p>Treasury &amp; Pensions Investments Manager</p> <p>Treasury &amp; Pensions Investments Manager</p> <p>Treasury &amp; Pensions Investments Manager</p> <p>Treasury &amp; Pensions Investments Manager</p>		<p><b>Significant</b></p> <p>3</p>	<p><b>Possible</b></p> <p>3</p>	<p><b>Medium</b></p> <p>9</p>

Tudalen 70

# Risk Register

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

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

Date: **5 September, 2022**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlled (Assume CONTROLLED in place)		Risk
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlled Risk Rating
<b>DPFOP0016 - Prolonged failure of investment managers to achieve the returns specified on their mandates</b> 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"> <li>Quarterly monitoring of investment managers and performance company reports by investment team and Pension Committee <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8
<b>DPFOP0017 - Failure to meet statutory deadlines leading to qualification of the accounts</b> Lack of planning for closure of accounts; lack of training; loss of expert knowledge.  Qualified audit report; potential bad publicity; members' loss of confidence on officers' abilities.	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> <li>Timetabled Audit Committee cycles <i>Implemented</i></li> <li>Liaise with external audit <i>Implemented</i></li> <li>Establish closedown timetable <i>Implemented</i></li> <li>Establish WAO working paper guidance &amp; planning document <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

# Risk Register

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

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

Date: **5 September, 2022**

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"> <li>Excellent time management skills <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager				
<b>DPFOP0018 - Adequate skilled resources not available for accounts preparation</b> 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"> <li>Appropriate Treasury &amp; Pension Investments structure in place <i>Implemented</i></li> <li>Arrange training courses and seminars, and mentoring <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager		Significant 3	Possible 3	Medium 9
<b>DPFOP0019 - Failure to recover all debts</b> 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"> <li>Use of specialist debt recovery section within the administering authority <i>Implemented</i></li> </ul>	Pensions Manager and Treasury & Pensions Investments Manager		Moderate 2	Improbable 1	Very Low 2



# Risk Register

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

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

Date: **5 September, 2022**

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"> <li>• <b>Monthly monitoring of debts due</b> <i>Implemented</i></li> </ul>	Pensions Manager and Treasury & Pensions Investments Manager				
<p><b>DPFOP0020 - Officers acting outside delegated authority</b> Threat of officers making unauthorised decisions or payments.</p> <p>Loss of income to fund; loss of stakeholder confidence in the ability of the administering authority; potential increase in costs to fund employers</p>	<p><b>Substantial</b></p> <p>4</p>	<p><b>Unlikely</b></p> <p>2</p>	<p><b>Medium</b></p> <p>8</p>	<ul style="list-style-type: none"> <li>• <b>Undertake regular review of Standing Orders &amp; Constitution</b> <i>Implemented</i></li> <li>• <b>Report to Executive Board</b> <i>Implemented</i></li> <li>• <b>Monitoring officer role</b> <i>Implemented</i></li> </ul>	<p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p> <p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p> <p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p>		<p><b>Substantial</b></p> <p>4</p>	<p><b>Improbable</b></p> <p>1</p>	<p><b>Low</b></p> <p>4</p>

# Risk Register

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

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

Date: **5 September, 2022**

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><b>DPFOP0021 - Non-performance by Officers and Committee Members</b> Lack of training for officers and members; turnover in officers and members; lack of appraisals; lack of PI monitoring; time constraints for 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>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> <li>Establish performance measurement system <i>Implemented</i></li> <li>Pension Committee member assessments <i>Implemented</i></li> <li>Officer appraisals in October and March annually <i>Implemented</i></li> <li>Regular internal and external audits <i>Implemented</i></li> </ul>	<p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p> <p>Treasury &amp; Pensions Investments Manager</p> <p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p> <p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p>		Substantial 4	Unlikely 2	Medium 8

# Risk Register

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

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

Date: **5 September, 2022**

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"> <li>Establish &amp; review training plan for officers and members <i>Implemented</i></li> </ul>	Pensions Manager and Treasury & Pensions Investments Manager				
<p><b>DPFOP0022 - Failure to operate strict financial and budgetary controls</b> 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>	<p><b>Substantial</b></p> <p>4</p>	<p><b>Possible</b></p> <p>3</p>	<p><b>High</b></p> <p>12</p>	<ul style="list-style-type: none"> <li>Quarterly monitoring of budgets <i>Implemented</i></li> <li>Quarterly forecasting and profiling of budgets <i>Implemented</i></li> <li>Closure of accounts to Audit Committee <i>Implemented</i></li> <li>Monthly reconciliations of contributions, dividends, and pension payroll <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager		<p><b>Substantial</b></p> <p>4</p>	<p><b>Unlikely</b></p> <p>2</p>	<p><b>Medium</b></p> <p>8</p>

# Risk Register

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

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

Date: **5 September, 2022**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlled (Assume CONTROLLED in place)		Risk
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlled Risk Rating
<b>DPFOP0023 - Insufficient resources to provide information requirements for the Wales Pension Partnership on the management of the fund</b>	<b>Substantial</b> 4	<b>Possible</b> 3	<b>High</b> 12	<ul style="list-style-type: none"> <li>Staffing resources to be kept under review to ensure the Fund's interests are properly met when developing investment pooling arrangements <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager		<b>Substantial</b> 4	<b>Unlikely</b> 2	<b>Medium</b> 8
<b>DPFOP0024 - Coronavirus - COVID19</b> 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.	<b>Substantial</b> 4	<b>Possible</b> 3	<b>High</b> 12	<ul style="list-style-type: none"> <li><b>Business Continuity/Disaster Recovery Plan for the Authority with IT firewalls.</b> Remote working arrangements with access to key systems through CCC IT equipment and software. <i>Implemented</i></li> </ul>	Pensions Manager and Treasury & Pensions Investments Manager		<b>Moderate</b> 2	<b>Possible</b> 3	<b>Medium</b> 6

# Risk Register

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

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

Date: **5 September, 2022**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlled (Assume CONTROLLED in place)		Risk
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlled Risk Rating
DPFST0001 - Failure to comply with LGPS regulations as well as other overriding regulations	Substantial 4	Unlikely 2	Medium 8	<ul style="list-style-type: none"> <li>• <b>Altair Development Officer undertakes Altair system checks to ensure compliance with LGPS regulations</b> <i>Implemented</i></li> <li>• <b>Network Groups (Altair &amp; LGPC)</b> <i>Implemented</i></li> <li>• <b>Communication &amp; Training Officer</b> Communication &amp; 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></li> <li>• <b>Continue to act as an "Early Adopter" in conjunction with the system provider to ensure system meets regulatory requirements</b> <i>Implemented</i></li> </ul>	Pensions Manager		Substantial 4	Improbable 1	Low 4

# Risk Register

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

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

Date: **5 September, 2022**

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"> <li>Technical Officer ensures legislative accuracy of calculations <i>Implemented</i></li> </ul>	Pensions Manager				
DPFST0002 - 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"> <li>Participation in all high level Government discussions and consultations <i>Implemented</i></li> <li>Ensure best practice is implemented and DPF is seen as a centre of excellence for pension administration <i>Implemented</i></li> <li>Continue to be recognised nationally by peers as one of the leaders in pension administration and facilitate site visits <i>Implemented</i></li> </ul>	Pensions Manager and Treasury & Pensions Investments Manager  Pensions Manager  Pensions Manager		Substantial 4	Improbable 1	Low 4

# Risk Register

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

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

Date: **5 September, 2022**

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 Controls in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> <li>• <b>Society of Welsh Treasurers review the suitability of existing and any new pension fund arrangements</b> <i>Implemented</i></li> <li>• <b>CIPFA Pensions Network membership</b> <i>Implemented</i></li> <li>• <b>Technical Officer ensures legislative accuracy of calculations</b> <i>Implemented</i></li> </ul>	<p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p> <p>Pensions Manager and Treasury &amp; Pensions Investments Manager</p> <p>Pensions Manager</p>				
DPFST0003 - No appropriate procedures for Employer bodies transferring out of the pension fund or Employer bodies closing to new membership	Significant 3	Possible 3	Medium 9	<ul style="list-style-type: none"> <li>• <b>Inter valuation monitoring and rate reassessment if appropriate</b> <i>Implemented</i></li> </ul>	Pensions Manager		Significant 3	Unlikely 2	Medium 6

# Risk Register

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

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

Date: **5 September, 2022**

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 Controls in place)		Controlled Risk Rating
	Impact	Probability					Impact	Probability	
				<ul style="list-style-type: none"> <li>• <b>Identification of any issue and resolution via regular site visits by Communication &amp; Training Officer</b> <i>Implemented</i></li> <li>• <b>Requirement for employing authorities to issue termination forms for each active member</b> <i>Implemented</i></li> <li>• <b>Validation of membership numbers</b> <i>Implemented</i></li> <li>• <b>Employer covenant checks</b> <i>Implemented</i></li> </ul>	Pensions Manager  Pensions Manager  Pensions Manager  Pensions Manager				
<b>DPFST0004 - Significant rises in employer contributions due to increases in liabilities or fall in assets</b> Scheme liabilities increase disproportionately as a result of increased longevity or falling bond yields. Poor economic conditions,	Substantial  4	Likely  4	Significant  16	<ul style="list-style-type: none"> <li>• <b>Use qualified actuary who uses assumptions and recommends appropriate recovery period and strategy</b> <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager		Significant  3	Possible  3	Medium  9



# Risk Register

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

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

Date: **5 September, 2022**

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	
incorrect investment strategy, poor selection of investment managers.  Poor / negative returns leading to potential increase in employer's costs.				<ul style="list-style-type: none"> <li><b>Quarterly monitoring of investment managers by Pension Committee</b> <i>Implemented</i></li> <li><b>Diversified Strategic Asset Allocation</b> <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager				
<b>DPFST0005 - Failure of Investment Strategy to deliver investment objectives</b> 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"> <li><b>Qualified Actuary makes assumptions and recommends appropriate recovery period and strategy.</b> <i>Implemented</i></li> <li><b>Independent Investment adviser employed to assist the committee in making informed decisions.</b> <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager		Significant  3	Possible  3	Medium  9
<b>DPFST0006 - Concentration risk - single asset class having disproportionate impact on investment objectives</b> Risk of the performance of a single asset class having a disproportionate	Substantial  4	Possible  3	High  12	<ul style="list-style-type: none"> <li><b>Establish &amp; review diversified strategic asset allocation</b> <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager		Substantial  4	Unlikely  2	Medium  8

# Risk Register

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

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

Date: **5 September, 2022**

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>impact on the ability to meeting investment objectives. Inappropriate investment strategy following the triennial valuation, including lack of diversification.</p> <p>Funding level decreases; employer contribution rates become unacceptable, causing potential increase in employers' costs.</p>				<ul style="list-style-type: none"> <li>Proactive in decision making <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager				
<p><b>DPFST0007 - Counterparty risk - risk of other party in a transaction failing to meet its obligation to the fund</b> This arises from deposits held with banks and other financial institutions, as well as credit exposures to the fund's members and employers.</p> <p>Loss of capital; decrease in asset values; cost of legal proceedings; adverse publicity.</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> <li>Set appropriate parameters with fund managers and custodian to limit exposure to default risk <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8
<p><b>DPFST0008 - Interest rate risk</b> Arises from risk of exposure to significant interest rate movements on investments.</p> <p>Bond yields and cash decrease in value.</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> <li>Establish &amp; review diversified strategic asset allocation <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

# Risk Register

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

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

Date: **5 September, 2022**

Risk (Threat to achievement of business objective)	Assessment of Uncontrolled (Assume NO Controls in place)		Risk	Controls	Assigned To	Target Date Priority	Assessment of Controlled (Assume CONTROLLED in place)		Risk
	Impact	Probability	Current Risk Rating				Impact	Probability	Controlled Risk Rating
<p><b>DPFST0009 - Discount rate risk</b> Use of inappropriate discount rate to estimate future liabilities.</p> <p>Funding level decreases; employer contribution rates become unacceptable, causing potential increase in employers' costs.</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> <li>Engage qualified actuary to make assumptions <i>Implemented</i></li> <li>Engage independent adviser to assist the committee in making informed decisions <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8
<p><b>DPFST0010 - Price risk</b> 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"> <li>Establish &amp; review a diversified strategic asset allocation. <i>Implemented</i></li> <li>Anticipate long term returns on a prudent basis. <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager  Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8
<p><b>DPFST0011 - Foreign exchange risk</b> 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</p>	Substantial 4	Possible 3	High 12	<ul style="list-style-type: none"> <li>Establish &amp; review diversified (within regions) strategic asset allocation <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager		Substantial 4	Unlikely 2	Medium 8

# Risk Register

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

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

Date: **5 September, 2022**

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	
contribution rates become unacceptable, causing a potential increase in employers' costs.									
<b>DPFST0012 - Global financial markets impacted by economic climate, national/global austerity measures and geopolitical events</b>	<b>Catastrophic</b> 5	<b>Possible</b> 3	<b>High</b> 15	<ul style="list-style-type: none"> <li>Ongoing review by Pension Committee, Officers and Independent Adviser of the global economy and potential global instability. <i>Implemented</i></li> </ul>	Treasury & Pensions Investments Manager		<b>Substantial</b> 4	<b>Possible</b> 3	<b>High</b> 12

**PWYLLGOR CRONFA BENSIWN DYFED  
DYDDIAD 11/10/2022**

**Cynllun Hyfforddi 2022-2023**

**Rhoi Cynllun Hyfforddi 2022-2023 i Bwyllgor Cronfa Bensiwn Dyfed.**

**YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:**

Bod y Pwyllgor yn cymeradwyo Cynllun Hyfforddi 2022-2023.

**Y RHESYMAU:**

Rhoi Cynllun Hyfforddi 2022-2023 i Bwyllgor Cronfa Bensiwn Dyfed.

Ymgynghorwyd â'r pwyllgor craffu perthnasol	AMHERTHNASOL
---	--------------

Angen i'r Cabinet wneud penderfyniad	AMHERTHNASOL
--------------------------------------	--------------

Angen i'r Cyngor wneud penderfyniad	AMHERTHNASOL
-------------------------------------	--------------

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO - AMHERTHNASOL

Y Gyfarwyddiaeth: Gwasanaethau Corfforaethol	Swydd:	Rhifau ffôn: 01267 224120
Enw'r Gyfarwyddwr: Chris Moore	Cyfarwyddwr Gwasanaethau Corfforaethol, Cyngor Sir Gâr	Cyfeiriad e-bost:  CMoore@sirgar.gov.uk
Awdur yr Adroddiad: Chris Moore		

**EXECUTIVE SUMMARY  
DYFED PENSION FUND COMMITTEE  
DATE 11/10/2022**

**Training Plan 2022-2023**

The report includes the schedule of Committee meetings and training events for members and officers of the Dyfed Pension Fund.

**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
<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>

# 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

**CABINET MEMBER 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 2022-2023

#### Committee Members

Councillor Elwyn Williams (EW) – Chair  
Councillor Dai Thomas (DT) – Committee Member  
Councillor Rob James (RJ) – Committee Member  
Councillor Denise Owen (DO) – 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) – Pension Investment Officer

<u>Date</u>	<u>Subject</u>	<u>Provider</u>	<u>Venue</u>	<u>Attendees</u>
13 April 2022	Business Meeting	LAPFF	Hybrid	AP
13 – 15 June 2022	LA Conference	PLSA	Glouc.	KG & MO
28 June 2022	Committee Meeting		Hybrid	CM, RH, AP, KG, MO & all members
4 – 6 July 2022	Strategic Investment LAPF Forum		The Grove Hotel, Herts	AP
13 July 2022	Business Meeting	LAPFF	Hybrid	AP & DT
6 September 2022	Schroders Briefing		Carmarthen	CM, AP, MO & all members
8 – 9 September 2022	Investment Summit	LGC	Leeds	CM, DT & RJ
13 September 2022	Committee Meeting		Hybrid	CM, RH, AP, KG, MO & all members

22 September 2022	WPP Training Session		Online	CM, RH, AP, MO & all members
5 October 2022	AGM & Business Meeting	LAPFF	London	AP & DT
18 October 2022	Fundamentals Training	LGPC	Online	RJ & DO
19 October 2022	WPP Training Session		Online	CM, RH, AP, MO & all members
15 – 16 November 2022	Pension Managers Conference	SWPE	Torquay	KG & MM
22 November 2022	Fundamentals Training	LGPC	Online	RJ & DO
22 November 2022	ACM		Llanelli	All members & officers
23 November 2022	Committee Meeting		Hybrid	CM, RH, AP, KG, MO & all members
7 – 9 December 2022	Annual Conference	LAPFF	Bournemouth	RH & DT
20 December 2022	Fundamentals Training	LGPC	Online	RJ & DO
January 2023 (tbc)	Pension Fund Accounts	CIPFA	London	MO
January 2023 (tbc)	Business Meeting	LAPFF	London	AP & DT
28 March 2023	Committee Meeting		Hybrid	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 Cabinet /Leader being notified retrospectively.**

**PWYLLGOR CRONFA BENSIWN DYFED  
DYDDIAD 11/10/2022**

**Partneriaeth Pensiwn Cymru - Diweddariad y Gweithredwr**

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

**YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:**

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

**Y RHESYMAU:**

I roi diweddariad ar y meysydd allweddol isod:

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

Ymgynghorwyd â'r pwyllgor craffu perthnasol	AMHERTHNASOL
---	--------------

Angen i'r Cabinet wneud penderfyniad	AMHERTHNASOL
--------------------------------------	--------------

Angen i'r Cyngor wneud penderfyniad	AMHERTHNASOL
-------------------------------------	--------------

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO - AMHERTHNASOL

Y Gyfarwyddiaeth: Gwasanaethau Corfforaethol	Swydd:	Rhifau ffôn: 01267 224120
---	--------	---------------------------

Enw'r Gyfarwyddwr: Chris Moore	Cyfarwyddwr Gwasanaethau Corfforaethol, Cyngor Sir Gâr	Cyfeiriad e-bost:  CMoore@sirgar.gov.uk
-----------------------------------	---	---

Awdur yr Adroddiad: Chris Moore		
------------------------------------	--	--

**EXECUTIVE SUMMARY  
DYFED PENSION FUND COMMITTEE  
DATE 11/10/2022**

**Wales Pension Partnership (WPP) – Operator Update**

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

- Tranche 1 – Global Equity
- Tranche 2 – UK Equity
- Tranche 3 – Fixed Income
- Tranche 4 – Emerging Markets

Also, a Corporate and Engagement update including the engagement protocol and 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

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

# CONSULTATIONS

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

Signed: C Moore

Director

**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

**CABINET MEMBER 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

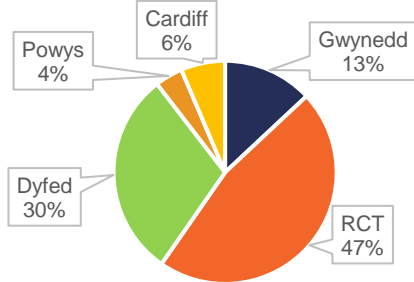
# Wales Pension Partnership

## Q1 2022 review

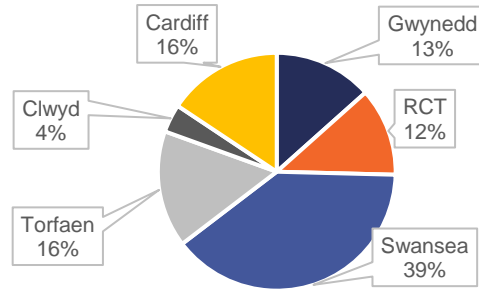
Joint Governance Committee  
8th July 2022

# March 2022 Fund Snapshot - Equities

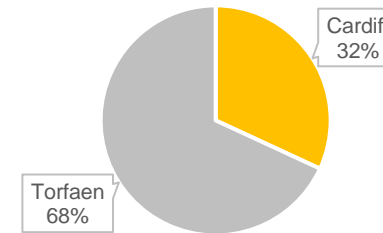
## Global Growth



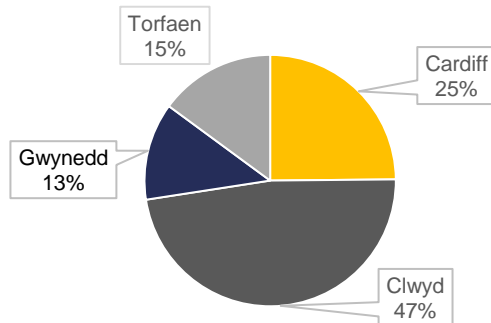
## Global Opportunities



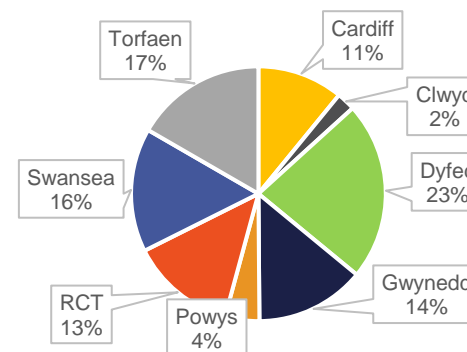
## UK Opportunities



## Emerging Markets



## Passive\*



Key:

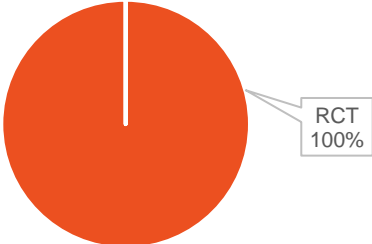
- Dyfed
- Powys
- Gwynedd
- RCT
- Torfaen
- Clwyd
- Swansea
- Cardiff

\* Assets with BlackRock

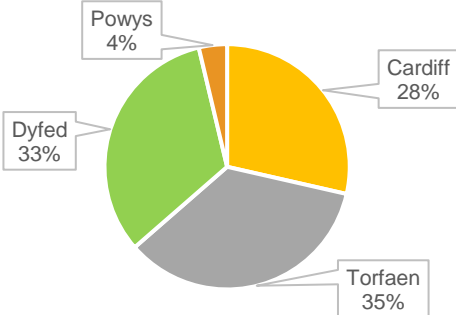


# March 2022 Fund Snapshot - Fixed Income

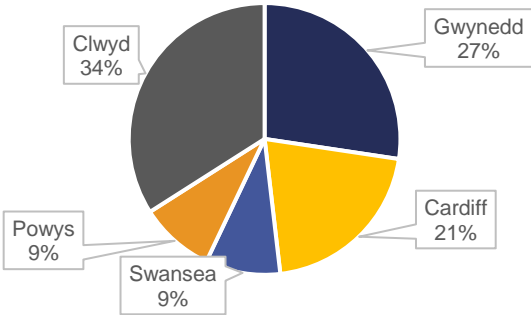
**Sterling Credit**



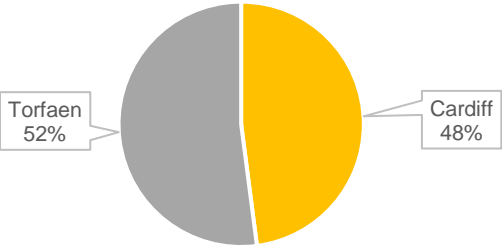
**Global Credit**



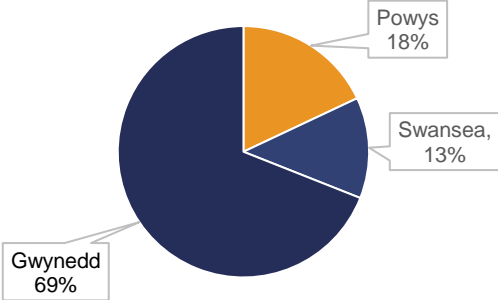
**Multi Asset Credit**



**Global Gov. Bond**



**Absolute Return Bnd**



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

# March 2022 LF Wales PP Fund AUM

Fund	AUM	Inception date
Global Growth	£3,303,494,324	6 <sup>th</sup> Feb 2019
Global Opportunities	£3,387,940,322	14 <sup>th</sup> Feb 2019
UK Opportunities	£730,277,801	10 <sup>th</sup> Oct 2019
Emerging Markets	£464,615,396	20 <sup>th</sup> Oct 2021
Sterling Credit	£574,224,152	19 <sup>th</sup> Aug 2020
Global Credit	£757,658,876	21 <sup>st</sup> Aug 2020
Multi Asset Credit	£723,183,882	12 <sup>th</sup> Aug 2020
Global Government Bond	£507,272,837	20 <sup>th</sup> Aug 2020
Absolute Return Bond	£509,602,394	30 <sup>th</sup> Sept 2020
<b>Total Active Investments</b>	<b>£10,958,269,984</b>	
<b>Total Passive Investments</b>	<b>£5,599,926,568</b>	
<b>Total Pooled Assets</b>	<b>£16,558,196,552</b>	

# Fund Launches & Updates

Progress Report

# Fund Activity in the Period

## Key Achievements & Updates

Fund Launches Progress				
	Overview	Status	Progress in period	Launch / completion dates
<b>UK Opps decarb</b>	<ul style="list-style-type: none"> <li>Addition of the Russell Investments decarb function to the UK Opportunities fund</li> </ul>	In progress	<ul style="list-style-type: none"> <li>Host Authority (on behalf of WPP), Torfaen and Cardiff officially approve the addition of the decarb function on the UK Opportunities fund</li> <li>LFS to progress through internal governance</li> </ul>	June 1 <sup>st</sup> 2022
<b>Sustainable Equity fund</b>	<ul style="list-style-type: none"> <li>Establishment of a sustainable equities fund</li> </ul>	In progress	<ul style="list-style-type: none"> <li>Russell Investments to present paper to JGC 8<sup>th</sup> July 2022</li> </ul>	

# LFS Corporate Update & Engagement

# LFS Corporate Update & Engagement

## LFS updates

- Eamonn Gough, Senior Relationship Manager to the WPP, has left the organisation and is replaced by James Zealander who will take responsibility for the WPP/LFS relationship
- Link Fund Solutions Limited (LFSL) is aware that two law firms have filed a claim in relation to the LF Equity Income Fund (formerly, the LF Woodford Equity Income Fund). The law firms have submitted an application for a Group Litigation Order. LFSL has not yet been served with any proceedings and will vigorously defend itself in such an event.
- The meeting of Link Group shareholders to consider and vote on the proposed acquisition of Link Group by Dye & Durham Corporation is set for 13 July 2022. This is subject to certain approvals being received including the decision of the Australian Competition and Consumer Commission which is due 16 June 2022.

## Key Q1 and future WPP Engagement

### Link attendance at OWG/JGC meetings in period:

- OWG 1<sup>st</sup> Feb 2022
- JGC 23<sup>rd</sup> March 2022

### Link attendance at OWG/JGC meetings in next quarter:

- OWG 24<sup>th</sup> May 2022
- JGC 8<sup>th</sup> July 2022

### Link - Pension Committee attendance in period:

- Gwynedd 17<sup>th</sup> Jan 2022
- Clwyd 9<sup>th</sup> Feb 2022
- RCT 8<sup>th</sup> March 2022
- Dyfed 29<sup>th</sup> March 2022

### Link - Pension Committee attendance in next quarter :

- None

### 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
- Pension Board Chairs – 26th April

# LFS Engagement Protocol

## Business as Usual

Strategic Relationship Review	Frequency	Objective
	<ul style="list-style-type: none"> <li>▪ Bi-annual</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ensure strategic alignment between Host Authority and Link</li> </ul>
<b>WPP Attendees</b> <ul style="list-style-type: none"> <li>▪ Chris Moore</li> <li>▪ Anthony Parnell</li> <li>▪ Two Section 151 / Deputy Section 151 officers</li> </ul>		<b>Link Attendees</b> <ul style="list-style-type: none"> <li>▪ Karl Midl, Managing Director</li> <li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> </ul>
JGC Engagement	Frequency	Objective
	<ul style="list-style-type: none"> <li>▪ Quarterly</li> </ul>	<ul style="list-style-type: none"> <li>▪ Engage with JGC on pertinent matters and strategic deliverables</li> </ul>
<b>WPP Attendees</b> <ul style="list-style-type: none"> <li>▪ Joint Governance Committee (JGC)</li> </ul>		<b>Link Attendees</b> <ul style="list-style-type: none"> <li>▪ Karl Midl, Managing Director / Adam Tookey, Head of Product – as required</li> <li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> <li>▪ James Zealander, Senior Relationship Manager</li> <li>▪ Russell Investments</li> </ul>
OWG Engagement	Frequency	Objective
	<ul style="list-style-type: none"> <li>▪ Every 2 Months</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identify and deliver on opportunities to improve and expand the relationship</li> <li>▪ Provide update on open projects or issues</li> <li>▪ Monthly KPI Review (Data supplied monthly)</li> </ul>
<b>WPP Attendees</b> <ul style="list-style-type: none"> <li>▪ Officers Working Group (OWG)</li> </ul>		<b>Link Attendees</b> <ul style="list-style-type: none"> <li>▪ James Zealander, Senior Relationship Manager</li> <li>▪ Richard Thornton, Head of Relationship Management, Asset Owners</li> <li>▪ Alistair Coyle, Relationship Manager (as required)</li> <li>▪ Ad-hoc Link attendance from functional departments: Tax, Compliance, Product, etc.</li> <li>▪ Russell Investments</li> </ul>

# Link Engagement Protocol continued...

## Business as Usual

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



**PWYLLGOR CRONFA BENSIWN DYFED  
DYDDIAD 11/10//2022**

**Ailstrwythuro Ecwiti Cam III**

**Bod y Pwyllgor yn cymeradwyo'r adroddiad Ailstrwythuro Ecwiti Cam III.**

**YR ARGYMHELLION / PENDERFYNIADAU ALLWEDDOL SYDD EU HANGEN:**

Bod y Pwyllgor yn cymeradwyo dyraniad o 5% o'r Gronfa i Is-gronfa Ecwiti Cynaliadwy Partneriaeth Pensiwn Cymru.

**Y RHESYMAU:**

Mewn ymateb i'r adolygiadau diweddar ynghylch Dyraniad Asedau Strategol ac ecwiti.

Ymgynghorwyd â'r pwyllgor craffu perthnasol	AMHERTHNASOL
---	--------------

Angen i'r Cabinet wneud penderfyniad	AMHERTHNASOL
--------------------------------------	--------------

Angen i'r Cyngor wneud penderfyniad	AMHERTHNASOL
-------------------------------------	--------------

YR AELOD O'R CABINET SY'N GYFRIFOL AM Y PORTFFOLIO - AMHERTHNASOL

Y Gyfarwyddiaeth: Gwasanaethau Corfforaethol	Swydd:	Rhifau ffôn: 01267 224120
Enw'r Gyfarwyddwr: Chris Moore	Cyfarwyddwr Gwasanaethau Corfforaethol, Cyngor Sir Gâr	Cyfeiriad e-bost:  CMoore@sirgar.gov.uk
Awdur yr Adroddiad: Chris Moore		

**EXECUTIVE SUMMARY  
DYFED PENSION FUND COMMITTEE  
DATE 11/10/2022**

**Equity Restructure Phase III**

The Committee agreed previous restructures of the equity portfolio in March and December 2021 (incorporating the BlackRock low-Carbon global equity portfolio, the transition of WPP's Baillie Gifford Global Growth investments to Baillie Gifford's Global Alpha Paris Aligned strategy, and a reduction in equity to increase allocations to Schroders (Property) and BlackRock (Strategic Alternative Income Fund)).

The current proposal represents a third phase of the equity restructure aimed at rationalising the legacy regional equity portfolios, reducing the carbon footprint further and continuing our progress on pooling.

**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
<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>	<b>NONE</b>

## **Finance**

Allocation of 5% of the Fund to the Wales Pension Partnership Sustainable Equity Sub Fund, funded from Dyfed Pension Fund's legacy regional equity portfolios.

# 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

**CABINET MEMBER 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

REPORT PREPARED FOR

**Dyfed Pension Fund**  
**Equity Restructure (Phase III)**

29 / 9 / 2022

**Adrian Brown**  
**MJ Hudson Allenbridge**

This document is prepared for the Pension Committee of the person on the front cover of this document on the basis of our investment advisory agreement. No liability is admitted to any other user of this report and if you are not the named recipient you should not seek to rely upon it. To the extent this report contains investment advice that advice is restricted to those funds the investment committee has requested that MJ Hudson Allenbridge assess for suitability in meeting the Strategic Asset Allocation.

This document is issued by MJ Hudson Allenbridge. MJ Hudson Allenbridge is a trading name of MJ Hudson Allenbridge Holdings Limited (No. 10232597), MJ Hudson Investment Advisers Limited (04533331), MJ Hudson Investment Consulting Limited (07435167), and MJ Hudson Investment Solutions Limited (10796384). All are registered in England and Wales. MJ Hudson Investment Advisers Limited (FRN 539747) and MJ Hudson Investment Consulting Limited (FRN 541971) are Appointed Representatives of MJ Hudson Advisers Limited (FRN 692447) which is Authorised and Regulated by the Financial Conduct Authority. The Registered Office of MJ Hudson Allenbridge Holdings Limited is 1 Frederick's Place London, EC2R 8AE.

*Note : Performance and valuation data is sourced from custodian (Northern Trust) data, wherever possible. This may differ marginally from manager reported returns due to data sources and calculation methodology. Performances over 1 year are annualised geometrically.*

## Context – Asset Allocation

Asset Allocation refers to the mix of assets which the Fund holds, in order to meet its investment objectives. These objectives clearly require making adequate returns, to allow the Fund to meet its pension payment liabilities, but may also include responsible investment (RI) objectives (eg climate).

The “Strategic Asset Allocation” (SAA) is driven by the *balance* of the investment return required to meet pension liabilities and the desire to minimise employer contributions though taking investment risk when/where the Fund is able, in order to maximise investment returns. It is set every 3 years, at the valuation. The current valuation will be completed early 2023. The table below show the asset allocation at 30 June 2022.

Asset Class	Fund weight (30/06/22)	Target SAA weight	Difference vs. SAA
Equities	70.8%	65%	+5.8%
Fixed Interest	8.8%	10%	- 1.2%
Property	15.7%	15%	+ 0.7%
Alternatives / infrastructure	4.0%	10%	- 6.0%
Cash	0.7%	0%	+0.7%

However, we may adjust the asset allocation (including the sub-asset classes within the asset classes above, eg regional equity allocations) between valuations :-

- To rebalance our portfolio back towards the SAA, taking advantage of market moves
- To meet our RI objectives, notably re: climate-related investment risk, as outlined in the Fund’s RI policy. The Fund currently aims to help drive improved behaviours through active engagement (with consequences), as well as contributing to the transition, through its ambition to reduce the carbon emissions of its investments by 7% per annum over the medium term (compared to a baseline set in Sept 2020.)
- To improve the governance of the Fund. This includes simplifying/improving cost in the manager line-up as well as complying with guidance to Pool assets where practicable (currently 38% of assets are managed by the WPP, rising to c. 80%, including the Blackrock passive assets, managed under Pool-agreed fees).

## Background

The Committee agreed previous restructures of the equity portfolio in March and December 2021 (incorporating the BlackRock low-Carbon global equity portfolio, the switch of WPP’s growth sleeve to Baillie Gifford Global Alpha Paris Aligned strategy, and a modest reduction in equity in favour of property / Secure Assets Income Fund). The current proposals represent a third phase of our proposed actions aimed at rationalising the legacy regional equity portfolios, reducing Carbon footprint, and continuing our progress on Pooling.

The table below details some characteristics of the legacy regional equity portfolios, together with those of the WPP sustainable Equity Fund, discussed below :-

Asset Class	Fund weight (30/06/22)	Index Performance (YTD June, %)	Index P/E (June, x)	C-Intensity /sales (scope 1+2 / 3)
UK	17.6	- 0.4	10.6	135 / 894
Emerging Markets	8.5	- 13.1	11.1	328 / 914
Japan (active)	3.4	- 5.1	12.5	94 / 785
Europe	2.5	- 12.0	12.4	122 / 650
WPP Sustainable Equity* (active)	-	- 15.6	14.0	85/na.

\*MSCI ACWI index

## WPP sustainable equity.

Russell have constructed this portfolio by combining 5 sustainable global equity managers with differing (complementary) investment styles and concentrated portfolios. They combine to offer a performance target of 2% above the MSCI ACWI index, with a 3-5% tracking error (similar return and risk targets to the existing Global Growth portfolio). Fees are expected to be 37bps (WPP GG = 35bps) assuming the strategy raises £500m in total. All 5 managers apply sustainability criteria in their investment decisions, including exclusion of companies involved in thermal coal, oil sands, palm oil tobacco and controversial weapons. In addition, Robeco will manage overall stewardship/engagement and the strategy overall will be Paris-Aligned (ie targeting reducing emissions over time) aiming to reach net-zero emissions by 2040. It is expected to have a Carbon-intensity of c. 85 tCO<sub>2</sub>/£m sales, to be c.3% underweight the Energy sector, with a slight bias to Growth, an overweight to Europe and a modest underweight Emerging Markets.

**The fund will be launched in November/December 2022, so the Committee needs to decide whether to make an allocation now.**

## Proposal

**Allocate 5% (£160m) to the WPP Sustainable Global Equity strategy, funded by taking 3% from UK (passive) and 2% from Emerging Markets (passive) regional equity allocations.**

WPP Sustainable Equity strategy offers an actively managed sustainable portfolio. Active managers will focus not only on currently low carbon emitters, but also on companies which are expected to improve their performance, thereby offering the potential to outperform as well as effecting real change in the carbon outcomes. As such, this Fund will complement the existing allocation to Blackrock's passive low-Carbon Fund, which delivers more exposure to current low emitters.

UK and EM portfolios are not only the highest C-intensity regions, but they are also represent Dyfed's largest regional overweights vs. the global index. In addition, the UK has performed well in the market rotation this year, significantly outperforming the US, making it timely to increase allocations to a global (>50% US) strategy. The 5% allocation is enough to have a material impact on our RI goals, while controlling the risk of investing in a new Fund, and also maintaining a good level of regional diversification within our equity portfolio.

**This transition delivers a more diversified regional equity allocation, an estimated 7% reduction in pro-forma 2022 C-intensity of Dyfed's equity portfolio and a 5% increase in WPP-managed assets.**

The proposed changes are illustrated in the table below :-

Asset Class (Equities)	Fund weight (30/06/22)	Proposed Change (%)	Resultant weight (pro-forma % 31/3/ 22)
UK (passive)	17.6	-3.0	14.6
Emerging Markets (passive)	8.5	-2.0	6.5
Global – WPP Sustainable Equity (active)	-	+5.0	5.0

Including all the equity portfolios, this would result in Dyfed's equity holdings having the following regional weights as % total equity pro-forma as at June 2022.

Region	Dyfed Actual %	MSCI ACWI %	Proposed % (pro-forma)
N. America	36	64	38
UK	30	4	27
Europe ex UK	12	13	12
Dev. Asia	9	9	10
EM	15	11	13
Total Equity	100	100	100

Mae'r dudalen hon yn wag yn fwriadol



Document is Restricted

Mae'r dudalen hon yn wag yn fwriadol

Document is Restricted

Mae'r dudalen hon yn wag yn fwriadol

Document is Restricted

Mae'r dudalen hon yn wag yn fwriadol

Document is Restricted

Mae'r dudalen hon yn wag yn fwriadol



Document is Restricted

Mae'r dudalen hon yn wag yn fwriadol

Document is Restricted

Mae'r dudalen hon yn wag yn fwriadol

Document is Restricted

Mae'r dudalen hon yn wag yn fwriadol

Document is Restricted

Mae'r dudalen hon yn wag yn fwriadol



Document is Restricted

Mae'r dudalen hon yn wag yn fwriadol

Document is Restricted

Mae'r dudalen hon yn wag yn fwriadol