



DYFED PENSION FUND

Business Plan 2024-25

Administered by:



Contents

About the Fund	2
How the Fund is Run	2
Governance of the Fund	3
Principal Responsibilities	3
Customers of the Fund	4
Key Policy Documents	5
Business Objectives of the Fund	5
Investments	6
Key Statistics	7
Draft Budget	7
Priorities	8
Contacting the Dyfed Pension Fund	9

This Business Plan explains how the Dyfed Pension Fund intends to develop and improve its services.

It enables the Fund to focus on achieving agreed targets and helps staff see how they contribute to the overall success of the Dyfed Pension Fund.

About the Fund

The Dyfed Pension Fund is one of 97 funds making up the Local Government Pension Scheme.

Carmarthenshire County Council is the statutorily appointed Administering Authority for the Dyfed Pension Fund. It administers the benefits and invests the assets of the Fund.

Carmarthenshire County Council also acts as the administrator for the unfunded Police and Fire pension schemes for Dyfed Powys Police Authority, Mid & West Wales Fire and Rescue Service and North Wales Fire and Rescue Service respectively.

The Fund's LGPS membership base consists of 54,555 members (as at 31st March 2023) from 50 contributing employing authorities.

How the Fund is Run

All pension matters are delegated to the Pension Fund Committee and its members act as 'quasi trustees'.

The Committee delegates the day to day running of the Pension Fund to the Section 151 Officer and the Pensions Administration and Investment teams.

The Pensions Administration and Investment teams are responsible for all aspects of the Fund including administration, accounting, investment, and governance.

The Local Pension Board was established on 1 April 2015 under the requirements of the Public Service Pensions Act (PSPA) 2013. It has an oversight/assisting role with the Administering Authority in securing compliance with regulations and requirements and ensuring effective and efficient governance and administration of the Fund (see below).

The Dyfed Pension Fund aims to provide a high-quality service that is transparent, efficient and supportive to all stakeholders.

The Pension Committee

Chair of the Pension Fund Committee

Councillor Elwyn Williams

Committee Members

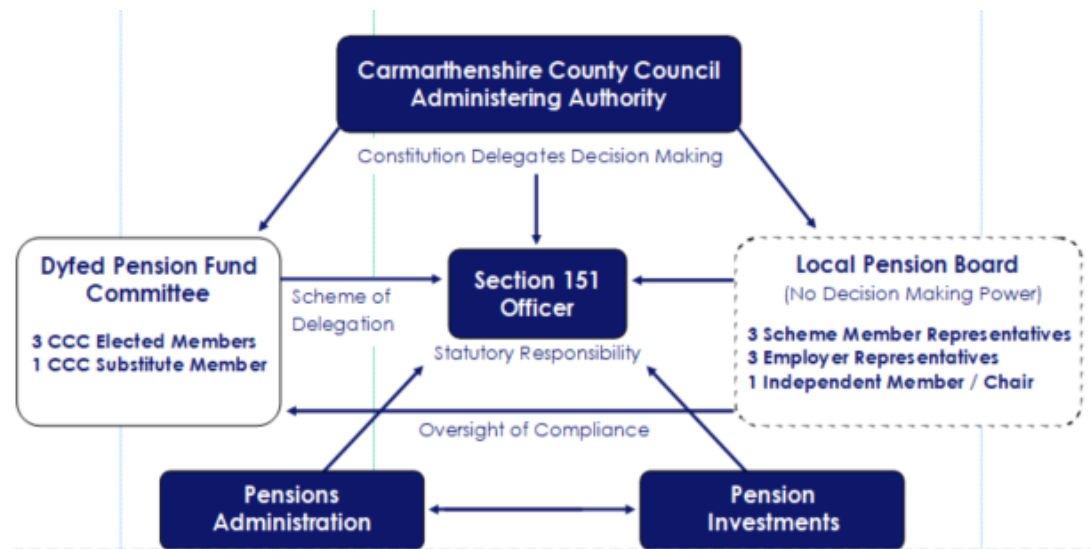
Councillor Dai Thomas

Councillor Peter Cooper

Councillor Neil Lewis (Substitute Committee Member)

Governance of the Fund

The relationship between the Dyfed Pension Fund Committee and operational management within Carmarthenshire County Council can be illustrated as follows. The detailed governance of the Fund is set out in the **Governance Policy**.



- The independent investment adviser advises the Committee on all aspects of investment management at quarterly and ad-hoc meetings.
- The custodian (Northern Trust) is responsible for the safe-keeping of the Fund's investment assets, arranges the settlement of sales and purchases and collects income on the investments held.
- The actuary (Mercer) carries out statutorily required fund valuations including the setting of employer contribution rates, IAS 19 schedules and other general actuarial advice.
- The performance management company (PIRC) reviews the performance of the investment managers relative to agreed benchmarks.

Principal Responsibilities

These responsibilities include:

- Pension administration services including calculating and paying benefits. To ensure accuracy of the member database in partnership with all stakeholders.
- Implementation of the funding strategy to ensure Fund assets are sufficient to meet pension liabilities.
- Investing Fund assets, implementing investment strategy, managing external investment managers.
- Internal management of assets and promoting responsible investment.
- Safekeeping and accounting of Fund assets.
- Preparing the Fund's annual report and accounts.
- Providing information and guidance on pension issues to employers and others.

Overall Goal of the Fund

To continuously develop our services by aiming to:

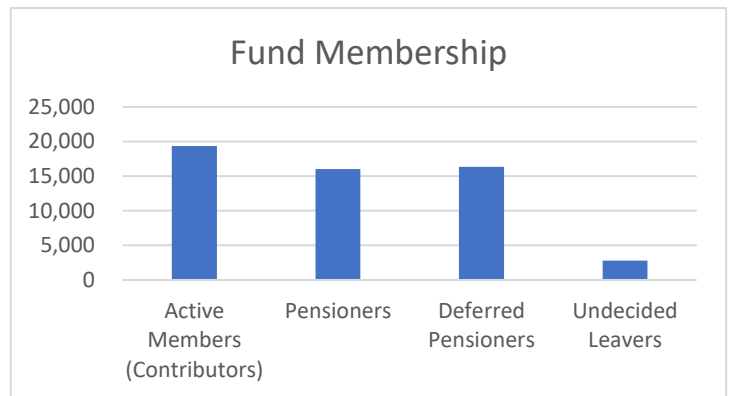
- Provide excellent customer care
- Support and develop staff
- Ensure that assets meet scheme liabilities
- Reduce the risk of employer contribution rate volatility

Customers of the Fund

Fund Membership

The Fund's members fall into four categories. The table below shows scheme membership as at 31st March 2023.

Active Members (Contributors)	19,355
Pensioners	16,009
Deferred Pensioners	16,373
Undecided Leavers	2,818
Total Membership	54,555



Employers of the Scheme Members

The Fund is dependent on the information provided by its employers in order to provide and maintain an accurate and effective service to members. The Dyfed Pension Fund has 50 contributing employing authorities participating in the Local Government Pension Scheme as at 31st March 2023.

Regulatory Bodies

The key bodies that the Fund liaise with include:

- The Department for Levelling Up, Housing and Communities – the regulatory body responsible for the LGPS.
- HM Revenues & Customs
- The Department for Work & Pensions
- The Pensions Regulator
- The Scheme Advisory Board

Key Policy Documents

Key policy documents which the reader may wish to refer to are available on the Dyfed Pension Fund website (www.dyfedpensionfund.org.uk):

- Administration Strategy & Service Standards
- Customer Charter
- Funding Strategy Statement
- Investment Strategy Statement
- Responsible Investment Policy
- Communication Policy Statement
- Governance Policy & Compliance Statement

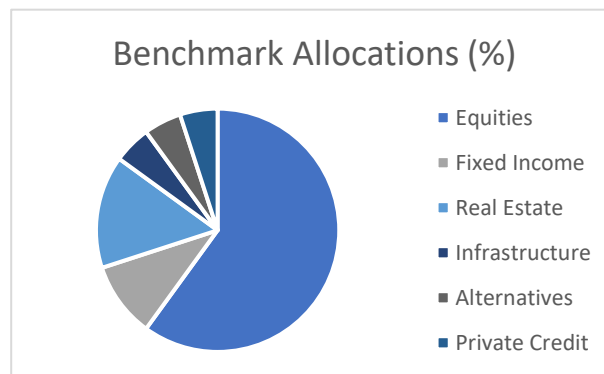
Business Objectives of the Fund

1. To ensure the effective management and governance of the Dyfed Pension Fund in a way that strives for continuous improvement through improved value for money, the promotion of excellent customer service and compliance with all regulatory and best practice requirements.
2. To ensure the proper administration, accounting and reporting of all the Dyfed Pension Fund's financial affairs.
3. To recruit, train, nurture and retain highly motivated staff with the necessary professional, managerial and customer focus skills.
4. To become a recognised role model of best practice amongst LGPS Funds and to be recognised by our customers as providing an excellent service.
5. To establish a strategic asset allocation benchmark which is expected to deliver the required investment return, at an accepted level of risk, in the long term.
6. To ensure that the assets of the Fund match or exceed its liabilities thus minimising and avoiding the volatility of the employers' contribution rate.
7. To provide a lean, effective, customer friendly benefits administration service, which ensures:
 - The calculation and payment of scheme benefits accurately and promptly;
 - The accurate maintenance of the records of all members of the Fund; and
 - Effective communication, as well as fair explanation and support to the Fund's scheme members and employer bodies.

Investments

The Fund's performance objectives are encapsulated in its strategic benchmark. The following illustrations show the Fund's investment strategy and benchmarks.

Asset Class	Benchmark (%)
Equities	60.0
Fixed Income	10.0
Real Estate	15.0
Infrastructure	5.0
Alternatives	5.0
Private Credit	5.0
Total	100.0



The approach to investment of the Fund's assets is built around the policies and practices set out in the Investment Strategy Statement (ISS), Funding Strategy Statement (FSS) and Responsible Investment Policy.

The Fund has a range of managers, including the Wales Pension Partnership, and expert advisers in place to support its investment objectives detailed in its ISS.

The in-house management is formulated to provide advice on investment management, promote best practice and implement the decisions of the Committee.

Best practice having regard to:

- Myners' Principles
- Professional and industry standards
- Audit Wales, and other professional bodies' views, codes and recommendations
- Investment management regulations
- Accounting standards
- LGPS Regulations
- Overriding pensions legislation



Key Statistics

The Fund is over 100% funded as at the 31 March 2022 valuation

Primary employer contribution rate of 19.8%

Investment Return of -2.9% in 2022-23

Market Value of the Fund - £3,137m as at 31st March 2023

Budget

April 2024 - March 2025	Budget £'000
Pensions Payable	99,517
Lump Sum, Death Benefits, Transfers Out	22,200
Administration Fees	881
Investment Management Expenses	9,400
Central Recharges	1,648
Expenditure	133,646
Employee Contributions	28,354
Employer Contributions	76,124
Investment Income	25,668
Transfers In	3,500
Income	133,646

Priorities

Ongoing Topic	Main Task
Scheme Developments	To implement amendments to the Local Government Pension Scheme as a consequence of legislation changes.
Committee Member training	To provide training for committee members on specific issues ahead of relevant decisions by the Committee.
Keep under review and refresh key policy documents	To seek committee member approval and formally publish documents e.g. Governance Policy, Communication Strategy, etc.
Investment Manager Reviews	Continuous review of existing managers' performance or new developments in the markets may trigger a review of part or all of the Fund's investments.
Investment Strategy Statement/Funding Strategy Statement	To implement any changes as a result of scheme developments and investment strategy reviews.
Guaranteed Minimum Pension (GMP) Reconciliation	Complete reconciliation of member data to that held by the HMRC in respect of contracted-out membership.
My Pension Online	Continue to promote the service to members.
i-Connect	Implement the i-Connect data exchange for uploading and improving data transfer for employers that wish to transfer data electronically.
Auto Enrolment	Ensure compliance with the implementation of auto enrolment in accordance with the requirement of the Pensions Act.
Improve access to personal information	Improve communication in line with best practice and serve the needs of our members and employers by: <ul style="list-style-type: none"> • developing and keeping up to date the Fund's website. • reviewing existing fact sheets and letters to improve readability.
Continue to develop a high performing team	To have a highly motivated staff team with the necessary professional, managerial and customer skills to provide excellent service.
Review of all Administration Procedures	To identify where more efficient customer focused procedures and processes can be adopted.
Continue to undertake regular road shows/seminars	To improve communications with the Fund's members.
Developing collaboration with other Local Government Pension Funds	Assess the opportunities for further collaboration.
Pension Board	Coordinate and provide ongoing support for Pension Board.
Wales Pension Partnership - Host Authority	Continue to provide Host Authority support to the Wales Pension Partnership.
Low/Non-Carbon Investments	Continue to review the Fund's carbon footprint including identifying further low carbon investment opportunities.

Developments/New Topic	Main Task
New Committee Member training	To provide training for new committee members.
New Local Pension Board Member training	To provide training for new board members.
Custody Services	Review the contract.
McCloud Judgement	Reconciliation and rectification of scheme member benefits utilising software developments and enhancements as and when they are released.
Pensions Dashboards	Comply with the legal requirement to participate in Pensions Dashboards by undertaking preparatory work for the implementation and ongoing data matching requirements.
Data Quality	Ensure that the Data Quality scores in respect of both common and scheme specific data which are reported to the Pensions Regulator increase annually.
Actuarial Valuation	Undertake preparatory work for the March 2025 Triennial Valuation.

Contacting the Dyfed Pension Fund

Pension Administration	Pension Investments & Governance
Dyfed Pension Fund Building 2 St David's Park Carmarthen SA31 3HB	Dyfed Pension Fund County Hall Carmarthen SA31 1JP
pensions@carmarthenshire.gov.uk	
www.dyfedpensionfund.org.uk	