

**MINUTES OF A MEETING OF THE LOCAL PENSION BOARD
OF TORFAEN COUNTY BOROUGH COUNCIL
Held on Wednesday, 19 July 2017 at 10am
In the Chamber, Civic Centre, Hanbury Road, Pontypool NP4 6YB**

In attendance Members of the Pension Board

Ian Coleman (Independent Chair)
Bob Campbell
Steve Harford
Rhian Hayden
Cheryl Morgan
Ruth Tucker
Jane Waters
Anthea Wellington
John Wright

Officers

Tim James, Interim Chief Legal Officer (ICLO)
Mary Rollin, Pensions Manager (PM)
Graeme Russell, Head of Pensions (HoP)
Geraint Thomas, Senior Business Support Officer (SBSO)

Action

1 Attendance and apologies

1.1 Apologies were received from Jan Davies and Meirion Rushworth.

2 Declarations of interest

2.1 The Interim Chief Legal Officer (ICLO) asked the Board Members to confirm their personal interests in the Greater Gwent Pension Fund.

Board Member	In Receipt of Pension	Contributor
Bob Campbell	Self	
Steve Harford	Self	Sister
Rhian Hayden	Mother	Self and sister
Cheryl Morgan	Partner	Self and niece
Ruth Tucker	Brother-in-law	Self and son-in-law
Jane Waters	Brother	Self
Anthea Wellington	Self and husband	Self and daughter
John Wright	Self and wife	Daughter

2.2 The ICLO left the meeting.

3 Minutes 27/4/17

3.1 Regarding paragraph 7, the Head of Pensions (HoP) confirmed that the Fund had received a positive response from the Council's insurers, with the

possibility of extending the existing policy to include cover for the Pension Board. He explained that the Fund had supplied further details to the insurers within the previous 10 days and were awaiting feedback. The HoP would inform members via email once this had occurred, rather than wait for the next Pension Board meeting. It should be noted that the Scheme Advisory Board was looking into a national solution for this issue.

3.2 Regarding paragraph 8.3, the Chair confirmed that a CIPFA event in Cardiff had been organised for 4th July and was deemed more appropriate for members than the London event, however it was cancelled at short notice and after the London event had been fully booked. The Cardiff event had been rearranged for 3rd October.

3.3 It was agreed that the minutes were an accurate record of the meeting.

4 Action Sheet

4.1 Regarding action 6.1, the Chair informed members of two CIPFA events being held in Cardiff in October and November, focussing particularly on the implications of pooling of investments. The Pensions Manager (PM) agreed to circulate details of the sessions and collate expressions of interest to attend.

PM

4.2 The Chair explained that once the new and relatively inexperienced Pensions Committee had settled in, joint training between the Committee and Board would be explored for 2018.

4.3 The Pension Board noted the Action Sheet.

5 Pensions Committee 3/7/17

5.1 The Pension Board considered the agenda papers for the Pensions Committee held on 3rd July 2017:

5.2 Agenda Item 5 – Pension Fund Annual Report and Accounts 2016/17

The HoP provided the following update:

- The Greater Gwent (Torfaen) Pension Fund formed part of the Local Government Pension Scheme (LGPS). Locally, the Fund was the administrator for approximately 57,000 members.
- The report formed part of the Torfaen County Borough Council annual report and accounts.
- The Fund was valued at approximately £2.7bn.
- The Fund was responsible for paying benefits and safeguarding assets.
- The report was a good signposting document and contained information on accounts and investments, a health check from the Fund's actuary and a first annual report from the Pension Board.
- The membership profile was changing, with numbers increasing but active members decreasing. 40% of members were active, 32% were deferred and 28% were pensioners.

- At present, the Fund was breaking even each year. In the future, it may be necessary to sell some investments in order to pay benefits; however this was not yet the case.
- Investment returns fluctuate each year, with this year's return of 22.84% being very welcome. He added that this level of return was exceptional, especially in light of Brexit and other global political issues and events.
- Pay-out to pensioners was in excess of £100m per annum.
- Income received via contributions and investments was over £100m per annum.
- The actuarial valuation, which took place during the last year, was a very long-term health check of the Fund.
- The actuarial valuation sets contribution levels from employers.
- The investment manager changes were determined by the committee for strategic and performance reasons.
- Pooling of investments was being led by central government. Under the new requirements, investment strategy would be set locally but implemented collaboratively, on an all-Wales basis via the Wales Pension Partnership (WPP).
- The new IT systems had improved efficiencies around collecting employer data and employee self-service, however it should be noted that as a result of this, more complex queries were emerging due to increased knowledge. Over 8,000 employees had started to use the employee self-service portal.

5.3 The HoP was asked whether caution and less-risky investments were now required. He provided the following responses:

- The Fund had a considered approach, rather than frequently being in and out of markets and since March 2017 markets had stabilised.
- Some of the risks would be removed once the Fund's investments in equities had been reduced. This currently sat at 78%, with a direction of travel towards 70%.
- Contracts with investment managers with the highest market volatility had been terminated within the last year.
- Pooling of investments would bring an opportunity to invest in new areas, such as infrastructure and other stable markets.
- Pooling would speed up the process of changing managers and investments, as there was currently a lengthy procurement process.
- Risks needed to be managed and it was a balancing act.
- In terms of dividend income, an option existed where the Fund could choose to not reinvest it and instead access it quickly, which could help if there was an issue around cash flow.

5.4 The PM explained that a sizeable amount of deferred pensions included individuals that had only paid into the scheme for several months, due to the previous regulations. The new regulations required individuals to pay into the Fund for over two years and many of these deferred pensions would be settled by one lump sum, with no ongoing pension. However, this group of individuals did add to the workload of the Fund.

- 5.5 Regarding staffing levels, the PM confirmed that:
- Two additional posts had been required in the administrative team, due to increased workload and more complex queries.
 - Staff numbers were fine in terms of the benefits and payroll teams, however the extra governance requirements within the last few years had impacted on the workload of the HoP, PM and Pension Investments Manager and this area was not sufficiently resourced.
 - She hoped that the new IT system would allow her to reallocate some staff in order to help with the extra governance work.
 - Maternity cover had been dealt with from within the team where possible, due to the amount of time it would take to train up a new member of staff.

5.6 The HoP agreed with members that pooling of investments could actually increase the workload around governance.

5.7 The HoP agreed to email a copy of the full risk register to members of the board.

HoP

5.8 A discussion took place regarding the future challenges around cyber security. It was agreed that the risk register should be updated to include cyber security.

5.9 The Chair concluded by stating that it was a very good report.

5.10 Agenda Item 6 – Audit of Annual Report and Accounts 2016/17 (Grant Thornton ISA 260 Report)

The HoP explained that an unqualified audit report had occurred and that members would struggle to find a cleaner audit report.

5.11 The Chair agreed that it was an excellent report.

5.12 Agenda Item 7 – Wales Pension Partnership (LGPS Investment Pooling and Collaboration Update)

The HoP explained that three main strands of work existed in this area. The first related to the inter-authority agreement of all local authorities within Wales, which had become legally binding within the previous three weeks.

5.13 Secondly, the establishment of the Joint Governance Committee (JGC) had taken place, with their first meeting being held in June 2017. As many new chairs of pensions committees were in place, the JGC was gaining an understanding of the dynamics and agreements within the WPP. Officers were in place to advise the JGC, however members made the decisions.

5.14 The third strand of work related to the appointment of a Financial Conduct Authority regulated operator. Six companies had been invited to tender and these were due within the following week. The JGC would be considering this in September 2017 and putting their recommendation to each Fund. It was anticipated that the Pensions Committee would receive a report on this at their meeting on 25th September 2017.

- 5.15 The HoP confirmed that the inter-authority agreement outlined the respective powers of the JGC and individual pensions committees and agreed to email the relevant sections of the agreement to members. He reminded members that the Fund would still set its own strategy and that the pool would offer an increased number of investment options to the Fund. Bespoke reporting would be provided to each Fund regarding its investments, as well as pan-Wales reporting.
- 5.16 The HoP assured members that it was not in any party's interest for a fire sale transition of investments to occur and that transition would take several years. A substantial amount of movement was expected within the first year; however long-term investments could be locked in for up to 10 years. He suggested that the operator could play the role of transition manager, as a lengthy procurement exercise would be required in order to appoint an alternative; however discussions had not yet reached that point.
- 5.17 The HoP outlined the contributions being made by each Fund, stating that fixed costs would be shared equally in terms of the operator and host authority (£30,000 each per annum in the first year including some one off set up costs) but variable costs would be payable by individual Funds depending on the number and type of investments made.
- 5.18 Agenda Item 8 – Quarterly Investment Performance Report to 31st March 2017
The HoP provided the following update:
- The overall positive (absolute) return for the Fund in Quarter 1 stood at +4.84% with a return of 22.84% over the last 12 months.
 - The Fund was performing above the benchmark in terms of the last 1, 3 and 5 years but was slightly below the benchmark in terms of the last 10 years.
 - At the end of March 2017, the value of the Fund stood at almost £2,705 million. At the end of June 2017, the un-audited value of the Fund was £2,744 million.
 - The report offered context in terms of market performance.
 - Paragraph 10 outlined the current investment activity, focussing on taking risks off the table and reducing investment in equities. It was hoped that decisions for all of the points within paragraph 10 would be made by the end of 2017, with a decision around investments in multi-asset funds expected within the next month.

6 LGA Pension Board Survey Proposed Response

- 6.1 The Chair explained that due to the Pensions Committee being new, relatively inexperienced and not having the insight into the first two years working of the Pensions Board, the committee had decided that the Pension Board should respond on behalf of the Fund.
- 6.2 The Chair expressed his disappointment that Unison members of the Pension Board had been contacted directly by their Union, in order to

provide individual responses to the survey. He believed that the Board did not look co-ordinated as a result of this. Other members suggested that this may be the case all over the country and it could possibly blur the results.

- 6.3 The Chair confirmed that his response to the survey was included within the report and asked for members' views.
- 6.4 Members noted that the numerical answers were subjective and that no indicators were supplied to explain what each number meant.
- 6.5 A conversation arose as to how the makeup of the Board could be improved, with the positive and negative impacts of including pensioner members of the Fund being explored. It was noted that consideration of long-term governance issues was vital to the Board's role.
- 6.6 The PM added that she was unsure how the Local Government Association would deal with multiple uncoordinated responses and that in future it may be advisable for members to liaise with the Chair before responding.
- 6.7 The Pension Board agreed to submit the response to the survey, as drafted by the Chair within the report.**

7 Environmental, Social And Corporate Governance (ESG) Policy and Socially Responsible Investing

- 7.1 The Chair confirmed that the report had been tabled at the request of the Pension Board during the previous meeting. He explained that the report would bring members up to speed regarding the existing policy.
- 7.2 The HoP provided the following update:
- The report contained a fair amount of detail around the history and context of the ESG Policy, adding that it was a changing environment.
 - Pooling of investments, changes to the membership of the Pensions Committee and changes around the Fund's governance would all impact on this area.
 - He outlined the makeup of the previous ESG working group and asked for views regarding any future arrangements, in order to put forward any proposals and recommendation for change to the Pensions Committee.
- 7.3 Members agreed that any working group should be from a wide spectrum and that Pensions Committee and Pension Board involvement was vital. It was also agreed that it would be an ongoing piece of work, with the initial aim of bringing the existing policy up to date but it was recognised that the work could take 6-12 months to complete.
- 7.4 The HoP confirmed that a joint ESG policy for the WPP had not yet been discussed, due to the infancy of the pooling arrangements. He added that this would therefore be an opportune time to look at this.

- 7.5 The HoP confirmed that a complete review of the ESG approach and relevance could be required, including identification of work strands that need to be considered by the Fund.
- 7.6 The Chair suggested that any working group should contain one employer representative and one employee representative from the Pension Board.
- 7.7 The HoP agreed to look at the terms of reference of the previous working group and circulate a suggested draft terms of reference for a new working group, via email. If the Pension Board members were able to agree this in time, a proposal could be made to the September 2017 Pensions Committee.
- 7.8 A discussion took place around the appropriateness of investments in tobacco and oil industries. The HoP explained that Funds could either choose to avoid investing in those industries or attempt to influence those industries whilst investing in them. He added that a variety of governance issues existed in most industries and that ESG was a wide complex issue; hence the need to review the approach to this area of a periodic basis.

HoP

8 Any other business

- 8.1 A discussion took place regarding the fact that board members must leave committee meetings when exempt items are discussed, despite the fact that the information would be provided within the next Pension Board agenda. The HoP explained that this was based on legal advice, but suggested that this matter could be revisited with the legal officer during the next meeting, as part of the action sheet.
- 8.2 As 8 out of the 10 board members' appointments were due to expire in July 2018, discussion took place as to the timing and process for change and/or extension of tenure. The HoP explained that it would be important to gauge how many members wished to extend their appointments to the board, if agreed. He confirmed that the formal process would start by the end of 2017, including a report reminding members of the Board of the process for extension/change. He suggested that members reflect in the meantime on their preferences.
- 8.3 The HoP explained that he was not yet in a position to confirm how many Fund investment managers had received the new best practice suggested certificate of transparency but that it was definitely on all of their radars. Officers would be discussing this with all existing managers. The Chair and HoP agreed that it would require consideration by all managers, as it may not be worthwhile for some smaller companies, especially in light of pooling.
- 8.4 The PM reminded members that any specific areas of required training and development should be raised by members. It was agreed that joint training between the Pensions Committee and Pension Board would be desirable.

Chair

The HoP suggested that three areas of possible training had emanated during the meeting and these were around pooling, ESG issues and wider governance arrangements. The Chair concluded that pooling would be the big issue during the next year.

9 Date of next meeting 18/10/17

9.1 The next meeting of the Pension Board will be on Wednesday 18th October 2017.

**COFNODION CYFARFOD BWRDD PENSIYNAU LLEOL CYNGOR
BWRDEISTREF SIROL TORFAEN**

**A gynhaliwyd ar ddydd Mercher, 19 Gorffennaf 2017 am 10am
Yn y Siambr, Y Ganolfan Ddinesig, Heol Hanbury, Pont-y-pŵl NP4 6YB**

Yn bresennol **Aelodau'r Bwrdd Pensiynau**
 Ian Coleman (Cadeirydd Annibynnol)
 Bob Campbell
 Steve Harford
 Rhian Hayden
 Cheryl Morgan
 Ruth Tucker
 Jane Waters
 Anthea Wellington
 John Wright

Swyddogion
 Tim James, Prif Swyddog Cyfreithiol Dros Dro (PSCDD)
 Mary Rollin, Rheolwr Pensiynau (RhP)
 Graeme Russell, Pennaeth Pensiynau (PP)
 Geraint Thomas, Uwch Swyddog Cymorth Busnes (USCB)

		<u>Gweithred</u>																											
1.	Presenoldeb ac Ymddiheuriadau																												
1.1	Derbyniwyd ymddiheuriadau gan Jan Davies a Meirion Rushworth.																												
2.	Datganiadau o fuddiant																												
2.1	Gofynnodd y Prif Swyddog Cyfreithiol Dros Dro (PSCDD) i Aelodau'r Bwrdd gadarnhau eu buddiannau personol yng Nghronfa Bensiwn Gwent Fwyaf.																												
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2.2	Gadawodd y PSCDD y cyfarfod.																												
3.	Cofnodion 27/4/17																												

		<u>Gweithred</u>
3.1	O ran paragraff 7, cadarnhaodd y Pennaeth Pensiynau (PP) bod y Gronfa wedi derbyn ymateb cadarnhaol gan yswirwyr y Cyngor, gyda'r posibilrwydd o ymestyn y polisi presennol i gynnwys yswiriant ar gyfer y Bwrdd Pensiynau. Eglurodd fod y Gronfa wedi cyflwyno manylion pellach i'r yswirwyr o fewn y 10 diwrnod blaenorol, ac yn disgwyl adborth. Byddai'r PP yn hysbysu'r aelodau drwy e-bost unwaith y bydd hyn wedi digwydd, yn hytrach nag aros tan gyfarfod nesaf y Bwrdd Pensiynau. Dylid nodi bod Bwrdd Ymgynghorol y Cynllun yn edrych i mewn i ateb cenedlaethol ar gyfer y mater hwn.	
3.2	O ran paragraff 8.3, cadarnhaodd y Cadeirydd fod digwyddiad CIPFA yng Nghaerdydd wedi cael ei drefnu ar 4 Gorffennaf ac ystyriwyd bod yn fwy priodol i aelodau na'r digwyddiad yn Llundain, fodd bynnag, cafodd ei ganslo ar fyr rybudd ac ar ôl i Lundain gadarnhau bod y digwyddiad yno bellach yn llawn. Mae'r digwyddiad yng Nghaerdydd wedi cael ei aildrefnu ar gyfer 3 Hydref.	
3.3	Cytunwyd bod cofnodion y cyfarfod yn gywir.	
4.	Taflen Weithredu	
4.1	O ran gweithred 6.1, hysbysodd y Cadeirydd yr aelodau ynghylch dau ddigwyddiad CIPFA sy'n cael eu cynnal yng Nghaerdydd ym mis Hydref a mis Tachwedd, a hynny'n canolbwyntio'n benodol ar oblygiadau cyfuno buddsoddiadau. Cytunodd y Rheolwr Pensiynau (RhP) i ddsbarthu manylion am y sesiynau a chasglu datganiadau o ddiddordeb i fynychu.	RhP
4.2	Eglurodd y Cadeirydd, unwaith y bydd y Pwyllgor Pensiynau newydd a chymharol ddibrofiad wedi ymgartrefu, byddai hyfforddiant ar y cyd rhwng y Pwyllgor a'r Bwrdd yn cael ei archwilio ar gyfer 2018.	
4.3	Nododd y Bwrdd Pensiynau'r Daflen Weithredu.	
5.	Pwyllgor Pensiynau 3/7/17	
5.1	Ystyriodd y Bwrdd Pensiynau papurau'r agenda ar gyfer y Pwyllgor Pensiynau a gynhaliwyd ar 3 Gorffennaf 2017:	
5.2	<u>Eitem 5 ar yr Agenda – Adroddiad Blynyddol a Chyfrifon y Gronfa Bensiwn ar gyfer 2016/17</u> Cafwyd y diweddariad canlynol gan y PP: <ul style="list-style-type: none"> • Mae Cronfa Bensiynau Gwent Fwyaf (Torfaen) yn ffurfio rhan o Gynllun Pensiwn Llywodraeth Leol (CPLIL). Yn lleol, mae'r Gronfa yn weinyddwr ar gyfer tua 57,000 o aelodau. • Mae'r adroddiad yn ffurfio rhan o adroddiad a chyfrifon blynyddol Cyngor Bwrdeistref Sirol Torfaen. • Mae'r Gronfa gwerth tua £ 2.7bn. • Mae'r Gronfa yn gyfrifol am dalu budd-daliadau a diogelu asedau. • Mae'r adroddiad yn ddogfen gyfeirio dda ac yn cynnwys gwybodaeth 	

am gyfrifon a buddsoddiadau, gwiriad iechyd gan actiwari'r Gronfa ac adroddiad blynyddol cyntaf gan y Bwrdd Pensiynau.

- Mae proffil yr aelodaeth yn newid, gyda niferoedd yn cynyddu ond aelodau gweithredol yn gostwng. Mae 40% o'r aelodau yn weithgar, 32% wedi gohirio a 28% yn bensiynwyr.
- Ar hyn o bryd, mae'r Gronfa yn adennill costau bob blwyddyn. Yn y dyfodol, efallai y bydd angen gwerthu rhai buddsoddiadau er mwyn talu budd-daliadau; fodd bynnag, nid dyna oedd yr achos eto.
- Mae enillion buddsoddiad yn amrywio bob blwyddyn, gyda dychweliad eleni o 22.84% yn dderbyniol iawn. Ychwanegodd bod y lefel hon o ddychwelyd yn eithriadol, yn enwedig yng ngoleuni Brexit a materion a digwyddiadau gwleidyddol eraill yn fyd-eang.
- Mae'r swm a dalwyd i bensiynwyr yn fwy na £100 miliwn y flwyddyn.
- Mae incwm a dderbyniwyd trwy gyfraniadau a buddsoddiadau dros £100m y flwyddyn.
- Mae'r prisiad actiwaraid, a gynhaliwyd yn ystod y flwyddyn ddiwethaf, yn wiriad iechyd tymor hir iawn ar gyfer y Gronfa.
- Mae'r prisiad actiwaraid yn gosod lefelau cyfraniad gan gyflogwyr.
- Pennwyd y newidiadau o ran y rheolwr buddsoddi gan y pwyllgor am resymau strategol a pherfformiad.
- Llywodraeth ganolog sy'n arwain ar gynhoi buddsoddiadau. O dan y gofynion newydd, byddai strategaeth fuddsoddi yn cael ei osod yn lleol ond yn cael ei gweithredu ar y cyd, ar sail Cymru gyfan trwy Bartneriaeth Pensiynau Cymru (PPC).
- Mae'r systemau TG newydd wedi gwella effeithlonrwydd o ran casglu data cyflogwyr a hunanwasanaeth cyflogeion, fodd bynnag, dylid nodi bod ymholiadau mwy cymhleth yn dod i'r amlwg o ganlyniad i hyn, oherwydd cynnydd mewn gwybodaeth. Mae dros 8,000 o weithwyr wedi dechrau defnyddio'r porth hunanwasanaeth i gyflogeion.

5.3 Gofynnwyd i'r PP a oedd angen gofal a buddsoddiadau llai peryglus nawr. Rhoddodd yr ymatebion canlynol:

- Roedd gan y Gronfa ddull i'w ystyried, yn hytrach na bod mewn ac allan o farchnadoedd yn gyson ac ers mis Mawrth 2017 mae marchnadoedd wedi sefydlogi.
- Byddai rhai o'r risgiau yn cael eu dileu unwaith y byddai buddsoddiadau'r Gronfa mewn ecwiti wedi ei leihau. Mae ar hyn o bryd yn eistedd ar 78%, gyda chyfeiriad teithio tuag at 70%.
- Mae contractau gyda rheolwyr buddsoddi gyda'r anwadalrwydd uchaf yn y farchnad, wedi eu terfynu o fewn y flwyddyn ddiwethaf.
- Byddai cyfuno buddsoddiadau yn dod â chyfle i fuddsoddi mewn meysydd newydd, megis seilwaith a marchnadoedd sefydlog eraill.
- Byddai cyfuno yn cyflymu'r broses o newid rheolwyr a buddsoddiadau, gan fod proses gaffael hir ar hyn o bryd.
- Mae angen rheoli risgiau ac mae'n fater o gydbwysu.
- O ran incwm difidend, mae yna opsiwn yn bodoli, lle gallai'r Gronfa ddewis peidio ail-fuddsoddi a chael mynediad iddo'n gyflym yn lle, a

		<u>Gweithred</u>
	allai helpu pe byddai problem o ran llif arian.	
5.4	Eglurodd y RhP fod swm sylweddol o bensiynau gohiriedig yn cynnwys unigolion a oedd wedi talu i mewn i'r cynllun am sawl mis yn unig, oherwydd y rheoliadau blaenorol. Mae'r rheoliadau newydd yn ei wneud yn ofynnol i unigolion dalu i mewn i'r Gronfa am dros ddwy flynedd a byddai llawer o'r fath bensiynau gohiriedig yn cael eu setlo mewn un cyfandaliad, heb unrhyw bensiwn parhaus. Fodd bynnag, mae'r grŵp yma o unigolion yn ychwanegu at lwyth gwaith y Gronfa.	
5.5	<p>O ran lefelau staff, cadarnhaodd y RhP bod:</p> <ul style="list-style-type: none"> • dwy swydd ychwanegol wedi bod yn ofynnol yn y tîm gweinyddol, oherwydd cynnydd yn y llwyth gwaith ac ymholiadau mwy cymhleth. • Mae niferoedd y staff yn iawn o ran y timau budd-daliadau a chyflogres, fodd bynnag, mae'r gofynion llywodraethu ychwanegol o fewn yr ychydig flynyddoedd diwethaf wedi effeithio ar lwyth gwaith y PP, RhP, a'r Rheolwr Buddsoddiadau Pensiwn ac nid oedd adnoddau'r ardal hon yn ddigonol. • Roedd yn gobeithio y byddai'r system TG newydd yn caniatáu iddi ailddyrrannu rhywfaint o staff er mwyn helpu gyda'r gwaith llywodraethu ychwanegol. • Aethpwyd i'r afael â chyfnod mamolaeth o fewn y tîm lle bo modd, oherwydd y cyfnod o amser y byddai'n ei gymryd i hyfforddi aelod newydd o staff. 	PP
5.6	Cytunodd y PP gydag aelodau y gallai cyfuno buddsoddiadau mewn gwirionedd gynyddu'r llwyth gwaith o ran llywodraethu.	
5.7	Cytunodd y PP i e-bostio copi o'r gofrestr risg llawn i aelodau'r bwrdd.	
5.8	Cafwyd trafodaeth ynglŷn â heriau yn y dyfodol o ran diogelwch seiber. Cytunwyd y dylid diweddarau'r gofrestr risg i gynnwys diogelwch seiber.	
5.9	Gorffennodd y Cadeirydd drwy ddweud ei fod yn adroddiad da iawn.	
5.10	<p><u>Eitem 6 ar yr Agenda – Archwiliad o Adroddiad Blynyddol a Chyfrifon 2016/17 (Adroddiad Grant Thornton ISA 260)</u></p> <p>Eglurodd y PP bod adroddiad archwiliad diamod wedi digwydd a byddai'r aelodau yn ei chael yn anodd cael hyd i adroddiad archwilio glanach.</p>	
5.11	Cytunodd y Cadeirydd ei fod yn adroddiad rhagorol.	
5.12	<p><u>Eitem 7 ar yr Agenda – Partneriaeth Pensiynau Cymru (Diweddariad ar Gydweithio a Chyfuno Buddsoddiadau CPLIL)</u></p> <p>Eglurodd y PP bod tri phrif faes gwaith yn bodoli yn y maes hwn. Mae'r cyntaf yn ymwneud â'r cytundeb rhwng awdurdodau, yr holl awdurdodau lleol yng</p>	

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	Nghymru, a oedd wedi dod yn gyfreithiol rwymol o fewn y tair wythnos diwethaf.	
5.13	Yn ail, sefydlwyd y Pwyllgor Llywodraethu ar y Cyd, gyda'r cyfarfod cyntaf yn cael ei gynnal ym mis Mehefin 2017. Gan fod llawer o gadeiryddion newydd pwyllgorau pensiynau yn eu lle, mae'r Pwyllgor Llywodraethu ar y cyd yn ennill dealltwriaeth o ddynmeg a chytundebau o fewn y PPC. Roedd swyddogion yn eu lle i gynghori'r Pwyllgor, fodd bynnag, yr aelodau sy'n gwneud y penderfyniadau.	
5.14	Mae'r trydydd llinyn gwaith yn ymwneud â phenodi gweithredwr reoleiddio Awdurdod Ymddygiad Ariannol. Gwahoddwyd chwe chwmmi i dendro a disgwylir y rhain o fewn yr wythnos ganlynol. Byddai'r Pwyllgor Llywodraethu ar y cyd yn ystyried hyn ym mis Medi 2017, ac yn cyflwyno'r argymhelliad i bob Cronfa. Rhagwelwyd y byddai'r Pwyllgor Pensiynau yn derbyn adroddiad ar hyn yn eu cyfarfod ar 25 Medi 2017.	PP
5.15	Cadarnhaodd y PP bod y cytundeb rhwng awdurdodau yn amlinellu pwerau priodol y Pwyllgor Llywodraethu ar y cyd a'r pwyllgorau pensiynau unigol a chytunodd i e-bostio adrannau perthnasol y cytundeb at yr aelodau. Atgoffodd yr aelodau y byddai'r Gronfa dal i bennu ei strategaeth ei hun a byddai'r cronïad yn cynnig nifer cynyddol o opsiynau buddsoddi i'r Gronfa. Byddai adroddiadau pwrpasol yn cael eu darparu i bob Cronfa ynghylch ei buddsoddiadau, yn ogystal ag adrodd ledled Cymru.	
5.16	Sicrhaodd y PP yr aelodau nad oedd o fudd i unrhyw barti gynnal arwerthiant wedi tân o ran trosi buddsoddiadau a byddai trosiad yn cymryd nifer o flynyddoedd. Disgwylir swm sylweddol o symudiad o fewn y flwyddyn gyntaf; fodd bynnag, gallai buddsoddiadau tymor hir gael eu cloi i mewn am hyd at 10 mlynedd. Awgrymodd y gallai'r gweithredwr chwarae rôl rheolwr pontio, gan y byddai angen ymarfer caffael hir i benodi dewis amgen; fodd bynnag, nid yw trafodaethau wedi cyrraedd y pwynt hwnnw eto.	
5.17	Amlinellodd y PP y cyfraniadau a wneir gan bob Cronfa, gan nodi y byddai costau sefydlog yn cael eu rhannu yn gyfartal o ran y gweithredwr a'r awdurdod cynnal (£30,000 yr un y flwyddyn yn y flwyddyn gyntaf yn cynnwys rhai costau sefydlu un tro) ond byddai costau amrywiol yn daladwy gan Gronfeydd unigol yn dibynnu ar y nifer a'r math o fuddsoddiadau a wneir.	
5.18	<p><u>Eitem 8 ar yr Agenda – Adroddiad Perfformiad Chwarterol ar Fuddsoddi hyd at 31 Mawrth 2017</u></p> <p>Cafwyd y diweddariad a ganlyn gan y PP:</p> <ul style="list-style-type: none"> • Mae'r adenillon cadarnhaol (absoliwt) cyffredinol ar gyfer y Gronfa yn Chwarter 1 yn sefyll ar + 4.84% gyda dychweliad o 22.84% yn ystod y 12 mis diwethaf. • Mae'r Gronfa yn perfformio yn uwch na'r meincnod o ran y flwyddyn ddiwethaf, y 3ydd a'r 5ed mlynedd diwethaf, ond roedd ychydig yn is 	

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	<p>na'r meincnod o ran y 10 mlynedd diwethaf.</p> <ul style="list-style-type: none"> • Ar ddiwedd mis Mawrth 2017 roedd gwerth y Gronfa yn sefyll ar bron i £2,705 miliwn. Ar ddiwedd mis Mehefin 2017 roedd gwerth diamod y Gronfa yn £2,744 miliwn. • Mae'r adroddiad yn cynnig cyd-destun o ran perfformiad y farchnad. • Mae paragraff 10 yn amlinellu'r gweithgarwch buddsoddi cyfredol, gan ganolbwyntio ar gymryd risgiau oddi ar y bwrdd a lleihau buddsoddiad mewn ecwiti. Y gobaith oedd y byddai penderfyniadau ar yr holl bwyntiau o fewn paragraff 10 yn cael eu gwneud erbyn diwedd 2017, gyda disgwyl penderfyniad o ran buddsoddiadau mewn cronfeydd aml-ased o fewn y mis nesaf. 	
6.	Ymateb Arfaethedig Arolwg Bwrdd Pensiynau CLIL	
6.1	Eglurodd y Cadeirydd, oherwydd bod y Pwyllgor Pensiynau yn newydd, gymharol ddibrofiad a heb gael cipolwg ar waith dwy flynedd gyntaf y Bwrdd Pensiynau, mae'r pwyllgor wedi penderfynu y dylai'r Bwrdd Pensiynau ymateb ar ran y Gronfa.	
6.2	Mynegodd y Cadeirydd ei siom fod aelodau'r Bwrdd Pensiynau sy'n aelodau o Unsain wedi derbyn cyswllt uniongyrchol gan eu Hundeb, er mwyn darparu ymatebion unigol i'r arolwg. Credai nad oedd y Bwrdd yn edrych ei fod yn cydweddu o ganlyniad i hyn. Awgrymodd aelodau eraill y gallai hyn fod yn wir ar hyd a lled y wlad ac y gallai o bosibl, bylu'r canlyniadau.	
6.3	Cadarnhaodd y Cadeirydd fod ei ymateb i'r arolwg wedi ei gynnwys yn yr adroddiad a holodd am farn yr aelodau.	
6.4	Nododd yr aelodau fod yr atebion rhifiadol yn oddrychol ac nad oedd unrhyw ddangosyddion wedi'u cyflenwi i esbonio'r hyn mae pob rhif yn ei olygu.	
6.5	Cododd sgwrs ynglŷn â sut y gellir gwella cyfansoddiad y Bwrdd, gydag effeithiau cadarnhaol a negyddol yn nhermau cynnwys aelodau o'r Gronfa sy'n bensiynwyr yn cael eu harchwilio. Nodwyd bod ystyried materion llywodraethu tymor hir yn hanfodol i swyddogaeth y Bwrdd.	
6.6	Ychwanegodd RhP nad oedd yn siŵr sut y byddai Cymdeithas Llywodraeth Leol yn delio ag ymatebion lluosog heb eu cydlynu ac yn y dyfodol efallai y byddai'n ddoeth i aelodau gysylltu â'r Cadeirydd cyn ymateb.	
6.7	Cytunodd y Bwrdd Pensiynau i gyflwyno'r ymateb i'r arolwg, fel y'i drafftwyd gan y Cadeirydd o fewn yr adroddiad.	
7.	Polisi Amgylcheddol, Cymdeithasol a Llywodraethu Corfforaethol (ACLI) a Buddsoddi Cymdeithasol-Gyfrifol	
7.1	Cadarnhaodd y Cadeirydd fod yr adroddiad wedi ei gyflwyno ar gais y Bwrdd Pensiynau yn ystod y cyfarfod blaenorol. Esboniodd y byddai'r adroddiad yn	

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	rhoi'r holl wybodaeth ddiweddaraf i'r aelodau ynghylch y polisi presennol.	
7.2	<p>Cafwyd y diweddariad a ganlyn gan y PP:</p> <ul style="list-style-type: none"> • Mae'r adroddiad yn cynnwys cryn dipyn o fanylion o ran hanes a chyd-destun y Polisi ACLI, gan ychwanegu ei fod yn amgylchedd sy'n newid. • Byddai cyfuno buddsoddiadau, newidiadau i aelodaeth y Pwyllgor a newidiadau o ran rheoli'r Gronfa i gyd yn creu effaith yn y maes hwn. • Amlinellodd cyfansoddiad y gweithgor ACLI blaenorol a gofynnodd am farn ynghylch unrhyw drefniadau yn y dyfodol, er mwyn cyflwyno unrhyw gynigion ac argymhellion i greu newidiadau, i'r Pwyllgor Pensiynau. 	
7.3	<p>Cytunodd yr Aelodau y dylai unrhyw weithgor ddod o sbectrwm eang a bod cyfranogiad y Pwyllgor Pensiynau a'r Bwrdd Pensiynau yn hanfodol. Cytunwyd hefyd y byddai'n ddarn parhaus o waith, gyda'r nod cychwynnol o ddiweddarau'r polisi presennol ond cydnabuwyd y gallai'r gwaith gymryd 6-12 mis i'w gwblhau.</p>	
7.4	<p>Cadarnhaodd y PP nad oedd polisi ACLI ar y cyd ar gyfer y PPC wedi cael ei drafod eto, oherwydd dyddiau cynnar y trefniadau cyfuno. Ychwanegodd y byddai hyn felly yn amser da i edrych ar hyn.</p>	
7.5	<p>Cadarnhaodd y PP y gallai fod angen adolygiad llawn o ddull a pherthnasedd yr ACLI, gan gynnwys adnabod llinynnau gwaith y mae angen i'r Gronfa eu hystyried.</p>	
7.6	<p>Awgrymodd y Cadeirydd y dylai unrhyw weithgor gynnwys un unigolyn sy'n cynrychioli cyflogwyr ac un sy'n cynrychioli cyflogaion o'r Bwrdd Pensiynau.</p>	
7.7	<p>Cytunodd y PP i edrych ar gylch gorchwyl y gweithgor blaenorol a dosbarthu cylch gorchwyl drafft a awgrymir ar gyfer gweithgor newydd, drwy e-bost. Pe byddai aelodau'r Bwrdd Pensiynau yn gallu cytuno ar hyn mewn pryd, byddai modd gwneud cynnig i Bwyllgor Pensiynau mis Medi 2017.</p>	PP
7.8	<p>Cafwyd trafodaeth ynglŷn â phriodoldeb buddsoddiadau mewn diwydiannau tybaco ac olew. Eglurodd y PP y gallai Cronfeydd naill ai ddewis osgoi buddsoddi yn y diwydiannau hynny neu geisio dylanwadu ar y diwydiannau hynny tra'n buddsoddi ynddynt. Ychwanegodd bod amrywiaeth o faterion llywodraethu yn bodoli yn y rhan fwyaf o ddiwydiannau a bod ACLI yn fater eang cymhleth; felly'r angen i adolygu'r ymagwedd at y maes hwn yn gyfnodol.</p>	
8.	Unrhyw fater arall	
8.1	<p>Cafwyd trafodaeth ynghylch y ffaith bod rhaid i aelodau'r bwrdd adael cyfarfodydd pwyllgor pan fydd eitemau eithriedig yn cael eu trafod, er gwaetha'r ffaith y byddai'r wybodaeth yn cael ei chyfleu o fewn agenda nesaf</p>	

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	y Bwrdd Pensiynau. Eglurodd y PP fod hyn yn seiliedig ar gyngor cyfreithiol, ond awgrymodd y byddai modd ail-drafod y mater hwn gyda'r swyddog cyfreithiol yn ystod y cyfarfod nesaf, fel rhan o'r daflen weithredu.	Cadeirydd
8.2	Am fod swyddogaeth 8 allan o 10 o'r aelodau a benodwyd i'r bwrdd yn dod i ben ym mis Gorffennaf 2018 cafwyd trafodaeth ynghylch yr amseru a'r broses ar gyfer newid a / neu ymestyn y ddaliadaeth. Eglurodd y PP y byddai'n bwysig i fesur faint o aelodau sy'n dymuno ymestyn eu penodiadau i'r bwrdd, os cytunir. Cadarnhaodd y byddai'r broses ffurfiol yn dechrau erbyn diwedd 2017, gan gynnwys adroddiad yn atgoffa aelodau o'r Bwrdd o'r broses ar gyfer ymestyn/ newid. Awgrymodd yn y cyfamser, bod yr aelodau yn myfyrio ar eu dewisiadau.	
8.3	Eglurodd y PP nad oedd eto mewn sefyllfa i gadarnhau faint o reolwyr buddsoddi'r Gronfa oedd wedi derbyn y dystysgrif tryloywder ar arfer da a awgrymwyd ond ei bod yn bendant ar bob un o'u radar. Byddai swyddogion yn trafod hyn gyda'r holl reolwyr sydd eisoes yn bodoli. Cytunodd y Cadeirydd a'r PP y byddai angen i'r holl reolwyr ystyried hyn, gan efallai na fydd yn werth chweil i rai cwmnïau llai, yn enwedig yng ngoleuni'r cyfuno.	
8.4	Atgoffodd y RhP yr aelodau y dylai'r aelodau godi unrhyw feysydd penodol o hyfforddiant a datblygiad sy'n ofynnol. Cytunwyd y byddai hyfforddiant ar y cyd rhwng y Pwyllgor Pensiynau a'r Bwrdd Pensiynau yn ddymunol. Awgrymodd y PP fod tri maes o hyfforddiant posibl wedi deillio yn ystod y cyfarfod ac roedd y rhain yn ymwneud â chyfuno, materion ACLI a threfniadau rheoli ehangach. Dywedodd y Cadeirydd mai cyfuno fyddai'r mater pwysig yn ystod y flwyddyn nesaf.	
9.	Dyddiad y cyfarfod nesaf 18/10/17	
9.1	Bydd cyfarfod nesaf y Bwrdd Pensiynau ar ddydd Mercher 18 Hydref 2017.	