

Public Agenda

CHIEF EXECUTIVE
Prif Weithredwr
Alison Ward CBE

TORFAEN COUNTY BOROUGH

BWRDEISTREF SIROL TORFAEN

Your re/Eich cyf:
Our ref/Ein cyf:
Date/Dyddiad: 17.01.2018

Please contact/Cysyllter â Geraint Thomas
Direct line/Llinell union: 01495 742773
Direct fax/Llinell ffacs: 01495 742791
Email: GeraintRhys.Thomas@torfaen.gov.uk

Dear Board Member / Annwyl Aelod o'r Bwrdd

You are invited to attend a meeting of the **LOCAL PENSION BOARD** which will be held in the Chamber, Civic Centre, Hanbury Road, Pontypool NP4 6YB on **Wednesday, 24 January 2018** at **10.00am** to consider the business set out in the attached agenda.

Members of the Pension Board are reminded to submit their individual professional development log to Mary Rollin, Pensions Manager via email: Mary.Rollin@torfaen.gov.uk prior to the meeting.

You are welcome to use Welsh at the meeting, a minimum notice period of 3 working days is required should you wish to do so. A simultaneous translation will be provided if requested.

Estynnir gwahoddiad i chi fynychu cyfarfod y **BWRDD PENSIYNAU LLEOL** yn y Siambr, y Ganolfan Ddinesig, Heol Hanbury, Pont-y-pŵl, NP4 6YB ar **Dydd Mercher, 24 Ionawr 2018** am **10.00am** i ystyried y materion a nodwyd yn yr agenda sydd ynghlwm.

Atgoffir Aelodau'r Bwrdd Pensiwn i gyflwyno eu cofnod datblygiad personol unigol i Mary Rollin, Rheolwr Pensiynau drwy ebost: Mary.Rollin@torfaen.gov.uk cyn y cyfarfod.

Mae croeso i chi siarad yn Gymraeg yn y cyfarfod a bydd angen rhybudd o o leiaf 3 diwrnod gwaith os ydych yn dymuno gwneud hynny. Bydd gwasanaeth cyfieithu ar y pryd yn cael ei ddarparu ar gais.

Yours sincerely
Yn gywir

Alison Ward CBE,
Chief Executive / Prif Weithredwr

CIRCULATION:

AELODAU:

Relevant Board Members
Appropriate Officers

Aelodau Perthnasol y Bwrdd
Swyddogion Priodol

LOCAL PENSION BOARD

10.00am

Wednesday, 24 January 2018

AGENDA

- 1 Attendance and apologies
- 2 Declarations of interest
- 3 Minutes 18/10/17
- 4 Action Sheet
- 5 Pensions Committee 16/11/17
[Please click link](#)
- 6 Pensions Committee 11/12/17
[Please click link](#)
- 7 Any other business
- 8 Date of next meeting 25/4/18
- 9 Exclusion of Press and Public

To agree the exclusion of the press and public from the meeting as presentations and meeting papers are not for publication because in accordance with paragraphs 12 and 14 of part 4 of Schedule 12a of the Local Government Act 1972 (as amended by the Access to Information Variation Order Wales 2007), it contains information about a particular individual and information relating to the financial and business affairs of particular persons including the Council and in all the circumstances of the case the public interest in maintaining the exemptions outweighs the public interest in disclosing the information.
- 10 Operator Selection Report

BWRDD PENSIYNAU LLEOL

10.00am

Dydd Mercher, 24 Ionawr 2018

AGENDA

- Croeso ac ymddiheuriadau
- Datganiadau o fuddiant
- Cofnodion 18/10/17 5 - 20
- Taflen Weithredu 21 - 22
- Pwyllgor Pensiynau 16/11/17
[Clicwch y ddolen](#)
- Pwyllgor Pensiynau 11/12/17
[Clicwch y ddolen](#)
- Unrhyw fater arall
- Dyddiad y cyfarfod nesaf
25/4/18
- Gwahardd y Wasg a'r
Cyhoedd

Cytuno gwahardd y wasg a'r cyhoedd o'r cyfarfod gan nad yw cyflwyniadau a phapurau cyfarfod i'w cyhoeddi oherwydd yn unol â pharagraffau 12 a 14 o Ran 4 o Atodlen 12A Deddf Llywodraeth Leol 1972 (fel y'i diwygiwyd gan Orchymyn Mynediad i Wybodaeth (Amrywiad) Cymru 2007), ei fod yn cynnwys gwybodaeth am unigolyn penodol a gwybodaeth yn ymwneud â materion ariannol a busnes unigolion penodol yn cynnwys y Cyngor a than holl amgylchiadau'r achos, mae lles y cyhoedd o ran sicrhau'r eithriadau yn gorbwyso'r budd i'r cyhoedd yn nhermau datgelu'r wybodaeth.
- Adroddiad Dewis
Gweithredwr 23 - 34

**MINUTES OF A MEETING OF THE LOCAL PENSION BOARD
OF TORFAEN COUNTY BOROUGH COUNCIL
Held on Wednesday, 18 October 2017 at 10am – 11.30am
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
Meirion Rushworth
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, Cheryl Morgan and Ruth Tucker.

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
Meirion Rushworth		Self
Jane Waters	Brother	Self
Anthea Wellington	Self and husband	Self and daughter
John Wright	Self and wife	Daughter

3 Minutes 19/7/17

3.1 The Head of Pensions (HoP) provided a brief update on the Wales Pension Partnership (WPP), in relation to the appointment of an external operator. He explained that the September meeting of the Joint Governance Committee had been re-arranged for 7th November 2017 and that a special

meeting of the Pensions Committee would follow this on 16th November 2017.

- 3.2 The HoP hoped that an operator would be appointed by the end of November 2017 and that the establishment of the investment pool would follow, along with immediate dialogue between the operator and pension funds regarding the sub funds and transition period. Transition should begin around April 2018 but could take between 3-5 years.
- 3.3 The HoP confirmed that the special meeting of the Pensions Committee on 16th November 2017 would be an exempt one item agenda. He agreed to inform the Pension Board of the decision.
- 3.4 Regarding paragraph 6.2 of the minutes, Bob Campbell confirmed that he had spoken to Bob Holloway, from the Scheme Advisory Board (SAB) in order to highlight the issues around who the survey had been directed at. The Pensions Manager (PM) hoped that a fresh survey would be circulated with proper direction.
- 3.5 It was agreed that the minutes were an accurate record of the meeting.**

4 Action Sheet

- 4.1 The Chair provided the following updates regarding the action sheet:
- 6.1 – Joint training between the Pensions Committee and the Pension Board would be arranged in the New Year, once the new committee members had completed the fundamentals training.
 - 4.1 – Several members of the Board had attended the CIPFA session in October and details of the November session would be released soon.
 - 5.7 – action completed.
 - 5.15 – action completed.
 - 7.7 – to be discussed in agenda item 5.
- 4.2 Regarding action point 8.1, the ICLO confirmed that he and the HoP had given the matter considerable thought. He explained that approaches to this matter across other local authorities were not consistent. The current situation was that Pension Board members must leave Pensions Committee meetings during exempt items, as they were observers only at that point in time, as were members of the public. The ICLO and HoP believed that the current format should continue, as it was also consistent with all Torfaen CBC committees, it could be unfair on Board members who were unable to attend the committee meeting as those in attendance would know the detail before them and issues existed around public perception.
- 4.3 The ICLO confirmed that the above rule would apply in relation to Committee members attending Pension Board meetings, unless the Board invited them to stay in order to answer questions.
- 4.4 The Pension Board noted the update from the ICLO.

4.5 The Pension Board noted the Action Sheet.

4.6 The ICLO left the meeting.

5 **Pensions Committee 25/9/17**

5.1 The Pension Board considered the agenda papers for the Pensions Committee held on 25th September 2017:

5.2 Agenda Item 5 – Quarterly Investment Performance Report to 30/6/17

The HoP provided the following update:

- At the end of June 2017, the value of the Fund stood at £2.744 billion and by the end of September it had reached £2.806 billion.
- Quarter 2 of 2017 saw an overall positive benchmark (market) return for the Fund of +1.34%.
- The 1 Year market return remained very strong with impressive overall performance for the last 12 months resulting in a strongly positive overall benchmark (market) return of +16.99%.
- The longer term benchmark (market) return for the Fund had fallen back slightly but remained close to that last reported at +6.59% per annum over the last 10 years.
- The Fund return showed positive out-performance against these benchmark figures of +0.34% and +1.92% for the quarter and 12 month performance respectively. 10 year performance was marginally below the benchmark (-0.08%)
- The above figures were very positive; however some investment manager performances were variable, such as Lazard. As a result, active discussions were taking place with them. Discussions were also taking place with all other managers, in order to probe their recent performance.
- The Pensions Committee had previously agreed to disinvest £70 million from Equities (US) and re-invest £55 million in multi-asset funds, which would reduce volatility and risk. This had resulted in a 2% move towards the Fund's desired 70%/20%/10% allocation across Equities, Fixed Income and Alternative investments respectively. The remaining £15 million had been held back in cash for financial settlements.

5.3 The HoP confirmed that he could not always guarantee that the value of the Fund would keep increasing but markets continued to rise, despite political and economic turbulence. He explained that uncertainty was approaching due to Brexit and that he did not expect the scale of growth to continue.

5.4 The HoP confirmed that the overall liabilities had increased and would continue to increase, due to wage increases and inflation. He explained that liabilities were rising at the same pace as investment returns.

5.5 The HoP stated that Local Government Pensions Scheme (LGPS) was in a good position regarding assets, compared to other public sector pension schemes.

5.6 Agenda Item 6 – Administration Update

The PM provided the following update:

- The system developments made in 2015/16 were starting to pay off.
- The Employer Self Service facility was available to all employers at the 2016/17 year end and those with more than 5 members were required to submit their year-end data through the data portal.
- 49 employers submitted their data by the 30th April 2017 deadline, compared to only 37 in 2015/16. Improvement in this area could be seen in the chart in paragraph 5.5 of the agenda.
- In 2016/17 the percentage of membership data which was submitted within the deadline covered 93% of members, as opposed to 49% in 2015/16 and 35% in 2014/15. Issues would be discussed with employers, in order to try to achieve 100%.
- Monthly updates from employers would help in terms of accuracy, especially regarding use of the employee self-service portal.
- Missing starters and missing terminations had significantly decreased within two years, highlighted in the chart in paragraph 6.4 of the agenda, with further improvement desired. However, one difficulty existed around schools, as information had to be fed from the school clerk, to the local authority and then to the Pension Team.
- At the end of August 2017, 12,342 members had registered for MY Pension On-Line. This was positive; however each employer would be targeted in order to increase this number.
- Training and development remained important to the Fund; with an ever changing regulatory environment and Pension Fund officers were encouraged to undertake the IPP pension qualification.
- Workload had increased which was a regular issue and could be seen in the table in paragraph 9.1 of the agenda. A large increase could be seen in regards to 'Transfers in/out'. This was mainly due to the "aggregation of membership" project.
- It was recognised that the team did not feel any sense of achievement as whilst a lot of work was being completed there was an increasing volume of work coming in. Work had been reorganised to focus on prioritisation, as this would help to give them a sense of achievement.

5.7 The PM confirmed that take-up of the 50/50 pension option had been very low and was not actively encouraged by the Fund except in cases where members are considering opting out, adding that the 50/50 scheme was not recognised by the Pension Regulator as a qualifying automatic enrolment scheme and was always intended as a short-term option for those in financial difficulty.

5.8 The PM explained that a spike occurred in terms of auto enrolment from all 5 councils simultaneously; however it was manageable due to the new IT systems, whereas a manual system would have been used in previous years.

5.9 Agenda Item 7 – Implementation of Markets in Financial Instruments Directive (MiFID II)

The HoP provided the following update:

- MiFID II was a European directive that would apply regardless of Brexit. The directive meant that local authorities and their pension funds would lose their currently automatic status as professional investors from 3rd January 2018, unless they applied to opt back up to professional status.
- The Pensions Committee unanimously agreed to apply to opt back up to professional status. The HoP was given delegated powers in order to achieve this.
- Opting up to professional status required the Fund to meet both a quantitative and qualitative test that would be assessed individually by each financial institution with which the Fund has investment dealings. The Fund currently had 15 different types of investment relationships and would need to complete a questionnaire for all for their consideration and approval prior to the end of December 2017.
- The template questionnaire and guidance being used was included in the appendices.
- Regarding the qualitative test, investment managers would need to be confident regarding the Fund's experience, expertise, knowledge and training. The HoP and the Pension Investments Manager were currently engaging with two or three test managers, and this together with the final submission process would take up a lot of their time in the upcoming weeks.

5.10 The HoP acknowledged that five out of the six Pensions Committee members were new to the role. In terms of proving knowledge and experience, this would be done via focus on the robustness of the Fund's processes and procedures. He added that the Chair of the Pensions Committee had fairly extensive knowledge, as he had previously been on the Investment Panel and that another committee member had substantial experience working for a custodian during his career.

5.11 The HoP explained that the Investment Management Association had been in discussions with the Local Government Association regarding the template questionnaires, specifically around consistency and standardisation. He added that he could not guarantee that individual investment manager compliance teams would apply a consistent approach.

5.12 The HoP explained that a fourth criterion had been added, as per point 4 on page 77 of the agenda, as local government pension schemes had only been able to meet one of the previous three criterion. Funds were required to meet at least two of the criterion to qualify for professional status.

5.13 The HoP confirmed that MiFID II was required in order to address issues within some smaller European countries and that it would be an on-going process. Over time, this would involve less work for the Fund, as it would be the responsibility of the WPP external operator.

5.14 Agenda Item 8 – Responsible Investing (Environmental, Social and Corporate Governance [ESG] Policy)

The HoP provided the following update:

- The Pensions Committee agreed to the recommendations in the report and they were very supportive of the working group.
- The first meeting would be arranged once the final nominations from the Pensions Committee and had been received.

5.15 The Chair hoped that the first meeting would take place before Christmas and that the Pension Board's nominations were Bob Campbell and Steve Harford.

5.16 Agenda Item 9 – Scheme Advisory Board; Voluntary Code on Investment Cost Transparency and Consistency

The HoP explained that the SAB had been working with the Investment Management industry and had introduced a voluntary Code of reporting on investment cost transparency and consistency for fund managers managing investments on behalf of the LGPS.

5.17 The HoP confirmed that three investment managers had already signed up to the voluntary Code and all others had confirmed their intention to sign up.

5.18 The HoP concluded that the Code would help regarding consistency of costs and that the industry recognised the need for transparency and consistency.

5.19 Bob Campbell added that Bob Holloway (from the SAB) had stated that 17 or 18 of the 28 main managers nationwide had already signed up to the Code.

5.20 Bob Campbell added that Bob Holloway (from the SAB) had stated that 17 or 18 of the 28 main managers nationwide had already signed up to the Code.

6 **Officials Indemnity Insurance**

6.1 The HoP explained that this report formally documented the current position, where the Pension Board had been added to the overall umbrella insurance policy of the authority. He confirmed that no additional premium would be placed on the Board.

6.2 The HoP confirmed that the Board was probably in the minority of national pension boards that were covered and that any changes at SAB level would be fed back to the Board for their consideration.

6.3 Members of the Board confirmed that this was a positive way forward and thanked officers for their patience and hard work in completing this piece of work.

7 **Pension Board - Training Update**

7.1 The Chair encouraged all members of the Pension Board to regularly

submit their individual professional development updates to the PM.

- 7.2 Bob Campbell confirmed that he had received an invitation to the LAPFF conference in Bournemouth in December 2017.

8 Pension Board - Terms of Office

- 8.1 The Chair reminded everyone that he had asked all members of the Pension Board to give consideration as to whether they wished to remain on the Board, once their term of office had expired.

- 8.2 All members of the Pension Board in attendance indicated their desire to remain on the Board.

- 8.3 The HoP confirmed that:

- This needed early consideration, due to the work required in terms of the process of appointment in the event that there was any turnover.
- He had met with the Assistant Chief Executive (Resources) and the ICLO and they had concluded that a further three-year term of office would be most appropriate.
- Board members may need to have conversations with their respective employers and unions, in order to gain permission to remain on the Board. If any members struggled regarding this, the HoP would assist them in any way he could.
- Written confirmation was required ideally by the end of October 2017. An email to the HoP would be acceptable.
- Any new appointments would need to be in place by April 2018.

- 8.4 The Pension Board noted their appreciation of the authority's invitation for them to continue as members of the Board.

9 Any other business

- 9.1 The Chair confirmed that Bob Campbell had received an email from the Pensions Regulator regarding a variety of national developments. The PM suggested that the emails received by some members of the Board may be due to the fact that they were on a general mailing list, rather than a LGPS specific mailing list.

10 Date of next meeting 24/1/18

- 10.1 The next meeting of the Pension Board will be on Wednesday 24th January 2018.

- 10.2 Steve Harford gave his apologies in advance for the next meeting.

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

**A gynhaliwyd ar Ddydd Mercher, 18 Hydref 2017 am 10am – 11.30am
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
Meirion Rushworth
Jane Waters
Anthea Wellington
John Wright

Swyddogion
Tim James, Prif Swyddog Cyfreithiol Dros Dro
Mary Rollin, Rheolwr Pensiynau
Graeme Russell, Pennaeth Pensiynau)
Geraint Thomas, Uwch Swyddog Cefnogi Busnes

		<u>Cam</u>																								
1.	Yn Bresennol ac Ymddiheuriadau																									
1.1	Derbyniwyd ymddiheuriadau oddi wrth Jan Davies, Cheryl Morgan a Ruth Tucker.																									
2.	Datganiadau o Fudd																									
2.1	Gofynnodd y Prif Swyddog Cyfreithiol Dros Dro i Aelodau'r Bwrdd i gadarnhau eu buddion personol yng Nghronfa Bensiynau Gwent Fwyaf.																									
	<table border="1"> <thead> <tr> <th>Aelod o'r Bwrdd</th> <th>Yn Derbyn Pensiwn</th> <th>Cyfrannwr</th> </tr> </thead> <tbody> <tr> <td>Bob Campbell</td> <td>Ei hun</td> <td></td> </tr> <tr> <td>Steve Harford</td> <td>Ei hun</td> <td>Chwaer</td> </tr> <tr> <td>Rhian Hayden</td> <td>Mam</td> <td>Ei hun a'i chwaer</td> </tr> <tr> <td>Meirion Rushworth</td> <td></td> <td>Ei hun</td> </tr> <tr> <td>Jane Waters</td> <td>Brawd</td> <td>Ei hun</td> </tr> <tr> <td>Anthea Wellington</td> <td>Ei hun a'i gŵr</td> <td>Ei hun a'i merch</td> </tr> <tr> <td>John Wright</td> <td>Ei hun a'i wraig</td> <td>Merch</td> </tr> </tbody> </table>	Aelod o'r Bwrdd	Yn Derbyn Pensiwn	Cyfrannwr	Bob Campbell	Ei hun		Steve Harford	Ei hun	Chwaer	Rhian Hayden	Mam	Ei hun a'i chwaer	Meirion Rushworth		Ei hun	Jane Waters	Brawd	Ei hun	Anthea Wellington	Ei hun a'i gŵr	Ei hun a'i merch	John Wright	Ei hun a'i wraig	Merch	
Aelod o'r Bwrdd	Yn Derbyn Pensiwn	Cyfrannwr																								
Bob Campbell	Ei hun																									
Steve Harford	Ei hun	Chwaer																								
Rhian Hayden	Mam	Ei hun a'i chwaer																								
Meirion Rushworth		Ei hun																								
Jane Waters	Brawd	Ei hun																								
Anthea Wellington	Ei hun a'i gŵr	Ei hun a'i merch																								
John Wright	Ei hun a'i wraig	Merch																								
3.	Cofnodion 19/7/17																									
3.1	Rhoddodd y Pennaeth Pensiynau ddiweddariad cryno ar Bartneriaeth Pensiynau Cymru, mewn perthynas â phenodi gweithredwr allanol. Esboniodd bod cyfarfod mis Medi o'r Pwyllgor Cyd-lywodraethu wedi ei ail-drefnu ar gyfer 7 ^{fed} Tachwedd 2017 a byddai cyfarfod arbennig o'r Pwyllgor Pensiynau yn dilyn hyn ar 16 ^{eg} Tachwedd 2017.																									

		<u>Cam</u>
3.2	Roedd y Pennaeth Pensiynau yn gobeithio y byddai gweithredwr yn cael ei benodi cyn diwedd Tachwedd 2017 a byddai sefydliad y gronfa fuddsoddi yn dilyn, gyda thrafodaethau'n syth rhwng y gweithredwr a'r cronfeydd pensiynau ynglŷn â'r arian a'r cyfnod trosglwyddo. Dylai'r trosglwyddiad ddechrau tuag Ebrill 2018 ond gallai gymryd rhwng 3-5 mlynedd.	
3.3	Cadarnhaodd y Pennaeth Pensiynau y byddai cyfarfod arbennig y Pwyllgor Pensiynau ar 16 ^{eg} Tachwedd 2017 yn cynnwys dim ond un eitem a honno wedi ei heithrio. Cytunodd i hysbysu'r Bwrdd Pensiynau am y penderfyniad.	
3.4	Ynglŷn â pharagraff 6.2 y cofnodion, cadarnhaodd Bob Campbell ei fod wedi siarad â Bob Holloway, o Fwrdd Ymgynghorol y Cynllun er mwyn pwysleisio'r materion o gylch at bwy yr oedd yr arolwg wedi ei gyfeirio. Roedd y Rheolwr Pensiynau'n gobeithio y byddai arolwg newydd yn cael ei gylchredeg gyda chyfeiriad cywir.	
3.5	Cytunwyd bod y cofnodion yn adlewyrchiad cywir o'r cyfarfod.	
4.	Taflen Waith	
4.1	Rhoddodd y Cadeirydd y diweddariadau canlynol mewn perthynas â'r daflen waith: <ul style="list-style-type: none"> • 6.1 – Byddai hyfforddiant ar y cyd rhwng y Pwyllgor Pensiynau a'r Bwrdd Pensiynau yn cael ei drefnu yn y Flwyddyn Newydd, unwaith y byddai aelodau newydd y pwyllgor wedi cwblhau hyfforddiant ar yr hanfodion. • 4.1 – Roedd sawl aelod o'r Bwrdd wedi mynychu sesiwn CIPFA yn Hydref a byddai manylion sesiwn Tachwedd ar gael cyn bo hir. • 5.7 – cwblhawyd y cam. • 5.15 – cwblhawyd y cam. • 7.7 – i'w drafod yn eitem 5 yr agenda. 	
4.2	Ynglŷn â phwynt gweithredu 8.1, cadarnhaodd y Prif Swyddog Cyfreithiol Dros Dro ei fod ef a'r Pennaeth Pensiynau wedi ystyried y mater yn helaeth. Esboniodd nad oedd y dulliau mewn awdurdodau lleol eraill yn gyson. Y sefyllfa ar hyn o bryd oedd bod rhaid i aelodau'r Bwrdd Pensiynau adael cyfarfodydd y Pwyllgor Pensiynau yn ystod eitemau a eithriwyd, gan eu bod yn sylwedyddion yn unig ar yr adeg yna, fel aelodau'r cyhoedd. Roedd y Prif Swyddog Cyfreithiol Dros Dro a'r Pennaeth Pensiynau yn credu y dylai'r fformat presennol barhau, gan ei fod yn gyson â holl bwyllgorau CBS Torfaen, gallai fod yn annheg ar aelodau'r bwrdd nad oedd yn medru mynychu'r cyfarfod pwyllgor gan y byddai'r rheiny a oedd yn bresennol yn gwybod y manylion cyn y lleill ac roedd materion i'w hystyried o gylch dirnadaeth y cyhoedd.	
4.3	Cadarnhaodd y Prif Swyddog Cyfreithiol Dros Dro y byddai'r rheol uchod yn berthnasol i aelodau'r Pwyllgor a oedd yn mynychu cyfarfodydd y Bwrdd Pensiynau, oni bai bod y bwrdd yn gofyn iddyn nhw i aros er mwyn ateb	

		<u>Cam</u>
	cwestiynau.	
4.4	Nododd y Bwrdd Pensiynau'r diweddariad gan y Prif Swyddog Cyfreithiol Dros Dro.	
4.5	Nododd y Bwrdd Pensiynau'r Daflen Waith.	
4.6	Gadawodd y Prif Swyddog Cyfreithiol Dros Dro'r cyfarfod.	
5.	Pwyllgor Pensiynau 25/9/17	
5.1	Ystyriodd y Bwrdd Pensiynau bapurau'r agenda ar gyfer y Pwyllgor Pensiynau a gynhaliwyd ar 25 ^{ain} Medi 2017:	
5.2	<p><u>Eitem 5 ar yr Agenda – Adroddiad Perfformiad Buddsoddiad Chwarterol hyd at 30/6/17</u></p> <p>Rhoddodd y Pennaeth Pensiynau'r diweddariad canlynol:</p> <ul style="list-style-type: none"> • Ar ddiwedd Mehefin 2017, gwerth y Gronfa oedd £2.744 biliwn ac erbyn diwedd Medi roedd wedi cyrraedd £2.806 biliwn. • Gwelodd Chwarter 2 2017 meincnod (marchnad) cadarnhaol ar y cyfan ar gyfer elw i'r Gronfa o 1.34%. • Roedd elw'r farchnad ym Mlwyddyn 1 yn dal yn gryf gyda pherfformiad canmoladwy ar y cyfan ar gyfer y 12 mis diwethaf yn arwain at elw meincnod (marchnad) cadarnhaol iawn ar y cyfan o +16.99%. • Roedd yr elw meincnod (marchnad) hir dymor ar gyfer y Farchnad wedi disgyn ychydig ond yn parhau yn agos at yr hyn a adroddwyd o'r blaen, sef +6.59% y flwyddyn dros y 10 mlynedd ddiwethaf. • Roedd y Gronfa'n dangos perfformiad cadarnhaol yn erbyn y ffigyrau meincnod yma o +0.34% ac +1.92% ar gyfer y chwarter a'r perfformiad 12 mis yn eu tro. Roedd y perfformiad 10 mlynedd ychydig o dan y meincnod (-0.08%) • Roedd y ffigyrau uchod yn gadarnhaol iawn; ond roedd perfformiadau rheolwyr buddsoddi yn amrywio, fel Lazard. O ganlyniad roedd trafodaeth yn mynd ymlaen gyda nhw. Roedd trafodaethau hefyd yn digwydd gyda phob rheolwr arall er mwyn edrych i mewn i'w perfformiad diweddar. • Roedd y Pwyllgor Pensiynau wedi cytuno o'r blaen i dynnu buddsoddiad o £70 miliwn o Ecwitiâu (UD) a buddsoddi £55 miliwn mewn cronfeydd aml-ased, a fyddai'n lleihau anwadalrwydd a risg. Roedd hyn wedi arwain mewn symudiad o 2% tuag at ddyraniad 70%/20%/10% y Gronfa ar draws Ecwitiâu, Incwm Sefydlog a Buddsoddiadau Amgen yn eu tro. Roedd y £15 miliwn arall wedi eu dal yn ôl mewn arian parod ar gyfer setliadau ariannol. 	
5.3	Cadarnhaodd y Pennaeth Pensiynau nad oedd modd iddo bob amser warantu y byddai gwerth y gronfa yn parhau i gynyddu ond roedd marchnadoedd yn parhau i godi, er gwaethaf cynnwrf gwleidyddol ac	

		<u>Cam</u>
	<p>economaidd. Esboniodd bod ansicrwydd yn datblygu oherwydd Brexit ac nid oedd yn disgwyl i raddfa'r twf i barhau.</p>	
5.4	<p>Cadarnhaodd y Pennaeth Pensiynau bod y dyledion cyfan wedi cynyddu a byddan nhw'n parhau i gynyddu, oherwydd codiadau cyflog a chwyddiant. Esboniodd bod dyledion yn codi ar yr un raddfa ag elw ar fuddsoddiadau.</p>	
5.5	<p>Dywedodd y Pennaeth Pensiynau bod y Cynllun Pensiwn Llywodraeth Leol mewn sefyllfa dda o ran asedau, o gymharu â chynlluniau pensiwneraill yn y sector gyhoeddus.</p>	
5.6	<p><u>Eitem 6 ar yr Agenda – Diweddariad ar Weinyddiaeth</u> Rhoddodd y Rheolwr Pensiynau'r diweddariad canlynol:</p> <ul style="list-style-type: none"> • Roedd y datblygiad a wnaed i'r systemau yn 2015/16 yn dechrau talu ffordd. • Roedd cyfleuster Hunanwasanaeth y Cyflogwr ar gael i bob cyflogwr ar ddiwedd 2016/17 ac roedd gofyn i'r rheiny gyda mwy na 5 o aelodau i gyflwyno'u data diwedd y flwyddyn trwy'r porth data. • Cyflwynodd 49 o gyflogwyr eu data erbyn dyddiad terfyn 30^{ain} Ebrill 2017, o gymharu â dim ond 37 yn 2015/16. Gellid gweld gwelliant yn yr agwedd yma yn y siart ym mharagraff 5.5 yr agenda. • Yn 2016/17 roedd y ganran o ddata aelodaeth a gyflwynwyd cyn y dyddiad terfyn yn cynnwys 93% o'r aelodau, o gymharu â 49% yn 2015/16 a 35% yn 2014/15. Byddai problemau'n cael eu trafod gyda chyflogwyr, er mwyn ceisio cyrraedd 100%. • Byddai adroddiadau misol gan gyflogwyr yn helpu o ran cywirdeb, yn arbennig mewn perthynas â defnydd y porth hunanwasanaeth i gyflogai. • Roedd dechreuwyr coll a gorffenwyr coll wedi gostwng yn sylweddol o fewn dwy flynedd, fel dangoswyd ym mharagraff 6.4 yr agenda, gydag angen am welliant pellach. Serch hynny roedd un anhawster yn codi o gylch ysgolion, gan fod rhaid i wybodaeth gael ei bwydo o glerc yr ysgol i'r awdurdod lleol ac yna i'r Tîm Pensiynau. • Ar ddiwedd Awst 2017, roedd 12,342 o aelodau wedi cofrestru ar gyfer MY Pension On-Line. Roedd hyn y gadarnhaol; serch hynny byddai pob cyflogwr yn cael ei dargedu er mwyn cynyddu'r nifer yma. • Roedd hyfforddiant a datblygu'n parhau i fod yn bwysig i'r Gronfa; gydag amgylchedd rheoliadol sydd yn newid yn gyson roedd swyddogion y Gronfa Bensiwn yn cael eu hannog i ymgymryd â chymhwyster pensiynau IPP. • Roedd pwysau gwaith wedi cynyddu ac roedd hyn yn broblem reolaidd y gellid ei gweld yn y tabl ym mharagraff 9.1 yr agenda. Gellid gweld cynnydd mawr mewn perthynas â Throsglwyddiadau mewn/allan'. Roedd hyn yn bennaf oherwydd cynllun "cydgasgliad aelodaeth" • Cydnabyddwyd nad oedd y tîm yn teimlo eu bod yn cyflawni oherwydd er bod llawer o waith yn cael ei gwblhau roedd cynnydd ym maint y gwaith oedd yn dod i mewn. Roedd y gwaith wedi ei ail-drefnu er mwyn 	

		<u>Cam</u>
	canolbwyntio ar flaenoriaethau, gan y byddai hyn yn helpu rhoi synnwyr iddyn nhw o fod wedi cyflawni.	
5.7	Cadarnhaodd y Rheolwr Pensiynau bod y cymryd rhan yn yr opsiwn pensiynau 50/50 wedi bod yn isel iawn ac nid oedd yn cael ei annog gan y Gronfa ac eithrio mewn achosion ble mae aelodau'n ystyried eithrio, ac ychwanegodd nad oed y cynllun 50/50 yn cael ei gydnabod gan y Rheolydd Pensiynau fel cynllun cymwys ar gyfer cofrestriad awtomataidd a'r bwriad oedd y byddai'n opsiwn byr dymor i'r rheiny mewn trafferthion ariannol.	
5.8	Esboniodd y Rheolwr Pensiynau bod cynnydd mawr wedi digwydd o ran cofrestriad awtomataidd gan bob un o'r 5 cyngor ar yr un pryd, ond roedd modd rheoli hyn o ganlyniad i'r systemau TG newydd. Mewn blynyddoedd gynt fe fyddai system â llaw wedi cael ei defnyddio.	
5.9	<p><u>Eitem 7 ar yr Agenda – Gweithredu Cyfarwyddeb y Marchnadoedd mewn Offerynnau Ariannol (MiFID II)</u></p> <p>Rhoddodd y Pennaeth Pensiynau'r diweddariad canlynol:</p> <ul style="list-style-type: none"> • Mae MiFID II yn gyfarwyddeb Ewropeaidd a fyddai'n berthnasol er gwaethaf Brexit. Roedd y gyfarwyddeb yn golygu bod awdurdodau lleol a'u cronfeydd pensiwn yn colli'r statws sydd gyda nhw'n awtomataidd ar hyn o bryd fel buddsoddwyr proffesiynol o 3^{ydd} Ionawr 2018, oni bai eu bod yn gwneud cais i optio yn ôl i statws broffesiynol. • Cytunodd y Pwyllgor Pensiynau'n unfrydol i wneud cais am statws proffesiynol. Rhoddwyd pwerau dirprwyedig i'r Pennaeth Pensiynau wneud hyn. • Roedd dewis statws proffesiynol yn golygu bod rhaid i'r Gronfa gwrdd â phrawf mesurol ac ansoddol a fyddai'n cael ei asesu'n unigol gan bob sefydliad ariannol y mae'r Gronfa'n delio â nhw o ran buddsoddiadau. Roedd gan y Gronfa ar hyn o bryd 15 math gwahanol o berthynas buddsoddi a byddai angen cwblhau holiadur i bob un er mwyn iddyn nhw ystyried a chymeradwyo cyn diwedd Rhagfyr 2017. • Roedd templed yr holiadur a'r canllawiau a oedd yn cael eu defnyddio yn yr atodiadau. • O ran y prawf ansoddol, byddai angen i Reolwyr Buddsoddiadau fod yn hyderus o ran profiad, arbenigedd, gwybodaeth a hyfforddiant y Gronfa. Roedd y Pennaeth Pensiynau a'r Rheolwr Buddsoddiadau Pensiynau mewn cysylltiad â dau neu dri rheolwr prawf, a byddai hyn, ynghyd â'r broses gyflwyno derfynol yn cymryd llawer iawn o'u hamser yn yr wythnosau i ddod. 	
5.10	Roedd y Pennaeth Pensiynau yn cydnabod bod pump allan o'r chwe aelod ar y Pwyllgor Pensiynau yn newydd yn y swydd. O ran darparu gwybodaeth a phrofiad, cai hyn ei gyflawni trwy ganolbwyntio ar wydnwch prosesau a gweithdrefnau'r Gronfa. Ychwanegodd bod Cadeirydd y Pwyllgor Pensiynau â gwybodaeth weddol helaeth, gan ei fod wedi bod ar y Panel Buddsoddiadau o'r blaen a bod gan aelod arall o'r pwyllgor brofiad helaeth o weithio i warcheidwad yn ystod ei yrfa.	

		<u>Cam</u>
5.11	Esboniodd y Pennaeth Pensiynau bod y Gymdeithas Rheoli Buddsoddiad wedi bod yn trafod gyda'r Gymdeithas Llywodraeth Leol ynglŷn â'r holiaduron templed, yn arbennig mewn perthynas â chysondeb a safoni. Ychwanegodd na allai warantu y byddai timau cydsynio rheolwyr buddsoddiad yn defnyddio dulliau cyson.	
5.12	Esboniodd y Pennaeth Pensiynau bod pedwerydd maen prawf wedi ei ychwanegu, yn unol â phwynt 4 ar dudalen 77 yr, gan fod cynlluniau pensiwn llywodraeth leol ond wedi gallu cwrdd ag un o'r tri maen prawf blaenorol. Roedd angen i gronfeydd gwrdd ag o leiaf dau o'r meini prawf i fod yn gymwys ar gyfer statws proffesiynol.	
5.13	The Pennaeth Pensiynau cadarnhaodd bod angen MiFID II er mwyn mynd i'r afael â phroblemau mewn rhai gwledydd llai yn Ewrop a byddai'n broses cyfredol. Dros amser, byddai hyn y golygu llai o waith i'r Gronfa, gan y byddai'n gyfrifoldeb gweithredwr allanol Cronfa Pensiynau Cymru.	
5.14	<u>Eitem 8 ar yr Agenda – Buddsoddi Cyfrifol (Polisi Amgylcheddol, Cymdeithasol a Llywodraeth Gorfforaethol)</u> Rhoddodd y Pennaeth Pensiynau'r diweddariad canlynol: <ul style="list-style-type: none"> • Cytunodd y Pwyllgor Pensiynau i argymhellion yr adroddiad ac roedden nhw'n gefnogol iawn o'r gweithgor • Byddai'r cyfarfod cyntaf yn cael ei drefnu unwaith y byddai'r enwebiadau terfynol oddi wrth y Pwyllgor Pensiynau wedi cael eu derbyn. 	
5.15	Roedd y Cadeirydd yn gobeithio byddai'r cyfarfod cyntaf yn digwydd cyn y Nadolig ac mai enwebiadau'r Bwrdd Pensiynau oedd Bob Campbell a Steve Harford.	
5.16	<u>Eitem 9 ar yr Agenda – Bwrdd Ymgynghorol y Cynllun: Cod Gwirfoddol ar Dryloywder a Chysondeb Costau Buddsoddi</u> Esboniodd y Pennaeth Pensiynau bod y Bwrdd Ymgynghorol wedi bod yn gweithio gyda'r diwydiant Rheoli Buddsoddiad ac wedi cyflwyno Cod gwirfoddol ar gyfer adrodd yn ôl ar dryloywder a chysondeb mewn costau buddsoddi ar gyfer rheolwyr cronfeydd sy'n rheoli buddsoddiadau ar ran Cronfa Bensiwn Llywodraeth Leol.	
5.17	Cadarnhaodd y Pennaeth Pensiynau bod tri rheolwr buddsoddiad eisoes wedi cytuno i'r Cod Gwirfoddol ac roedd y gweddill i gyd wedi cadarnhau eu bwriad i wneud.	
5.18	Gorffennodd y Pennaeth Pensiynau trwy ddweud y byddai'r Cod yn helpu o ran cysondeb costau a bod y diwydiant yn cydnabod yr angen am dryloywder a chysondeb.	
5.19	Ychwanegodd Bob Campbell bod Bob Holloway (o'r Bwrdd Ymgynghorol)	

		<u>Cam</u>
5.20	wedi dweud bod 17 neu 18 o'r 28 prif rheolwr yn genedlaethol eisoes wedi arwyddo'r Cod. <u>Eitem 10 ar yr Agenda – Diweddariadau i Ddogfennau Polisi'r Gronfa Pensiynau – Datganiad ar Bolisi Llywodraethu a Chydymffurfio</u> Cadarnhaodd y Pennaeth Pensiynau nad oedd ganddo unrhyw beth i ychwanegu at yr adroddiad a gafodd ei nodi a'i dderbyn.	
6.	Yswiriant Indemniad	
6.1	Esboniodd y Pennaeth Pensiynau bod yr adroddiad yma'n gosod allan y sefyllfa bresennol, ble roedd y Bwrdd Pensiynau wedi ei ychwanegu i bolisi yswiriant cyffredinol y cyngor. Cadarnhaodd na fyddai yna breimiwm ychwanegol i'r Bwrdd.	
6.2	Cadarnhaodd y Pennaeth Pensiynau bod y bwrdd mwy na thebyg mewn lleiafrif ymhlith Byrddau Pensiynau a oedd wedi eu hyswiro a byddai unrhyw newidiadau ar lefel Bwrdd Ymgynghorol yn cael eu bwydo yn ôl at y bwrdd iddyn nhw ystyried.	
6.3	Cadarnhaodd aelodau'r bwrdd bod hyn yn gam cadarnhaol ymlaen a diolchon nhw i'r swyddogion am eu hamynedd a'u gwaith caled wrth gwblhau'r darn yma o waith.	
7.	Bwrdd Pensiynau – Diweddariad ar Hyfforddi	
7.1	Anogodd y Cadeirydd holl aelodau'r Bwrdd Pensiynau i gyflwyno'u diweddariadau datblygiad proffesiynol unigol yn rheolaidd i'r Rheolwr Pensiynau. Cadarnhaodd Bob Campbell ei fod wedi cael gwahoddiad i Gynhadledd Fforwm Cronfeydd Pensiwn Awdurdodau Lleol (LAPFF) yn Bournemouth yn Rhagfyr 2017.	
8.	Bwrdd Pensiynau – Cyfnodau Swydd	
8.1	Atgoffodd y Cadeirydd bawb ei fod wedi gofyn i holl aelodau'r Bwrdd Pensiynau i ystyried a oedden nhw am aros ar y Bwrdd unwaith y byddai cyfnod eu swydd wedi dod i ben.	
8.2	Dywedodd holl aelodau'r Bwrdd Pensiynau a oedd yn bresennol eu bod am aros yn aelodau o'r Bwrdd.	
8.3	Cadarnhaodd Pennaeth Pensiynau bod: <ul style="list-style-type: none"> • Angen i hyn gael ei ystyried yn gynnar, oherwydd y gwaith sydd angen o ran y broses o benodi os oedd unrhyw drosiant. • Roedd wedi cwrdd â'r Prif Weithredwr Cynorthwyol (Adnoddau) a'r Prif 	

		<u>Cam</u>
	<p>Swyddog Cyfreithiol Dros Dro ac roedden nhw wedi penderfynu mai cyfnod pellach o dair blynedd fyddai'n fwyaf priodol.</p> <ul style="list-style-type: none"> • Efallai bydd angen i aelodau'r Bwrdd drafod gyda'u cyflogwyr ac undebau, er mwyn cael caniatâd i aros ar y Bwrdd. Pe bai unrhyw aelod yn cael trafferth gyda hyn, byddai'r Pennaeth Pensiynau yn helpu ym mha bynnag ffordd y gallai. • Byddai angen cadarnhad ysgrifenedig yn ddelfrydol erbyn diwedd Hydref 2017. Byddai e-bost at y Pennaeth Pensiynau'n dderbyniol. • Byddai angen unrhyw benodiadau newydd erbyn Ebrill 2018. 	
8.4	Nododd y Bwrdd Pensiynau eu gwerthfawrogiad o wahoddiad yr awdurdod iddyn nhw barhau fel aelodau o'r Bwrdd.	
9.	Unrhyw Fusnes Arall	
9.1	Cadarnhaodd y Cadeirydd bod Bob Campbell wedi derbyn e-bost oddi wrth y Rheolydd Pensiynau mewn perthynas ag amrywiaeth o ddatblygiadau cenedlaethol. Awgrymodd y Rheolwr Pensiynau bod yr e-byst a dderbyniwyd gan rai aelodau o'r Bwrdd efallai oherwydd eu bod ar restr bostio gyffredinol, yn hytrach na rhestr bostio benodol y Cynllun Pensiwn Llywodraeth Leol.	
10.	Dyddiad y Cyfarfod nesaf - 24/1/18	
10.1	Bydd cyfarfod nesaf y Bwrdd Pensiynau ar ddydd Mercher 24 ^{ain} Ionawr 2018.	
10.2	Ymddiheurodd Steve Harford o flaen llaw ar gyfer y cyfarfod nesaf.	

This page is intentionally left blank

LOCAL PENSION BOARD ACTION SHEET

NB the action sheet contains decisions previously taken by the Pension Board which require specific follow-up action. Decisions/actions are removed when the Board has been informed that they are complete (or plans are in place for action to be taken, if in the future)

denotes that action has been completed (or plans are in place for action to be taken, if in the future) and that the decision/action will therefore be removed from the next action sheet

Date	Minute para	Action to be taken	By whom and when – if time scale decided	Action taken
19.7.17	4.1	The Pensions Manager agreed to circulate details of the CIPFA sessions being held in Cardiff in October and November and collate expressions of interest to attend.	Pensions Manager	# Action completed.
19.7.17	5.7	The Head of Pensions (HoP) agreed to email a copy of the full risk register to members of the board.	Head of Pensions	# Action completed
19.7.17	8.1	Regarding the fact that board members must leave committee meetings when exempt items are discussed, it was suggested that this matter could be revisited with the legal officer during the next meeting.	Chair	# Update provided by the Interim Chief Legal Officer at meeting held on 18.10.17

Updated by Geraint Thomas, Senior Business Support Officer (Democratic Services) – 20 October 2017

This page is intentionally left blank

By virtue of paragraph(s) 12, 14 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 12, 14 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank