

**SPECIAL MEETING OF THE PENSIONS COMMITTEE
OF TORFAEN COUNTY BOROUGH COUNCIL**
Held on Tuesday, 18 October 2016 at 2pm
In the Council Chamber, Civic Centre, Hanbury Road, Pontypool, NP4 6YB

MINUTES

Attendance: Members of the Committee

Councillors:

Mary Barnett (Chair)
Huw Bevan
Stephen Brooks KSS JP
Pamela Cameron
Nigel Davies
Stuart Evans

Officers:

Mary Rollin, Pensions Manager (PM)
Paul Rowles, Pension Investments Manager (PIM)
Graeme Russell, Head of HR and Pensions (HoHR&P)
Geraint Thomas, Senior Business Support Officer (SBSO)
Lynda Willis, Chief Legal Officer and Monitoring Officer (CLO&MO)

Action

1 Attendance and Apologies

- 1.1 Apologies were received from Nigel Aurelius, Assistant Chief Executive Resources (ACER).

2 Declarations of Interest

- 2.1 Members confirmed the following declarations of personal interest as read by the Chief Legal Officer and Monitoring Officer (CLO&MO):

| Councillor | In Receipt of Pension | Contributor |
|----------------|-----------------------|----------------------------------|
| Mary Barnett | Husband | Self |
| Huw Bevan | NONE | Self |
| Stephen Brooks | Self and brother | Self, niece and niece's husband |
| Pamela Cameron | Husband | Self, daughter and 2 son-in-laws |
| Nigel Davies | NONE | Self |
| Stuart Evans | NONE | Self, son and daughters |

- 2.2 Councillor Barnett also declared a personal interest as she was the Welsh Representative on the LGPS Ministerial Scheme Advisory Board and a member of the Deficit Working Party, had been appointed onto the Executive of LAPFF (Local Authorities Pension Funds Forum), member of LGPC and a Member of UCU Welsh Retired members.

3 All Wales Investment Pooling

3.1 The Chair informed Members that this item required approval before the end of October 2016, hence why a special meeting had been arranged.

3.2 The Head of HR and Pensions (HoHR&P) introduced the report and provided the following headlines:

- The value of the fund was slightly below £2.5bn.
- The two main current strands of the pooling arrangements related to governance arrangements and the operator procurement process.
- Under the pooling arrangements, the fund would communicate its strategy to the Joint Governance Committee, who would then use an operator to appoint investment managers to collectively implement the strategies of the Welsh Funds.
- Total agreement was required from all 8 funds in Wales.
- The proposed Joint Chairs Group (JCG) would be an informal arrangement, in order to provide political shape and direction until formal arrangements were in place, probably in January or February 2017.
- Legal and monitoring officers representing all 8 funds had been fully engaged.
- The proposed governance arrangements and broad outline of the timetable in appendix 1 was explained, with further explanation that the first 2 items in the table at the foot of Page 8 were being addressed in this report and that the JCG would hopefully meet in November 2016 in order to provide the platform for formal arrangements.
- The Memorandum of Understanding (MoU) was not legally binding but outlined a shared way of working. A draft version of the MoU was supplied in appendix 2.
- An updated version of the MoU was tabled, due to some relatively minor amendments and it was confirmed that no further amendments were expected.
- The JCG would make recommendations that would be brought back to their relevant Pensions Committees and that the Chair of the JCG would be appointed on a meeting-by-meeting basis.
- A deliberately high quorum for JCG meetings of 6 out of 8 members was set in order to ensure a democratic process.
- 3 out of 8 funds had agreed the arrangements and the other 4 funds (not including the Greater Gwent (Torfaen) Pension Fund) would be considering them over the next 10 days.

3.3 The Chair praised the work of officers all over Wales, highlighting the South Wales Treasurers group especially. She added that the Chairs of all 8 Welsh funds had been gelling well too.

3.4 The HoHR&P confirmed that since the July submission of the proposed pooling of all 8 Welsh funds, no formal feedback had been received from DCLG. He added that work needed to continue in order to meet the deadlines set by central government.

3.5 It was suggested that the location of JCG meetings could be rotated, with Members adding that ease of access would inevitably play a key role.

3.6 The Pensions Committee agreed to:

- i. approve the draft MoU;**
- ii. delegate the approval of any subsequent amendments of the MoU to the Assistant Chief Executive (Resources) in consultation with the Chair of the Pensions Committee;**
- iii. appoint the Chair of the Pensions Committee as the Fund's representative on the Joint Chair's Group; and**
- iv. note the current progress made regarding the All Wales Investment Pooling.**

4 Pension Fund Actuarial Assessments

4.1 The Pensions Manager (PM) introduced the report and provided the following headlines:

- Section 13 of the Public Sector Pensions Act 2013 for the Government Actuaries Department (GAD) required the publishing of a report following a review of the LGPS funding valuations and employer contribution rates to check that they are appropriate and to recommend remedial steps to be taken where scheme managers consider appropriate.
- DCLG had appointed GAD to report in connection with local fund valuations of the LGPS from 2016. This would occur on top of the Actuarial Valuation that each fund has carried out by their appointed Actuary.
- The fact that a lay person could not easily compare 2 funds brought difficulty to this process, as did the issue around consistency as different actuaries use different approaches and the same firm may apply different approaches for different funds.
- The four main aims that would be reported on were around compliance, consistency, solvency and long term cost efficiency.
- The method, process and recent "dry run" outlined in sections 6 and 7 of the report were explained.
- The target of early 2018 seems ambitious and GAD had accepted this.
- Any issues that arise would be raised with individual funds prior to publication and the possible outcomes in section 8 of the report were explained.
- DCLG could insist on a re-run of the 2016 figures and increase employer contributions as a result; however the main focus for GAD was to find the outlying funds.
- On the basis of the "dry run", the fund had only one amber flag regarding the extension of the recovery period from 20 years to 25 years and that the fund should be ok, despite the level of the unknown.
- The fund will need to deliver a message regarding the reasons why this outcome is different to its own actuarial outcome.

- 4.2 Following Members' questions, the following responses were provided:
- The PM explained that 3 analyses occur; the Fund's own analysis, the section 13 analysis outlined above and the Scheme Advisory Board's analysis.
 - The PM confirmed that the Fund used credible and reasonable approaches and stood up to scrutiny.
 - The PM confirmed that actuaries would charge fairly heavily for their services if further test runs were performed.
 - The HoHR&P referred to the table on page 54 of the agenda to reassure the committee that the Fund was using a reasonable and prudent approach. He explained that some of the outlying funds were too ambitious and lacking prudence.
 - The HoHR&P explained that this piece of work did no harm and that the questions that arise as a result should be seen positively.
 - The HoHR&P confirmed that the Fund uses bespoke mortality information for this locality in terms of the longevity issue, as this data was different to the general average across the UK.

4.3 The Pensions Committee agreed to note the content of this report.

5 LGPS Investment Regulations Update

- 5.1 The Pension Investments Manager (PIM) introduced the report and provided the following headlines:
- The final regulations had not changed a lot since they were tabled in draft at the Committee meeting in February 2016 but an early insight for members regarding the newly published accompanying statutory guidance would be helpful.
 - Quite a lot of work would emanate from the guidance in order for the Fund to comply with the regulations to coincide with the considerable work being driven by the pooling arrangements.
 - The regulations give the Fund a fair amount of flexibility but also impose responsibility, particularly in terms of producing an Investment Strategy Statement (ISS).
 - The consultation response to government in February 2016 welcomed flexibility regarding investment vehicles but stated that the Committee was less comfortable with the government's broad intervention powers at Fund level. This echoed the general thoughts of the LGPS.
 - A change towards a very prescriptive tone had occurred within the regulations and the accompanying guidance and the government had not moved in terms of the issue around intervention powers, despite 23,131 objections to this.
 - The Fund was making progress regarding the need for the ISS to include investment of money in a wide variety of instruments, the suitability of particular investments and types of investments and the approach to risk, with these 3 sections having been widely anticipated as elements of the new "prudential" approach within the regulations.
 - Unlike the 3 requirements above, the following 3 requirements were

maybe stronger and more prescriptive than expected. These were regarding the approach to pooling investments, how social, environmental or corporate governance considerations (ESG) are taken and the exercise of stewardship rights (including voting rights) attached to investments.

- The requirement to become signatories to the Stewardship Code had been a surprise and, though all the Fund's managers operate in accordance with the code, the Fund itself would need to be comfortable before signing up to it.
- Further digestion of the "hot off the press" regulations and statutory guidance was required at officer level, with a draft version of the ISS being brought to a future meeting of the committee.

5.2 Following Members' questions, the following responses were provided:

- The PIM explained that the Fund would need to articulate what it deemed suitable in terms of investments into the ISS and this would include wide-ranging considerations. He added that this would need to be periodically reviewed and link into long term aims. Social factors could be considered but the view of Fund members was a key factor if these potentially limited investment returns.
- The HoHR&P agreed that the task of considering options regarding risk and potentially hedging positions in terms of investments would become more onerous. This would involve a considerable thought process, due to the requirement of being open and specific.
- The HoHR&P confirmed that the Fund would be externally tested and that Committee decisions would need to be logical, structured and justified.
- The HoHR&P agreed that progress should be made regarding the ESG sub committee and that an advisory role for the Pension Board could prove useful.

5.3 The Pensions Committee agreed to:

- i. note the publication of the "Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016" which will come into effect on 1st November 2016;**
- ii. note the specific requirement under Section 7 of the Regulations to produce an Investment Strategy Statement (ISS) (to replace the Fund's Statement of Investment Principles) by 1st April 2017;**
- iii. note that the formulation of this new statement is a significant requirement for the Fund which indicates a need to consider current investment policy right across the investment areas in scope of the new regulations and statutory guidance; and**
- iv. a draft version of the ISS being prepared by officers in accordance with the separately issued statutory guidance and brought to a future meeting of the Committee for consideration and approval in advance of the 1st April 2017 publication deadline.**

- 5.4 The Chair tabled several pieces of literature from LAPFF and suggested that members of the Committee and Board may find them useful.
- 5.5 Following questions from Cllr Bevan, the PIM confirmed that CEM benchmarking was used by most LGPS funds and that there was still a way to go in terms of reporting investment manager costs in a common way but a process aimed to achieve this was being led at SAB and LGA level.
- 5.6 The HoHR&P confirmed that Committee members may benefit from bespoke training regarding pooling and that he would report back to committee.

Signed **Chair** **Date**.....

Minutes produced by Geraint Thomas, Senior Business Support Officer (Democratic Services).

**CYFARFOD ARBENNIG PWYLLGOR PENSIYNAU
CYNGOR BWRDEISTREF SIROL TORFAEN**
A gynhaliwyd ar ddydd Mawrth, 18 Hydref 2016 am 2pm
Yn Siambr y Cyngor, Y Ganolfan Ddinesig, Heol Hanbury, Pont-y-pŵl, NP4 6YB

COFNODION

Yn bresennol: Aelodau'r Pwyllgor

Cynghorwyr:

Mary Barnett (Cadeirydd)
Huw Bevan
Stephen Brooks KSS UH
Pamela Cameron
Nigel Davies
Stuart Evans

Swyddogion:

Mary Rollin, Rheolwr Pensiynau (RhP)
Paul Rowles, Rheolwr Buddsoddiadau Pensiwn (RhBP)
Graeme Russell, Pennaeth AD a Phensiynau (PADaPh)
Geraint Thomas, Uwch Swyddog Cymorth Busnes (USCB)
Lynda Willis, Prif Swyddog Cyfreithiol a Swyddog Monitro (PSCaSM)

| | | <u>Gweithred</u> | | | | | | | | | | | | | | | | | | | | | |
|----------------|---|-------------------------------------|----------------|-----------|--------------|-----|-------|-----------|-----|-------|----------------|---------------|-------------------------|----------------|-----|-------------------------------------|--------------|-----|-------|--------------|-----|----------------------|--|
| 1. | Presenoldeb ac Ymddiheuriadau | | | | | | | | | | | | | | | | | | | | | | |
| 1.1 | Derbyniwyd ymddiheuriadau gan Nigel Aurelius, Prif Weithredwr Cynorthwyol Adnoddau (PWCA). | | | | | | | | | | | | | | | | | | | | | | |
| 2. | Datganiadau o Fuddiant | | | | | | | | | | | | | | | | | | | | | | |
| 2.1 | Cadarnhaodd yr Aelodau'r datganiadau o fuddiant a ganlyn fel y'u darllenwyd gan y Prif Swyddog Cyfreithiol a Swyddog Monitro (PSCaSM): | | | | | | | | | | | | | | | | | | | | | | |
| | <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 33%;">Cynghorydd</th> <th style="width: 33%;">Derbyn Pensiwn</th> <th style="width: 33%;">Cyfrannwr</th> </tr> </thead> <tbody> <tr> <td>Mary Barnett</td> <td>Gŵr</td> <td>Hunan</td> </tr> <tr> <td>Huw Bevan</td> <td>NEB</td> <td>Hunan</td> </tr> <tr> <td>Stephen Brooks</td> <td>Hunan a brawd</td> <td>Hunan, nith a gŵr y nai</td> </tr> <tr> <td>Pamela Cameron</td> <td>Gŵr</td> <td>Hunan, merch a 2 fab yng nghyfraith</td> </tr> <tr> <td>Nigel Davies</td> <td>NEB</td> <td>Hunan</td> </tr> <tr> <td>Stuart Evans</td> <td>NEB</td> <td>Hunan, mab a merched</td> </tr> </tbody> </table> | Cynghorydd | Derbyn Pensiwn | Cyfrannwr | Mary Barnett | Gŵr | Hunan | Huw Bevan | NEB | Hunan | Stephen Brooks | Hunan a brawd | Hunan, nith a gŵr y nai | Pamela Cameron | Gŵr | Hunan, merch a 2 fab yng nghyfraith | Nigel Davies | NEB | Hunan | Stuart Evans | NEB | Hunan, mab a merched | |
| Cynghorydd | Derbyn Pensiwn | Cyfrannwr | | | | | | | | | | | | | | | | | | | | | |
| Mary Barnett | Gŵr | Hunan | | | | | | | | | | | | | | | | | | | | | |
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| Stuart Evans | NEB | Hunan, mab a merched | | | | | | | | | | | | | | | | | | | | | |
| 2.2 | Fe wnaeth y Cynghorydd Barnett hefyd ddatgan budd personol gan mai hi oedd Cynrychiolydd Cymru ar y Bwrdd Ymgynghori Cynllun Gweinidogol Cynllun Pensiwn Llywodraeth Leol, ei bod yn aelod o'r Gweithgor Diffyg, a | | | | | | | | | | | | | | | | | | | | | | |

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| | gafodd ei phenodi ar Bwyllgor Gwaith o LAPFF (Fforwm Cronfeydd Pensiwn Awdurdodau Lleol), a'i bod yn aelod o GPLIL ac yn aelod o UCU Cymru i'r sawl sydd wedi ymddeol. | |
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| 3. | Trefniadau Cyfuno Buddsoddi Cymru Gyfan | |
| | | |
| 3.1 | Hysbysodd y Cadeirydd yr Aelodau fod yr eitem hon angen cymeradwyaeth cyn diwedd mis Hydref 2016, a dyna pam y trefnwyd cyfarfod arbennig. | |
| 3.2 | <p>Cyflwynodd y Pennaeth AD a Phensiynau (PADaPh) yr adroddiad a datgan y penawdau a ganlyn:</p> <ul style="list-style-type: none"> • Mae gwerth y gronfa ychydig dan £2.5bn. • Mae'r ddau brif llynyn o'r trefniadau presennol yn ymwneud â threfniadau llywodraethu a phroses gaffael gweithredwyr. • O dan y trefniadau cyfuno, byddai'r gronfa yn cyfleu ei strategaeth i'r Cydbwyllgor Llywodraethu, a fyddai wedyn yn defnyddio gweithredwr i benodi rheolwyr buddsoddi i weithredu strategaethau Cronfeydd Cymru gyda'i gilydd. • Roedd angen i'r 8 o gronfeydd yng Nghymru gytuno'n unfrydol. • Byddai'r Grŵp Cyd-gadeiryddion arfaethedig yn drefniant anffurfiol, er mwyn rhoi siâp a chyfeiriad gwleidyddol hyd nes bod trefniadau ffurfiol yn eu lle; yn ôl pob tebyg ym mis Ionawr neu Chwefror 2017. • Mae swyddogion cyfreithiol a monitro sy'n cynrychioli pob un o'r 8 gronfa wedi bod yn llawn weithredol. • Eglurwyd y trefniadau llywodraethu arfaethedig ac amlinelliad bras o'r amserlen yn atodiad 1, gydag esboniad pellach fod y 2 eitem gyntaf yn y tabl ar waelod tudalen 8 yn cael sylw yn yr adroddiad hwn ac yn ôl pob gobaith byddai'r GC yn cwrdd ym mis Tachwedd 2016 er mwyn darparu llwyfan ar gyfer trefniadau ffurfiol. • Nid oedd y Memorandwm Cyd-ddealltwriaeth (MC) yn gyfreithiol rwyngol ond amlinella'r ffordd o weithio a rennir. Mae fersiwn drafft o'r Memorandwm Cyd-ddealltwriaeth wedi'i ddarparu yn atodiad 2. • Mae fersiwn wedi'i ddiweddarau o'r Memorandwm Cyd-ddealltwriaeth wedi'i gyflwyno, o ganlyniad i rai diwygiadau gymharol fach, a chadarnhawyd na ddisgwylir unrhyw ddiwygiadau pellach. • Byddai'r GC yn gwneud argymhellion a fyddai'n cael eu dwyn yn ôl i'w Pwyllgorau Pensiynau perthnasol ac y byddai Cadeirydd y GC gael ei benodi ar sail cyfarfod wrth gyfarfod. • Sefydlwyd cworwm uchel ar gyfer cyfarfodydd GC, sef 6 allan o 8 aelod, a hynny'n fwriadol, er mwyn sicrhau proses ddemocrataidd. • Mae 3 allan o 8 o'r cronfeydd wedi cytuno ar y trefniadau a byddai'r 4 gronfa arall (heb gynnwys Cronfa Bensiwn Gwent Fwyaf (Torfaen) yn eu hystyried dros y 10 diwrnod nesaf. | |
| 3.3 | Canmolodd y Cadeirydd waith y swyddogion o bob cwr o Gymru, gan dynnu sylw arbennig at Grŵp Trysoryddion De Cymru. Ychwanegodd fod Cadeiryddion pob un o'r 8 cronfa yng Nghymru wedi dod ymlaen yn dda | |

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| 3.4 | <p>hefyd.</p> <p>Cadarnhaodd y PADaPh, ers cyflwyno'r cam arfaethedig i gyfuno'r 8 gronfa yng Nghymru ym mis Gorffennaf, ni chafwyd adborth ffurfiol gan y DCLG. Ychwanegodd fod angen i'r gwaith barhau er mwyn cwrdd â'r terfynau amser a osodwyd gan lywodraeth ganolog.</p> | |
| 3.5 | <p>Awgrymwyd y dylid cylchdroi lleoliad cyfarfodydd y GC, gydag aelodau'n ychwanegu y byddai'n anochel y byddai mynediad hawdd yn chwarae rôl allweddol.</p> | |
| 3.6 | <p>Cytunodd y Pwyllgor Pensiynau i:</p> <p>v. Gymeradwyo'r MC drafft;</p> <p>vi. Dirprwyo cymeradwyo unrhyw ddiwygiadau dilynol i'r MC i'r Prif Weithredwr Cynorthwyol (Adnoddau) mewn ymgynghoriad a Chadeirydd y Pwyllgor Pensiynau;</p> <p>vii. Penodi Cadeirydd ar gyfer y Pwyllgor Pensiynau fel cynrychiolydd y Gronfa yn y Grŵp Cyd-gadeiryddion; a</p> <p>viii. Nodi'r cynnydd presennol a wnaed ynghylch Cyfuno Buddsoddi Cymru Gyfan.</p> | |
| 4. | <p>Asesiadau Actwari'r Gronfa Bensiwn</p> | |
| 4.1 | <p>Cyflwynodd y Rheolwr Pensiynau (RhP) yr adroddiad a darparu'r penawdau a ganlyn:</p> <ul style="list-style-type: none"> • Mae Adran 13 o Ddeddf Pensiynau Sector Cyhoeddus 2013 ar gyfer Adran Actwari'r Llywodraeth yn dweud bod angen cyhoeddi adroddiad yn dilyn adolygiad o brisiadau ariannu Cynllun Pensiwn Llywodraeth Leol a chyfraddau cyfraniadau cyflogwyr i sicrhau eu bod yn briodol ac i argymhell camau adferol i'w cymryd lle mae rheolwyr cynllun yn eu hystyried yn briodol. • Roedd yr Adran Cymunedau a Llywodraeth Leol wedi penodi AALI i adrodd mewn cysylltiad â phrisiadau cronfeydd lleol Llywodraeth Leol a Gwasanaethau Cyhoeddus (LILaGC) o 2016. Byddai hyn yn digwydd ar ben y Prisiad Actiwaraidd y mae pob cronfa wedi ei gwblhau gan eu Hactwari penodedig. • Mae'r ffaith na allai person llewyg fynd ati'n hawdd i gymharu 2 gronfa wedi dod ag anhawster i'r broses hon, fel y gwnaeth y mater o ran cysondeb am fod gwahanol actiwarïaid yn defnyddio dulliau gwahanol a gall yr un cwmni ddefnyddio gwahanol dulliau ar gyfer gwahanol gronfeydd. • Y pedwar prif nod y byddai angen adrodd yn eu cylch yw cydymffurfio, cysondeb, diddyledrwydd ac effeithlonrwydd costau yn y tymor hir. • Eglurwyd y dull, proses a'r "ymarfer" diweddar a amlinellir yn adrannau 6 a 7 yn yr adroddiad. • Mae'r targed o ddechrau 2018 yn ymddangos yn uchelgeisiol ac roedd Adran Actwari'r Llywodraeth (AALI) wedi derbyn hyn. | |

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| 4.2 | <p>Yn dilyn cwestiynau gan aelodau, cafwyd yr ymatebion a ganlyn:</p> <ul style="list-style-type: none"> • Byddai unrhyw faterion sy'n codi yn cael eu crybwyll gyda chronfeydd unigol cyn eu cyhoeddi ac eglurwyd y canlyniadau posibl yn adran 8 yr adroddiad. • Gallai'r Adran Cymunedau a Llywodraeth Leol fynnu ail-redeg ffigurau 2016 a chynyddu cyfraniadau'r cyflogwr o ganlyniad; fodd bynnag, y prif ffocws ar gyfer Adran Actwari'r Llywodraeth oedd dod o hyd i'r arian ychwanegol. • Ar sail yr "ymarfer", un faner ambr yn unig oedd gan y gronfa a hynny oherwydd ymestyn y cyfnod adfer o 20 mlynedd i 25 mlynedd a dylai'r gronfa fod yn iawn, er gwaetha lefel y ffactor anhysbys. • Bydd angen i'r gronfa gyfleu neges ynghylch y rhesymau pam mae'r canlyniad yma yn wahanol i'w ganlyniad actiwaraidd. <p>Eglurodd y RhP fod 3 dadansoddiad yn digwydd; dadansoddiad y Gronfa ei hun, dadansoddiad adran 13 a amlinellir uchod a dadansoddiad Bwrdd Cyngori'r Cynllun.</p> <p>Cadarnhaodd y RhP bod y Gronfa'n defnyddio dulliau credadwy a rhesymol sy'n gwrthsefyll unrhyw archwilio.</p> <p>Cadarnhaodd y RhP y byddai actiwariaid yn codi'n weddol drwm am eu gwasanaethau pe byddai profion pellach yn cael eu cwblhau</p> <p>Cyfeiriodd y PADaPh y tabl ar dudalen 54 o'r agenda i roi sicrwydd i'r pwyllgor bod y Gronfa yn defnyddio dull rhesymol a doeth. Eglurodd fod rhai o'r cronfeydd pellennig yn rhy uchelgeisiol ac iddynt ddiffyg pwyll.</p> <p>Eglurodd y PADaPh nad oedd y darn hwn o waith wedi gwneud unrhyw niwed a dylid ystyried y cwestiynau sy'n codi o ganlyniad yn gadarnhaol.</p> <p>Cadarnhaodd y PADaPh bod y Gronfa yn defnyddio gwybodaeth marwoldeb pwrpasol ar gyfer yr ardal hon o ran y mater hirhoedledd, gan fod y data hwn yn wahanol i'r cyfartaledd cyffredinol ar draws y DU.</p> | |
| 4.3 | Cytunodd y Pwyllgor Pensiynau i nodi cynnwys yr adroddiad hwn. | |
| 5. | Y Diweddaraf ar Reoliadau Buddsoddi Llywodraeth Leol a Gwasanaethau Cyhoeddus (LGPS) | |
| 5.1 | <p>Cyflwynodd y Rheolwr Pensiynau (RhP) yr adroddiad a chynnig y penawdau a ganlyn:</p> <ul style="list-style-type: none"> • Nid yw'r rheoliadau terfynol wedi newid llawer ers iddynt gael eu cyflwyno yn y drafft yng nghyfarfod y Pwyllgor ym mis Chwefror 2016 ond byddai cipolwg cynnar ar gyfer aelodau ynglŷn â'r canllawiau statudol ategol sydd newydd gael eu cyhoeddi, yn ddefnyddiol. • Byddai cryn dipyn o waith yn deillio o'r canllawiau er mwyn i'r Gronfa gydymffurfio â'r rheoliadau i gyd-fynd â'r gwaith sylweddol sy'n cael ei yrru gan y trefniadau cyfuno. • Mae'r rheoliadau yn rhoi cryn dipyn o hyblygrwydd i'r Gronfa ond hefyd | |

yn gosod cyfrifoldeb, yn enwedig o ran cynhyrchu Datganiad Strategaeth Fuddsoddi (DSF).

- Fe wnaeth yr ymateb i'r ymgynghoriad i lywodraeth yn Chwefror 2016 groesawu hyblygrwydd o ran cyfryngau buddsoddi ond dywedodd fod y Pwyllgor yn llai cyfforddus gyda phwerau ymyrryd eang y llywodraeth ar lefel Cronfa. Roedd hyn yn adleisio meddyliau cyffredinol Cynllun Pensiwn Llywodraeth Leol.
- Roedd newid tuag at dôn rhagnodol iawn wedi digwydd o fewn y rheoliadau a'r canllawiau ategol ac nid oedd y llywodraeth wedi symud o ran y mater ynghylch pwerau ymyrryd, er gwaethaf 23,131 o wrthwynebiadau i hyn.
- Mae'r Gronfa yn gwneud cynnydd o ran yr angen i'r DSF gynnwys buddsoddi arian mewn amrywiaeth eang o offerynnau, addasrwydd y buddsoddiadau a'r mathau o fuddsoddiadau penodol a'r agwedd at risg, gyda'r 3 adran yma'n cael eu rhagweld yn eang fel elfennau o ddulliau "darbodus" newydd o fewn y rheoliadau.
- Yn wahanol i'r 3 gofyniad uchod, roedd y 3 gofyniad canlynol efallai, yn gryfach ac yn fwy rhagnodol na'r disgwyl, a hynny o ran yr ymagwedd at gyfuno buddsoddiadau, sut y gwneir ystyriaethau cymdeithasol, amgylcheddol neu lywodraethu corfforaethol ac arfer hawliau stiwardiaeth (gan gynnwys hawliau pleidleisio) sydd ynghlwm wrth fuddsoddiadau.
- Roedd y gofyniad i fod yn llofnodwyr i'r Cod Stiwardiaeth wedi peri syndod ac, er bod holl reolwyr y Gronfa yn gweithredu yn unol â'r cod, byddai angen i'r Gronfa ei hun fod yn gyfforddus cyn arwyddo iddo.
- Roedd angen treulio'r rheoliadau a chanllawiau statudol "syth o'r wasg" ar lefel swyddogion, gyda fersiwn drafft o'r DSF yn cael ei gyflwyno i gyfarfod y pwyllgor yn y dyfodol.

5.2 Yn dilyn cwestiynau gan yr Aelodau, cafwyd yr ymatebion a ganlyn:

- Eglurodd y RhBP y byddai angen i'r gronfa fynegi hyn y mae'n ei farnu yn addas o ran buddsoddiadau mewn i'r DSF a byddai hyn yn cynnwys ystyriaethau eang. Ychwanegodd y byddai angen adolygu hyn o bryd i'w gilydd a'i gysylltu ag amcanion tymor hir. Byddai modd ystyried ffactorau cymdeithasol ond mae barn aelodau'r Gronfa yn ffactor allweddol pe byddai'r rhain yn cyfyngu ar enillion buddsoddi.
- Cytunodd y PADaPh y byddai'r dasg o ystyried opsiynau o ran risg ac o bosibl peryglu swyddi o ran buddsoddiadau yn dod yn fwy beichus. Byddai hyn yn golygu proses feddwl sylweddol, oherwydd y gofyniad i fod yn agored a phenodol.
- Cadarnhaodd y PADaPh y byddai'r Gronfa yn cael ei phrofi'n allanol a byddai angen i benderfyniadau'r Pwyllgor fod yn rhesymegol, strwythuredig a chyfiawn.
- Cytunodd y PADaPh y dylid gwneud cynnydd ynghylch yr is-bwyllgor ESG ac y gallai rôl ymgynghorol ar gyfer y Bwrdd Pensiynau fod yn ddefnyddiol.

| | | <u>Gweithred</u> |
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| 5.3 | <p>Cytunodd y Pwyllgor Pensiynau i:</p> <ul style="list-style-type: none"> v. nodi cyhoeddiad "Rheoliadau Cynllun Pensiwn Llywodraeth Leol (Rheoli a Buddsoddi Cronfeydd) 2016" a fydd yn dod i rym ar 1 Tachwedd 2016; vi. nodi'r gofyniad penodol o dan Adran 7 o'r Rheoliadau i gynhyrchu Datganiad Strategaeth Fuddsoddi (i ddisodli Datganiad o Egwyddorion Buddsoddi'r Gronfa) erbyn 1 Ebrill 2017; vii. nodi bod y gwaith o lunio'r datganiad newydd hwn yn ofyniad pwysig ar gyfer y Gronfa sy'n nodi'r angen i ystyried polisi buddsoddi cyfredol ar draws y meysydd buddsoddi yng ngoleuni'r rheoliadau a chanllawiau statudol newydd; a viii. bod fersiwn drafft o'r DSF yn cael ei baratoi gan swyddogion yn unol â chanllawiau statudol ar wahân ac yn cael ei gyflwyno yng nghyfarfod y Pwyllgor yn y dyfodol, i'w ystyried a'i gymeradwyo cyn y terfyn amser terfynol i'w gyhoeddi, sef 1 Ebrill 2017. | |
| 5.4 | Cyflwynodd y Cadeirydd sawl darn o lenyddiaeth gan Fforwm Cronfeydd Pensiwn Awdurdodau Lleol ac awgrymodd efallai y byddai aelodau o'r Pwyllgor a'r Bwrdd yn eu cael yn ddefnyddiol. | |
| 5.5 | Yn dilyn cwestiynau gan y Cyng. Bevan, cadarnhaodd y RhBP bod meincnodau CEM yn cael eu defnyddio gan y mwyafrif o gronfeydd Llywodraeth Leol a Gwasanaethau Cyhoeddus a bod dal ffordd i fynd yn nhermau adrodd ar gostau rheoli buddsoddi mewn ffordd gyffredin ond bod proses sy'n anelu i gyflawni hyn yn cael ei arwain ar lefel Bwrdd Ymgynghori'r Cynllun a Chymdeithas Llywodraeth Leol. | |
| 5.6 | Cadarnhaodd y PADaPh y gallai aelodau'r Pwyllgor elwa ar hyfforddiant pwrpasol ynglŷn â chyfuno a byddai'n adrodd yn ôl i'r pwyllgor. | |

Llofnod CadeiryddDyddiad.....

Cynhyrchwyd y cofnodion gan Geraint Thomas, Uwch Swyddog Cymorth Busnes (Gwasanaethau Democraidd).