

**MINUTES OF A MEETING OF THE LOCAL PENSION BOARD
OF TORFAEN COUNTY BOROUGH COUNCIL
Held on Wednesday, 25 April 2018 at 10am
In Committee Room 1, Civic Centre, Hanbury Road, Pontypool NP4 6YB**

In attendance **Members of the Pension Board**
 Ian Coleman (Independent Chair)
 Jan Davies
 Steve Harford
 Rhian Hayden
 Meirion Rushworth
 Jane Waters
 Anthea Wellington
 John Wright

Officers
 Justine Cass, Deputy Monitoring Officer & Solicitor (DMO&S)
 Joanne Griffiths, Pension 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 Bob Campbell.

2 Declarations of interest

2.1 The DMO&S asked the Board Members to confirm their personal interests in the Greater Gwent Pension Fund.

Board Member	In Receipt of Pension	Contributor
Jan Davies		Self and sister
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

2.2 The DMO&S left the meeting.

3 Minutes 24/1/18

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

4 **Action Sheet**

4.1 The Pension Board noted the Action Sheet.

5 **Pensions Committee 12/3/18**

5.1 The Pension Board considered the agenda papers for the Pensions Committee held on 12th March 2018:

5.2 Agenda Item 5 – Greater Gwent (Torfaen) Pension Fund 2018 Audit Plan

The HoP provided the following update:

- Grant Thornton acted as agents on behalf of the Auditor General for Wales, who would sign off the accounts.
- The timetable could be seen on pages 36 and 37 of the agenda.
- The final report would be tabled at the Pensions Committee meeting on 18 June 2018.
- Torfaen County Borough Council (TCBC) was aiming to prepare final accounts one week earlier than usual this year. Due to this, more estimates would be incorporated within the financial statements but Auditors recognised that the numbers could change by the time of the actual audit and hence in their subsequent report to Committee on 18 June 2018.
- Although Welsh Government had issued regulations allowing pension fund accounts to be made separate from administering authority accounts, TCBC would still be reporting the Fund accounts in parallel with the main TCBC accounts. A separate free-standing audit certificate would exist for the Fund for the first time.
- The proposed fee for the 2018 Audit was £40,000 and this had not changed from the 2017 fee.
- Pooling of investments would not be included in this Audit, since arrangements would not start until 2018/19 and thus monies would only start to be transferred during the next financial year.

5.3 Agenda Item 6 – Quarterly Investment Performance Report to 31/12/17

The HoP provided the following update:

- The report covered Quarter 4 of 2017, which ran from 1 October 2017 to 31 December 2017.
- A transposition error existed at the bottom of the table in paragraph 5.1, as the figure for Property Funds (Active) was actually £72,071,392 and the figure for Cash in-house and with fund managers was actually £23,825,376.
- Quarter 4 had seen the Fund out-perform its positive +3.61% benchmark by +0.64%, resulting in an overall positive (absolute) return of +4.25% for the Fund in Quarter 4.
- The 12 month overall Fund return had advanced to +13.60% and thus a strong +1.88% above the 12 month benchmark figure of +11.72%.
- In terms of performance over 3, 5 and 10 years respectively, all returns were now positive against benchmark performance.
- Quarter 1 of 2018 had seen a slightly volatile start to the year, with the value of the Fund dropping to £2.854 billion at the end of February; however this was reflective of global markets. The value of the Fund had

dropped further to approximately £2.790 billion at the end of March. The market turbulence was not unexpected.

5.4 Agenda Item 7 – Pension Fund Work Plan 2018/2019

The Chair explained that it was up to the Board to decide whether they had any specific issues or priorities that they wished officers to report directly to them on.

5.5 The Board agreed that it would be worthwhile to pick several topics per year, including current issues of the day, which they could make recommendations and observations on. It was agreed that this would also develop their understanding and training, and it could help new Board members.

5.6 The Board suggested the following potential areas of consideration:

- The accuracy of data held on members of the Fund.
- The Fund's risks register.
- The system of reviewing investment manager performance, within the new pooling arrangements.
- Timeline and accuracy of year-end information from employers.
- Feedback from the Responsible Investments Working Group (RIWG).
- Governance arrangements of the Wales Pension Partnership (WPP).
- Promotion of the scheme within the workplace.

5.7 The PM explained that promotion of the scheme, placing information in new starter packs and a simplified summary of the scheme could be explored with employers.

5.8 The Chair asked the Board to email him and the HoP with their individual suggestions of potential areas of consideration by the end of May 2018 and the HoP confirmed that the Board could determine its priorities at a future meeting, including how many topics they would consider per meeting.

5.9 Agenda Item 8 – Pension Fund Cash Management Strategy 2018/2019

The HoP provided the following update:

- The report was necessary in order to agree guidelines on how any surplus cash would be used by the Fund.
- There were no changes to the Strategy from the previous year's version which set out the parameters of how much, who and over what period of time the Fund would lend cash to.
- The Fund usually held between £10-20m of surplus cash and was careful in terms of who it lent to and for how long.

5.10 The HoP confirmed that investments in crypto currency had not been given any consideration at present and he was unaware of any pension funds who were investing in crypto currency.

5.11 The HoP explained that the Fund tended to hold less than 1% of the value of the Fund in surplus cash and that it was usually used to pay for the day to day operations of the Fund including items such as the pension payroll

and bulk transfers.

5.12 Agenda Item 9 – Pension Fund Financial Forecasts 2018/2019

The HoP provided the following update:

- The report was in effect the 'budget report' for the Fund; however he stressed that due to so many variable factors it was difficult to be prescriptive, as events would take place outside of the Fund's control. However it was important to stress the same financial disciplines were adopted as for budget preparation.
- The total income to the Fund was estimated to be £139.8 million during 2018/19 and the total spending for the Fund was estimated to be £130.9 million during 2018/19. It was therefore estimated that the income after expenditure during 2018/19 would be £8.9 million.
- Some of the income above was dividend income from investments and would be immediately re-invested; therefore the cash flow would be running at a slight deficit. However, this was not a concern as cash could be accessed quickly and easily if required.
- Cash flow was always monitored closely, in order to make sure that the Fund remained cash positive.
- In the table in paragraph 6.2 of the report, the investment management expenses included investment manager fees.
- The Fund had successfully negotiated LGPS aggregated fee reductions with two of its existing fund managers, which would create savings going forward.
- In September 2017 as a modest tactical re-alignment of investments within the overall strategic direction the Fund moved £55m of assets held in a passive US Equity Fund into two multi asset, actively managed funds.
- Costs associated with oversight and governance had reduced but was estimated to increase in the next financial year due to the additional governance costs associated with the collective pooling of investments.
- He was confident that the Fund would fare well in comparison to other funds in terms of transparency and reporting of costs and that a report would be tabled to the Pensions Committee once relevant and meaningful comparisons were available.
- The Fund was highly active in terms of investments, which brought higher fees than those attributed to passive investments.

5.13 The HoP confirmed that the increase from employees and employers was due to the 2% pay award from April 2018, pay increments, a 1% increase in employer contributions following the Actuarial Valuation and some employers who wished to pay additional lump sums. Steve Harford added that increased income from employees and employers could be misleading as it may mask a drop in membership numbers.

5.14 The HoP explained that some investments had to be called back for cash flow purposes during this financial year, in order to pay for bulk transfers. He added that the approach to investments was monitored regularly and investments would be able to be called back quickly under the WPP arrangements.

5.15 Agenda Item 10 – Pension Fund Policy Statement Updates

The HoP explained that the report was self-explanatory and that the necessary updates to the Statement would occur over the next few months.

5.16 The HoP confirmed that General Data Protection Regulation (GDPR) changes would have an impact on the Fund policies; however it was initially important to write to all members of the Fund regarding GDPR changes. The core documents would be updated within the next month, with other statements to be updated in due course.

5.17 Agenda Item 11 – Administration Update – March 2018

The PM provided the following update:

- Several internal changes had occurred within the senior management team and an experienced external candidate had been appointed to the position of Pensions Support Manager.
- The reason for the increase in New Starters was due to Auto-Enrolment, where a number of the larger employers had to re-enrol their members into the scheme who had previously opted out. If those members elected to opt out again, this would further add to the workload of the department.
- A backlog existed in terms of transfers in and out of the scheme.
- 19 employers were submitting their data to the Fund on a monthly basis, which made up 76% of the total Active membership.
- For those employers that were not submitting their data on a monthly basis, the deadline for submitting their year-end return was 30 April 2018.
- Approximately 14,000 members of the Fund had registered for My Pension Online. Employers had helped increase this figure, by internally promoting the service.
- The next formal actuarial valuation of the Fund was due to be carried out as at 31 March 2019 and preparatory work would commence soon.
- The Fund was working with TCBC regarding the GDPR changes planned for May 2018 and would be writing to members of the Fund regarding this issue.

5.18 The HoP confirmed that appropriate levels of engagement with the Pensions Committee and Pension Board would be used in order to outline the process of the Actuarial Valuation.

5.19 Agenda Item 12 – Wales Pension Partnership – Pooling Principles

The HoP provided the following update:

- The report provided clarity around how pooling of investments would work in practice, with paragraph 5.1 outlining the responsibilities reserved for Constituent Councils and the Wales Pension Partnership (WPP) Joint Governance Committee (JGC) respectively.
- The WPP JGC would be responsible for approving the creation of new pooled vehicles and sub-funds. He added that the Fund had an input into this as the Chair of Pensions Committee was a member of the WPP JGC and officers also had an input.
- The first two sub funds that were being created related to Global Equities, as 7 of the 8 Welsh pension funds were already investing in this area,

totalling £3.4 billion. It was anticipated that these sub funds would be launched by autumn 2018.

- The Pensions Committee would retain local decision-making powers around whether to invest in the sub funds, and if so, how much and when.
- Although it was central government policy to transfer to pooling arrangements in a timely, controlled and sensible way, the Pensions Committee would need to be satisfied that the transfer would not have an adverse effect on the Fund and that it was in line with Fund strategy.
- Some potential issues around the establishment of new sub-funds and suggested principles for dealing with them were outlined in paragraph 7.1 of the report.
- Existing arrangements would continue whereby delegation up to 1% of the market value of the Fund for a single investment is delegated to the Chief Officer subject to a written Scheme of Delegation report. Anything above this level required a Committee report; however officers attempted to bring all decisions to Committee if possible.

5.20 Following a question regarding consideration given to investment manager costs and transparency under the WPP, the HoP confirmed that they were key issues built into the principles of the WPP, along with such areas as responsible investments, transition costs, the stewardship code, tax recapture and stock lending.

5.21 In response to whether central government could force individual funds to invest under pooling arrangements, if take-up was an issue, the HoP explained that it could happen in theory but in practice a lack of take-up would only be likely to happen at the margins for specific and justifiable reasons. He was comfortable that the goal was to establish options that would be available to suit all funds.

5.22 The HoP anticipated that the next tranche of sub funds to be created is likely to include UK Equities although that would of course be a matter for the WPP JGC; however he made the Board aware that choices and flexibility may not always be available in all investment categories.

5.23 The HoP confirmed that under the WPP agreement, bespoke quarterly monitoring updates would be supplied to individual funds, with direct engagement on an annual basis. He added that any further engagement would cost extra.

5.24 Agenda Item 13 – Strategic Asset Allocation Refinements

The HoP provided the following update:

- The WPP would allow the Fund to act in a more 'nimble' manner, as it would be quicker and easier to change investment managers. Pooling would also create new investment opportunities and a wider investment menu from which the Fund could more easily implement its Investment Strategy.
- It was acknowledged that much of the benefits had now been gained from investments in Equities in this cycle and as a result, work was required in order to reduce equity risk. He added that central government wanted

funds to consider investments in Alternatives, particularly Infrastructure.

- The proposals set out in the report and explained further in Appendix 2 would allow the Fund to achieve investments of 70% in Equities, 16% in Fixed Income and 14% in Alternatives and Other.
- The Fund had been a victim of its own success regarding investments in Equities, as the investments kept doing well and as a result the percentage of monies invested in Equities kept increasing above the strategic allocation.
- The report dealt with the principles of spreading risks and achieving a better balance in terms of investments; however a report would be tabled at Pensions Committee on 18th June 2018, in order to deal with the practicalities of implementing this.

5.25 Agenda Item 14 – Elected Members Continuing Professional Development Update

The Chair confirmed that a similar report regarding the Pension Board would be tabled at a future meeting.

5.26 Agenda Item 15 – Date of Next Meeting 11/6/18

The Chair confirmed that the date of the next Pensions Committee meeting had changed and that it would take place on Monday 18th June 2018.

6 **To consider the draft 2017-18 Pension Board Annual Report**

6.1 The Chair invited the Board to offer their views on the draft report.

6.2 Steve Harford suggested that the final sentence of paragraph 6.2 should be strengthened regarding the risk register and that paragraph 9.2 should be re-worded in order to ensure clarity.

7 **Any other business**

7.1 The HoP reminded everyone that two Pension Board vacancies existed and that he was hopeful they would be filled by the next meeting. He confirmed that he had received two responses of interest from employer representatives but he was awaiting a response from an employee representative.

7.2 Several members confirmed that they had not updated their training log and that they would do this as soon as possible.

8 **Date of next meeting 25/7/18**

8.1 The next meeting of the Pension Board will be on Wednesday 25th July 2018.

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

A gynhaliwyd ar ddydd Mercher, 25 Ebrill 2018 am 10am
Yn Ystafell Bwyllgor 1, Y Ganolfan Ddinesig, Heol Hanbury, Pont-y-pŵl NP4
6YB

Yn bresennol **Aelodau'r Bwrdd Pensiynau**
Ian Coleman (Cadeirydd Annibynnol)
Jan Davies
Steve Harford
Rhian Hayden
Meirion Rushworth
Jane Waters
Anthea Wellington
John Wright

Swyddogion
Justine Cass, Dirprwy Swyddog Monitro a Chyfreithiwr (DSMaCh)
Joanne Griffiths, 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 ymddiheuriad gan Bob Campbell.																									
2.	Datganiadau o fuddiant																									
2.1	Gofynnodd y DSMaCh i Aelodau'r Bwrdd i gadarnhau eu buddiannau personol yng Nghronfa Bensiynau Gwent Fwyaf.																									
	<table border="1"> <thead> <tr> <th>Aelod Bwrdd</th> <th>Yn Derbynn Pensiwn</th> <th>Cyfrannwr</th> </tr> </thead> <tbody> <tr> <td>Jan Davies</td> <td></td> <td>Hunan a chwaer</td> </tr> <tr> <td>Steve Harford</td> <td>Hunan</td> <td>Chwaer</td> </tr> <tr> <td>Rhian Hayden</td> <td>Mam</td> <td>Hunan a chwaer</td> </tr> <tr> <td>Meirion Rushworth</td> <td></td> <td>Hunan</td> </tr> <tr> <td>Jane Waters</td> <td>Brawd</td> <td>Hunan</td> </tr> <tr> <td>Anthea Wellington</td> <td>Hunan a gŵr</td> <td>Hunan a merch</td> </tr> <tr> <td>John Wright</td> <td>Hunan a gwraig</td> <td>Merch</td> </tr> </tbody> </table>	Aelod Bwrdd	Yn Derbynn Pensiwn	Cyfrannwr	Jan Davies		Hunan a chwaer	Steve Harford	Hunan	Chwaer	Rhian Hayden	Mam	Hunan a chwaer	Meirion Rushworth		Hunan	Jane Waters	Brawd	Hunan	Anthea Wellington	Hunan a gŵr	Hunan a merch	John Wright	Hunan a gwraig	Merch	
Aelod Bwrdd	Yn Derbynn Pensiwn	Cyfrannwr																								
Jan Davies		Hunan a chwaer																								
Steve Harford	Hunan	Chwaer																								
Rhian Hayden	Mam	Hunan a chwaer																								
Meirion Rushworth		Hunan																								
Jane Waters	Brawd	Hunan																								
Anthea Wellington	Hunan a gŵr	Hunan a merch																								
John Wright	Hunan a gwraig	Merch																								
2.2	Fe wnaeth y DSMaCh adael y cyfarfod.																									
3.	Cofnodion 24/1/18																									
3.1	Cytunwyd bod y cofnodion yn gywir.																									
4.	Taflen weithredu																									

		<u>Gweithred</u>
4.1	Fe wnaeth y Bwrdd Pensiynau nodyn o'r Daflen Weithredu.	
5.	Pwyllgor Pensiynau 12/3/18	
5.1	Ystyriodd y Bwrdd Pensiynau bapurau'r agenda ar gyfer y Pwyllgor Pensiynau a gynhaliwyd ar 12 Mawrth 2018:	
5.2	<p><u>Eitem 5 ar yr agenda – Cynllun Archwilio Cronfa Bensiynau Gwent Fwyaf (Torfaen) 2018</u></p> <p>Cafwyd y diweddariad canlynol gan y PP:</p> <ul style="list-style-type: none"> • Gweithredodd Grant Thornton fel asiant ar ran Archwilydd Cyffredinol Cymru, a fyddai'n arwyddo'r cyfrifon. • Gellir gweld yr amserlen ar dudalennau 36 a 37 yn yr agenda. • Byddai'r adroddiad terfynol yn cael ei gyflwyno yng nghyfarfod y Pwyllgor Pensiynau ar 18 Mehefin 2018. • Mae Cyngor Bwrdeistref Sirol Torfaen (CBST) yn anelu at baratoi cyfrifon terfynol wythnos yn gynharach nag arfer eleni. Oherwydd hyn, byddai mwy o amcangyfrifon yn cael eu hymgorffori yn y datganiadau ariannol ond roedd Archwilwyr yn cydnabod y gallai'r rhifau newid erbyn amser yr archwiliad gwirioneddol ac felly nodir hyn yn eu hadroddiad dilynol i'r Pwyllgor ar 18 Mehefin 2018. • Er bod Llywodraeth Cymru wedi cyhoeddi rheoliadau sy'n caniatáu i gyfrifon y gronfa bensiwn fod ar wahân i gyfrifon awdurdodau sy'n gweinyddu, byddai CBST dal i fod yn adrodd ar gyfrifon y Gronfa ochr yn ochr â phrif gyfrifon CBST. Bydd tystysgrif archwilio annibynnol ar wahân yn bodoli ar gyfer y Gronfa am y tro cyntaf. • Y ffi arfaethedig ar gyfer Archwiliad 2018 oedd £40,000 ac nid oedd hyn wedi newid o'r ffi yn 2017. • Ni fyddai cyfuno buddsoddiadau yn cael ei gynnwys yn yr Archwiliad hwn, gan na fyddai'r trefniadau'n dechrau tan 2018/19 ac felly ni fyddai arian yn dechrau trosglwyddo tan y flwyddyn ariannol nesaf. 	
5.3	<p><u>Eitem 6 ar yr Agenda – Adroddiad Perfformiad Chwarterol ar Fuddsoddi hyd at 31/12/17</u></p> <p>Cafwyd y diweddariad canlynol gan y PP:</p> <ul style="list-style-type: none"> • Roedd yr adroddiad yn cwmpasu Chwarter 4 o 2017, sef o 1 Hydref 2017 hyd at 31 Rhagfyr 2017. • Roedd gwall trawsosod yn bodoli ar waelod y tabl ym mharagraff 5.1, gan mai £72,071,392 oedd y ffigur gwirioneddol ar gyfer Cronfeydd Eiddo (Actif), a'r ffigur ar gyfer Arian mewnol a rheolwyr y gronfa mewn gwirionedd oedd £23,825,376. • Roedd Chwarter 4 wedi gweld y Gronfa yn perfformio'n uwch na'i feincnod cadarnhaol + 3.61% a hynny o + 0.64%, gan arwain at ddychwelyd cyffredinol (absoliwt) o + 4.25% i'r Gronfa yn Chwarter 4. • Roedd ffurflen dreth gyffredinol 12-mis y Gronfa wedi datblygu i + 13.60% ac felly'n + 1.88% cryf yn uwch na'r ffigur meincnod 12 mis o + 	

		<u>Gweithred</u>
	<p>11.72%.</p> <ul style="list-style-type: none"> • O ran perfformiad dros 3, 5 a 10 mlynedd yn y drefn honno, roedd yr holl ffurflenni treth bellach yn gadarnhaol yn erbyn perfformiad. • Roedd Chwarter 1 o 2018 wedi gweld dechrau ychydig yn gyfnewidiol i'r flwyddyn, gyda gwerth y Gronfa yn gostwng i £2.854 biliwn ar ddiwedd mis Chwefror; fodd bynnag roedd hyn yn adlewyrchu marchnadoedd byd-eang. Roedd gwerth y Gronfa wedi gostwng ymhellach i tua £2.790 biliwn ar ddiwedd mis Mawrth. Nid oedd trychineb y farchnad yn annisgwyl. 	
5.4	<p><u>Eitem 7 ar yr Agenda – Cynllun Gwaith y Gronfa Bensiynau 2018/2019</u> Eglurodd y Cadeirydd mai'r Bwrdd oedd penderfynu a oedd ganddynt unrhyw faterion neu flaenoriaethau penodol yr oeddent yn dymuno i'r swyddogion adrodd yn uniongyrchol iddynt.</p>	
5.5	<p>Cytunodd y Bwrdd y byddai'n werth dewis sawl pwnc y flwyddyn, gan gynnwys materion cyfredol, y gallent wneud argymhellion ac arsylwadau arnynt. Cytunwyd y byddai hyn hefyd yn datblygu eu dealltwriaeth a'u hyfforddiant, a gallai helpu aelodau newydd y Bwrdd.</p>	
5.6	<p>Awgrymodd y Bwrdd y meysydd a ganlyn i'w hystyried o bosib:</p> <ul style="list-style-type: none"> • Cywirdeb y data a gedwir am aelodau'r Gronfa. • Cofrestr risgiau'r Gronfa. • Y system o adolygu perfformiad rheolwyr buddsoddi, o fewn y trefniadau cronni newydd. • Llinell amser a chywirdeb gwybodaeth diwedd y flwyddyn gan gyflogwyr. • Adborth gan y Gweithgor Buddsoddiadau Cyfrifol (RIWG). • Trefniadau rheoli Partneriaeth Pensiwn Cymru (WPP). • Hyrwyddo'r cynllun yn y gweithle. 	
5.7	<p>Eglurodd y RhP y byddai modd ymchwilio i hyrwyddo'r cynllun, gosod gwybodaeth mewn pecynnau cychwyn newydd a chreu crynodeb syml o'r cynllun gyda chyflogwyr</p>	
5.8	<p>Gofynnodd y Cadeirydd i'r Bwrdd anfon neges e-bost ato ef a'r PP gyda'u hawgrymiadau unigol o'r meysydd posibl y gellir eu hystyried erbyn diwedd mis Mai 2018 a chadarnhaodd y PP y gallai'r Bwrdd bennu ei flaenoriaethau mewn cyfarfod yn y dyfodol, gan gynnwys faint o bynciau y byddent yn eu hystyried fesul cyfarfod.</p>	
5.9	<p><u>Eitem 8 ar yr Agenda – Strategaeth Rheoli Arian y Gronfa Bensiynau 2018/2019</u> Cafwyd y diweddaraf, fel a ganlyn gan y PP:</p> <ul style="list-style-type: none"> • Roedd yr adroddiad yn angenrheidiol er mwyn cytuno ar ganllawiau ynglŷn â sut y byddai'r Gronfa yn defnyddio unrhyw arian dros ben. • Nid oedd unrhyw newidiadau i'r Strategaeth o gymharu â fersiwn y 	

	<u>Gweithred</u>
<p>flwyddyn flaenorol a oedd yn nodi paramedrau faint, pwy a thros ba gyfnod o amser y byddai'r Gronfa yn benthycu arian.</p> <ul style="list-style-type: none"> • Roedd gan y Gronfa fel arfer rhwng £10-20m o warged arian ac roedd yn ofalus o ran pwy y byddai'n benthycu iddynt ac am ba hyd. 	
<p>5.10 Cadarnhaodd y PP nad oedd buddsoddiadau mewn arian cudd wedi cael unrhyw ystyriaeth ar hyn o bryd ac nad oedd yn ymwybodol o unrhyw gronfeydd pensiwn a oedd yn buddsoddi mewn arian cudd.</p>	
<p>5.11 Esboniodd y PP fod y Gronfa yn tueddu i ddal llai nag 1% o werth y Gronfa mewn arian parod ac y byddai'n cael ei ddefnyddio fel arfer i dalu am weithrediadau'r Gronfa o ddydd i ddydd, gan gynnwys eitemau fel y gyflogres pensiwn a swmp-drosglwyddiadau.</p>	
<p>5.12 <u>Eitem 9 ar yr Agenda – Rhagolygon Ariannol y Gronfa Bensiwn yn 2018/2019</u></p> <p>Rhodddwyd y diweddariad canlynol gan y PP:</p> <ul style="list-style-type: none"> • Roedd yr adroddiad mewn gwirionedd yn 'adroddiad cyllideb' ar gyfer y Gronfa; ond pwysleisiodd, oherwydd cymaint o ffactorau amrywiol, ei bod yn anodd bod yn rhagnodol, gan y byddai digwyddiadau yn digwydd y tu allan i reolaeth y Gronfa. Fodd bynnag, roedd yn bwysig pwysleisio bod yr un disgyblaethau ariannol wedi cael eu mabwysiadu ag y byddai wrth baratoi'r gyllideb. • Amcangyfrifwyd bod cyfanswm yr incwm i'r Gronfa yn £139.8 miliwn yn ystod 2018/19 ac amcangyfrifir bod cyfanswm y gwariant ar gyfer y Gronfa yn £130.9 miliwn yn ystod 2018/19. Amcangyfrifwyd felly y byddai'r incwm ar ôl gwariant yn ystod 2018/19 yn £8.9 miliwn. • Roedd peth o'r incwm uchod yn incwm difidend o fuddsoddiadau a byddai'n cael ei ail-fuddsoddi ar unwaith; felly byddai'r llif arian yn rhedeg ar fymryn o ddiffyg. Fodd bynnag, nid oedd hyn yn bryder oherwydd bod modd cael mynediad at arian parod yn hawdd ac yn gyflym pe byddai angen. • Roedd llif arian bob amser yn cael ei fonitro'n agos, er mwyn sicrhau bod y Gronfa yn parhau'n ariannol gadarnhaol. • Yn y tabl ym mharagraff 6.2 yn yr adroddiad, roedd y costau rheoli buddsoddi yn cynnwys ffioedd rheolwyr buddsoddi. • Roedd y Gronfa wedi llwyddo i leihau gostyngiadau ffioedd cyfunol Cynllun Pensiwn Llywodraeth Leol gyda dau o'i reolwyr cronfa presennol, a fyddai'n creu arbedion yn y dyfodol. • Ym mis Medi 2017 fel modd cymedrol o ail-alinio buddsoddiadau'n dactegol o fewn cyfarwyddyd strategol cyffredinol, symudodd y Gronfa £55m o asedau a gedwir mewn Cronfa Ecwiti UD goddefol i ddwy gronfa aml-ased, sy'n cael eu rheoli'n weithredol. • Roedd y costau sy'n gysylltiedig â goruchwyllo a rheoli wedi gostwng ond amcangyfrifwyd y byddent yn cynyddu yn y flwyddyn ariannol nesaf oherwydd y costau rheoli ychwanegol sy'n gysylltiedig â chyfuno buddsoddiadau ar y cyd. 	

		<u>Gweithred</u>
	<ul style="list-style-type: none"> • Roedd yn hyderus y byddai'r Gronfa'n dod ymlaen yn dda o'i chymharu â chronfeydd eraill o ran tryloywder ac adrodd am gostau ac y byddai adroddiad yn cael ei gyflwyno i'r Pwyllgor Pensiynau unwaith y byddai cymariaethau perthnasol ac ystyrlon ar gael. • Roedd y Gronfa yn weithgar iawn o ran buddsoddiadau, sy'n cynnig ffioedd uwch na'r rhai a briodolir i fuddsoddiadau goddefol. 	
5.13	<p>Cadarnhaodd y PP mai'r cynnydd o 2% mewn cyflog o fis Ebrill, oedd yn gyfrifol am y cynnydd gan gyflogeion a chyflogwyr, codiadau cyflog, cynnydd o 1% mewn cyfraniadau cyflogwyr yn dilyn y Prisiad Actiwaraid a rhai cyflogwyr a oedd am dalu cyfandaliadau ychwanegol. Ychwanegodd Steve Harford y gallai mwy o incwm gan gyflogeion a chyflogwyr fod yn gamarweiniol gan y gallai fethu gostyngiad yn nifer yr aelodau..</p>	
5.14	<p>Esboniodd y PP fod rhaid galw rhai buddsoddiadau yn ôl at ddibenion llif arian yn ystod y flwyddyn ariannol hon, er mwyn talu am swmp-drosglwyddiadau. Ychwanegodd fod yr ymagwedd at fuddsoddiadau yn cael ei fonitro'n rheolaidd a byddai modd galw'r buddsoddiadau yn ôl yn gyflym o dan drefniadau'r PPC.</p>	
5.15	<p><u>Eitem 10 ar yr Agenda – Y Diweddaraf ar Ddatganiad Polisi'r Gronfa Bensiwn</u> Esboniodd y PP fod yr adroddiad yn hunanesboniadol ac y byddai'r diweddariadau angenrheidiol i'r Datganiad yn digwydd dros yr ychydig fisoedd nesaf.</p>	
5.16	<p>Cadarnhaodd y PP y byddai newidiadau Rheoleiddio Diogelu Data Cyffredinol (GDPR) yn cael effaith ar bolisiâu'r Gronfa; ond yn wreiddiol, roedd yn bwysig ysgrifennu at holl aelodau'r Gronfa ynghylch y newidiadau. Byddai'r dogfennau craidd yn cael eu diweddarau o fewn y mis nesaf, a bydd y datganiadau eraill yn cael eu diweddarau maes o law.</p>	
5.17	<p><u>Eitem 11 ar yr Agenda – Y Diweddaraf ar Weinyddu – Mawrth 2018</u> Cafwyd y diweddaraf, fel a ganlyn gan y RhP:</p> <ul style="list-style-type: none"> • Roedd nifer o newidiadau mewnol wedi digwydd yn yr uwch dîm rheoli ac roedd ymgeisydd allanol profiadol wedi'i benodi i swydd Rheolwr Cymorth Pensiynau. • Y rheswm dros y cynnydd yn nifer y dechreuwr newydd oedd y Cofrestru Awtomatig, lle roedd yn rhaid i nifer o'r cyflogwyr mwy ail-gofrestru eu haelodau i'r cynllun a oedd wedi dewis tynnu allan o'r blaen. Pe bai'r aelodau hynny yn dewis tynnu allan eto, byddai hyn yn ychwanegu ymhellach at faich gwaith yr adran. • Roedd ôl-groniad yn bodoli o ran trosglwyddiadau i'r cynllun ac allan o'r cynllun. • Roedd 19 o gyflogwyr yn cyflwyno eu data i'r Gronfa bob mis, sy'n cyfrif am 76% o gyfanswm yr aelodaeth weithgar. • O ran y cyflogwyr hynny nad oeddent yn cyflwyno eu data bob mis, y dyddiad cau ar gyfer cyflwyno eu ffurflen diwedd blwyddyn oedd 30 Ebrill 2018. 	

		<u>Gweithred</u>
5.18	<ul style="list-style-type: none"> • Roedd oddeutu 14,000 o aelodau'r Gronfa wedi cofrestru ar Fy Mhensiwn Ar-lein. Roedd cyflogwyr wedi helpu i gynyddu'r ffigwr hwn, gan hyrwyddo'r gwasanaeth yn fewnol. • Roedd prisiad actiwaraid ffurfiol nesaf y Gronfa ar 31 Mawrth 2019 a byddai gwaith paratoadol yn cychwyn yn fuan. • Roedd y Gronfa yn gweithio gyda CBST ynghylch y newidiadau i'r Rheoliadau Diogelu Data Cyffredinol sydd ar y gweill ym Mai 2018 a byddai'n ysgrifennu at aelodau'r Gronfa ynglŷn â'r mater hwn. <p>Cadarnhaodd y PP y byddai lefelau priodol o ymgysylltiad â'r Pwyllgor Pensiynau a'r Bwrdd Pensiynau er mwyn amlinellu proses y Prisiad Actiwaraid.</p>	
5.19	<p><u>Eitem 12 ar yr Agenda – Partneriaeth Pensiynau Cymru – Egwyddorion Cronni</u></p> <p>Cafwyd y diweddariad a ganlyn gan y PP:</p> <ul style="list-style-type: none"> • Eglurodd yr adroddiad sut y byddai cronni buddsoddiadau yn gweithio'n ymarferol, gyda pharagraff 5.1 yn amlinellu'r cyfrifoldebau a gadwyd yn ôl ar gyfer Cynghorau Cyfansoddol a Phwyllgor Cyd-lywodraethu Partneriaeth Pensiwn Cymru yn y drefn honno. • Pwyllgor Cyd-lywodraethu Partneriaeth Pensiwn Cymru fyddai'n gyfrifol am ganiatáu creu cyfryngau ac is-gyllidau newydd. Ychwanegodd fod gan y Gronfa fewnbwn i'r mater hwn gan fod Cadeirydd y Pwyllgor Pensiynau yn aelod o Bwyllgor Cyd-lywodraethu Partneriaeth Pensiwn Cymru a bod gan swyddogion fewnbwn hefyd. • Mae'r ddwy is-gronfa gyntaf i gael eu creu yn gysylltiedig â Chydraddoldeb Byd-eang, gan fod 7 o'r 8 cronfa pensiwn yng Nghymru eisoes yn buddsoddi £3.4 biliwn yn y maes hwn. Rhagwelir y byddai'r is-gronfeydd hyn yn cael eu lansio erbyn hydref 2018. • Byddai'r Pwyllgor Pensiynau yn cadw pwerau i wneud penderfyniadau lleol ynghylch a ddylid buddsoddi yn yr is-gronfeydd, ac os felly, faint a phryd. • Er mai polisi llywodraeth ganolog yw trosglwyddo i drefniadau cronni mewn modd amserol, rheoledig a synhwyrol, byddai'n rhaid i'r Pwyllgor Pensiynau fod yn fodlon na fyddai'r trosglwyddiad yn cael effaith andwyol ar y Gronfa a'i fod yn unol â strategaeth y Gronfa . • Amlinellir rhai materion posibl ynghylch sefydlu is-gronfeydd newydd ac egwyddorion awgrymedig ar gyfer ymdrin â hwy ym mharagraff 7.1 yn yr adroddiad. • Byddai'r trefniadau presennol yn parhau lle mae'r cam o ddirprwyo hyd at 1% o werth marchnad y Gronfa ar gyfer un buddsoddiad wedi'i ddirprwyo i'r Prif Swyddog, a hynny'n amodol ar adroddiad Cynllun Dirprwyo ysgrifenedig. Mae angen adroddiad Pwyllgor ar unrhyw beth uwchlaw'r lefel hon; ond mae swyddogion yn ceisio dod â phob penderfyniad gerbron y Pwyllgor os yw hynny'n bosibl. 	
5.20	Yn dilyn cwestiwn ynglŷn â'r ystyriaeth a roddwyd i gostau rheolwyr	

	<u>Gweithred</u>
<p>buddsoddi a thryloywder o dan y PPC, cadarnhaodd y PP bod yna faterion allweddol wedi'u cynnwys yn egwyddorion y PPC, ynghyd â meysydd fel buddsoddiadau cyfrifol, costau pontio, y cod stiwardiaeth, adennill trethi a benthyca stoc.</p> <p>5.21 Mewn ymateb i p'un a allai llywodraeth ganolog orfodi cyllid unigol i fuddsoddi o dan drefniadau cronni, pe bai nifer y bobl sy'n cymryd rhan yn broblem, eglurodd y PP y gallai ddigwydd mewn theori ond yn ymarferol, byddai diffyg manteisio yn debygol o ddigwydd yn ymylol a hynny am resymau penodol a chyfiawnadwy. Roedd yn gyfforddus mai'r nod oedd sefydlu opsiynau a fyddai ar gael i weddu i'r holl gronfeydd.</p>	
<p>5.22 Rhagwelodd y PP y byddai'r gyfran nesaf o is-gronfeydd sy'n cael eu creu yn debygol o gynnwys UK Equities, er y byddai hynny wrth gwrs yn fater i Bwyllgor Cyd-lywodraethu Partneriaeth Pensiwn Cymru; fodd bynnag, fe ddywedodd wrth y Bwrdd na fyddai dewisiadau a hyblygrwydd bob amser ar gael ym mhob categori buddsoddi.</p>	
<p>5.23 Cadarnhaodd y PP y byddai diweddariadau monitro chwarterol pwrpasol yn cael eu cyflenwi i gronfeydd unigol o dan gytundeb PPC, gyda chyfraniad uniongyrchol yn flynyddol. Ychwanegodd y byddai unrhyw ymgysylltiad pellach yn costio mwy.</p>	
<p>5.24 <u>Eitem 13 ar yr Agenda – Mireinio Dyranïadau Asedau Strategol</u> Cafwyd y diweddariad a ganlyn gan y PP:</p> <ul style="list-style-type: none"> • Byddai'r PPC yn caniatáu i'r Gronfa weithredu mewn ffordd fwy 'sionc', gan y byddai'n gyflymach ac yn haws newid rheolwyr buddsoddi. Byddai cronni hefyd yn creu cyfleoedd buddsoddi newydd a dewislen buddsoddi ehangach i alluogi'r Gronfa weithredu ei Strategaeth Fuddsoddi yn haws. • Cydnabuwyd bod llawer o'r manteision bellach wedi'u hennill o fuddsoddiadau mewn Ecwiti yn y cylch hwn ac o ganlyniad, roedd angen gwaith i leihau'r risg ecwiti. Ychwanegodd fod llywodraeth ganolog eisiau arian i ystyried buddsoddiadau mewn Dewisiadau Amgen, yn enwedig Seilwaith. • Byddai'r cynigion a nodir yn yr adroddiad ac sy'n cael eu hegluro ymhellach yn Atodiad 2 yn caniatáu i'r Gronfa gyflawni buddsoddiadau o 70% mewn Ecwiti, 16% mewn Incwm Sefydlog a 14% mewn Dewisiadau Amgen a Phethau Eraill. • Roedd y Gronfa wedi dioddef yn sgil ei lwyddiant ei hun o ran buddsoddiadau mewn Ecwiti, am fod y buddsoddiadau parhau i wneud yn dda ac o ganlyniad, roedd canran yr arian a fuddsoddwyd mewn Ecwiti yn parhau i gynyddu yn uwch na'r dyraniad strategol. • Roedd yr adroddiad yn ymdrin â'r egwyddorion o ledaenu risgiau a sicrhau cydbwysedd gwell o ran buddsoddiadau; fodd bynnag, byddai adroddiad yn cael ei gyflwyno yn y Pwyllgor Pensiynau ar 18 Mehefin 2018, er mwyn delio ag ymarferoldeb y fath weithredu. 	

		<u>Gweithred</u>
5.25	<u>Eitem 14 ar yr Agenda - Y Diweddaraf ar Ddatblygiad Proffesiynol Parhaus i Aelodau Etholedig</u> Cadarnhaodd y Cadeirydd y byddai adroddiad tebyg ynglŷn â'r Bwrdd Pensiynau yn cael ei gyflwyno mewn cyfarfod yn y dyfodol.	
5.26	<u>Eitem 15 ar yr Agenda– Dyddiad y Cyfarfod Nesaf 11/6/18</u> Cadarnhaodd y Cadeirydd fod dyddiad cyfarfod nesaf y Pwyllgor Pensiynau wedi newid ac y byddai'n digwydd ddydd Llun 18 Mehefin 2018.	
6.	Ystyried Adroddiad Blynyddol drafft y Bwrdd Pensiynau	
6.1	Gwahoddodd y Cadeirydd y Bwrdd i gynnig eu barn ar yr adroddiad drafft.	
6.2	Awgrymodd Steve Harford y dylid cryfhau brawddeg olaf paragraff 6.2 ynglŷn â'r gofrestr risg, a dylid ail-eirio paragraff 9.2 er mwyn sicrhau eglurder.	
7.	Unrhyw Fater Arall	
7.1	Atgoffodd y PP bawb fod yna ddwy sedd wag ar y Bwrdd Pensiwn a'i obaith oedd y byddent yn cael eu llenwi erbyn y cyfarfod nesaf. Cadarnhaodd ei fod wedi derbyn dau ymateb o ddiddordeb gan gynrychiolwyr sy'n gyflogwyr ond roedd yn aros am ymateb gan gynrychiolydd sy'n gyflogai.	
7.2	Cadarnhaodd sawl aelod nad oeddent wedi diweddarau eu log hyfforddi ac y byddent yn gwneud hyn cyn gynted ag y bo modd.	
8.	Dyddiad y cyfarfod nesaf 25/7/18	
8.1	Bydd cyfarfod nesaf y Bwrdd Pensiynau yn cael ei gynnal ar ddydd Mercher 25 Gorffennaf 2018.	