



Complete Agenda

Democratic Service
Swyddfa'r Cyngor
CAERNARFON
Gwynedd
LL55 1SH

Meeting

PENSION BOARD

Date and Time

2.00 pm, WEDNESDAY, 5TH APRIL, 2017

Location

**Ystafell Gwyrfai, Council Offices,
Caernarfon, Gwynedd. LL55 1SH**

Contact Point

Lowri Haf Evans

01286 679878

lowrihafevans@gwynedd.llyw.cymru

(DISTRIBUTED 28/03/17)

PENSION BOARD

MEMBERSHIP

EMPLOYER REPRESENTATIVES

Anthony William Deakin

Cartrefi Conwy

Councillor Aled Ll. Evans

Cyngor Gwynedd Council

Huw Trainor

North Wales Police

MEMBER REPRESENTATIVES

Victoria Louise Hallaron

Cartrefi Cymunedol Gwynedd

Osian Richards

Members Representative

Sharon Warnes

(retired - formerly Gwynedd Council)

A G E N D A

1. APOLOGIES

To receive any apologies for absence

2. DECLARATION OF PERSONAL INTEREST

To receive any declaration of personal interest

3. URGENT ITEMS

To note any items which are urgent business in the opinion of the Chairman so that they may be considered

4. MINUTES

4 - 7

The Chairman shall propose that the minutes of the meeting of this committee held on 13.2.17 be signed as a true record.

5. MINUTES OF PENSIONS COMMITTEE

8 - 11

To submit, for information, minutes of the Pensions Committee meeting held on the 19.01.17

6. RISK REGISTER

12 - 26

To consider the report of the Investment Manager

7. CONFLICT OF INTEREST

27 - 43

To consider the report of the Investment Manager

8. BOARD REPORT FOR THE PENSION FUND ANNUAL REPORT

44 - 48

To consider the report of the Investment Manager

9. BOARD MEMBERSHIP

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To consider the report of the Investment Manager

10. WORK PLAN UPDATE

50 - 51

To consider the report of the Investment Manager

PENSION BOARD, 13.02.17

Present: Anthony Deakin (Cartrefi Conwy), Osian Richards (Members' Representative), Huw Trainor (North Wales Police), Sharon Warnes (Members' Representative) and Councillor Stephen Churchman (Chair of the Pensions Committee).

Officers:- Dafydd Edwards (Head of Finance Department), Nicholas Hopkins (Pensions Manager), Meirion Jones (Communication Officer - Pensions) and Lowri Haf Evans (Member Support Officer).

1. APOLOGIES

Apologies were received from Cllr Aled Evans (Gwynedd Council) and Victoria Hallaron (Cartrefi Cymunedol Gwynedd)

2. DECLARATION OF PERSONAL INTEREST

No declarations of personal interest were received from any members present.

3. URGENT ITEMS

It was highlighted that a rota needed to be established so that Board Members attended events / conferences and training.

4. MINUTES OF THE PREVIOUS MEETING

The Chair signed the minutes of a meeting of this committee, held on 5 December 2016, as a true record.

The Chair suggested that a risk log needed to be created to record risk issues. It was accepted that the observation was also of assistance to the Pensions Committee and the Head of Finance Department agreed that he would consider the possibility of creating a risk log.

5. PENSIONS COMMITTEE MINUTES

The minutes of the Pensions Committee held on 10.11.16 were accepted for information. It was highlighted that the Pension Board was held within three weeks of the Pensions Committee and therefore, to ensure that the latest Committee minutes were distributed with the agenda, it was suggested that a four-week cycle between both meetings should be arranged.

6. CONSULTATION ON THE INVESTMENT STRATEGY STATEMENT

Submitted - a report prepared by the Investment Manager, with support from Hymans, that had already been agreed by the Pensions Committee and distributed to the employers and union representatives for consultation. The Pension Board was invited to scrutinise the document and details of the process, and decide whether or not it wished to make observations on the consultation.

The strategy was discussed and the Head of Finance Department drew attention to the most important issues.

In response to a target allocation of 10% in Property assets, it was asked whether or not the Fund intended to invest in social / residential housing considering that 10% was a target that was likely to attract good forecasts. The Head of Finance Department highlighted that some Funds were interested in investing in such property, but that Gwynedd's Fund did not intend to consider residential property and that such local opportunities were rare. As an individual Fund, it was noted that there were arrangements in place with the four property managers dealing with commercial and student accommodation property, but that the portfolio had not included residential property. It was suggested that the Government was likely to push funds towards infrastructure before residential housing.

It was noted that the Pensions Committee reviewed the nature of the Fund's investments on a regular basis, and monitored Investment Managers often to ensure that they adhered to the portfolio. Reference was made to the risks that needed to be taken to achieve the funding objectives and also to the methods of dealing with those risks. It was acknowledged that an element of risk had to be considered in order to secure returns and that the Investment Managers had to be trusted.

In discussing the assets already invested with the Wales Pooling Fund, the intention of using the Pool in the future was acknowledged. 22.5% of liquid assets had been transferred to the Pool, and as the Gwynedd Fund already had a Blackrock Manager, there had been no transfer fees; however Gwynedd continued to receive savings. In the context of Passive Equity, it was noted that there was a cost associated with a substantial number of transactions, but that this was a part of the risk management element.

In response to a question regarding the alleged discontent of the WLGA and the national Scheme's consultative Board, that the Wales Pool was under the influence of the Councils, it was highlighted that the joint committee would make the decisions on behalf of their funds. These would be public meetings and the idea was to keep to eight members (minimum). It was highlighted that representatives on the Board would report back comprehensively and effectively to the Pensions Committee and Pension Board. It was also noted that the constitution of the joint committee was about to be approved - subsequently, it would be possible to consider who else would need to be a part of the process, e.g. co-opted members on behalf of the scheme's membership.

It was accepted that the report had been drawn up jointly with input from Hymans and although it was a complex document, it was suggested that the strategy's contents were correct.

7. CONSULTATION ON THE FUNDING STRATEGY STATEMENT

The Investment Manager submitted a draft Funding Strategy Statement (that had already been approved by the Pensions Committee to move to a consultation period on 19.1.17), requesting the Board to scrutinise the document and the process, and decide whether or not it wished to make observations on the consultation. It was explained that it was required for the Fund to publish a triennial Funding Strategy Statement by 31.3.17, and as part of the review that the administering authority needed to consult with the scheme's employers, the actuary, the fund's advisor and any other persons deemed appropriate.

In discussing the statement, the risk premium with equity was discussed and it was explained that as the projected difference between the expected returns increased, the risk increased and the funding base became less prudent. In the 2013 valuation, the presumption for the expected additional returns from investing in equity was

1.7%, but with an expectation for it to reduce back to 1.4%. As bond rates, which were used to calculate future liabilities, remained on a historically low level, the projection had been kept at 1.7%. This would smooth the employer contributions over an exceptional period and it would be reviewed during the next valuation in the aim of reducing it to 1.4% when gilt returns would improve.

In response to a question regarding the life expectancy demographic projections and Hymans' use of the Continuous Mortality Investigation Model (2013) rather than the 2016 model, the Head of Finance Department noted that he would seek a response from Hymans regarding their reasoning behind using the 2013 model.

Attention was also drawn to the net discount rate and in response it was noted that Hymans' entire offer package had to be considered. As the valuation was acceptable, it was decided not to challenge.

The statement was accepted and it was noted that the valuation was positive. Gratitude was expressed for the information.

8. PENSION FUND INVESTMENTS

Submitted - the report of the Investment Manager providing a simple explanation of the type of investments that the Pension Fund has. It was noted in the report that the majority of the pension funds' investments were in equity as they were expected to provide better returns in the longer term. It was considered that this was appropriate for a fund that has a deficit according to the actuarial valuation. Equity was the most volatile type of investment used by the Gwynedd Fund.

The various investments were listed in the report along with a brief description of the logic.

It was highlighted that regular discussions had been held between the Investment Panel and the Pensions Committee.

In response to an observation regarding changing investment methods and that the Fund was now 90% funded, the need to consider the next investment 'options' was accepted.

9. WALES INVESTMENT POOL

Submitted – the report of the Head of Finance Department updating the Board on the latest progress made with the development in the Wales Investment Pool including the Inter-Authority Agreement to be recommended for approval to the Full Council in order to commit to establish the All Wales Pool and governance of the relevant Joint Committee.

An oral update was provided by the Chair of the Pensions Committee on the situation and the additional work undertaken by the Finance Department and Legal Department to contribute to the agreement. It was highlighted that Carmarthenshire Council would be the Host Authority and in accordance with the request of the Pensions Committee, bilingual needs had been acknowledged. It was reported that the agreement would be submitted to the Full Council on 3 March.

During the ensuing discussion, the following observations were made:-

- There were some weak elements in the agreement such as the monitoring and scrutiny process
- Attention needed to be given to the procedure for managing conflicts of interest

- Provisions needed to be made to resolve disputes - would a single Fund be entitled to withdraw?

In response to the observations regarding managing conflicts of interest, it was suggested that the monitoring arrangements of the Host Authority would interpret this in accordance with the observations of their Monitoring Officer and Committee arrangements.

It was noted that the agreement was detailed and the information was accepted.

10. PROCESS OF PROCESSING RETIREMENT BENEFITS

Submitted – for information, the report of the Pension Fund's Senior Communication Officer highlighting to Board members the process of terminating active membership of the Local Government Pension Fund. It was highlighted that the Employer was responsible for informing the Administrative Authority (Pensions Department) if a member of staff terminated pensionable employment. The Pensions Department was responsible for calculating the benefits correctly and within a reasonable time-scale. In order for the process to work smoothly, it was explained that it was essential for a good working relationship to exist between the Employer and the Administrative Authority.

The role of the Employer and the role of the Administrative Authority was listed in the report, along with the barriers that prevented them from ensuring that every retirement was paid within the target.

In response to a question regarding the lack of implementing the Police's overtime hours (that ran into an additional month), in order to present a notice of termination, it was noted that it was not practical to offer a draft / incomplete form, due to the number of requests received and the likelihood of creating unnecessary work. It was noted that every effort was being made to resolve each situation individually and that the same process had to be offered to everyone.

Reference was made to the satisfaction survey (implemented since 2013) and it was reported that between 1 September and 31 December 2016, 75% of the members who had responded strongly agreed that the process was positive.

It was suggested that a discussion needed to be held between the Administrator and the Police to resolve the overtime issue and it was highlighted that the Unit intended to visit the fund's largest employers on a more regular basis.

Gratitude was expressed for the information.

The meeting commenced at 2pm and concluded at 4.10pm.

PENSIONS COMMITTEE 19.01.2017

Present: Councillors: Stephen Churchman (Chair), Simon Glyn, Peredur Jenkins, H. Eifion Jones (Anglesey County Council Representative) and Glyn Thomas

Officers: Dafydd Edwards (Head of Finance Department), Caroline Roberts (Investment Manager), Nicholas Hopkins (Pensions Manager), Iwan Evans (Head of Legal Service) and Lowri Haf Evans (Member Support Officer).

1. APOLOGIES

Apologies were received from Councillors Trevor Edwards, Margaret Lyon (Conwy County Borough Council Representative), John P. Roberts and Tudor Owen.

2. DECLARATION OF PERSONAL INTEREST

None to note

3. URGENT ITEMS

None to note

4. MINUTES

The Chair signed the minutes of the previous meeting of this committee, held on 20 October and 10 November 2016, as a true record.

5. FUNDING STRATEGY STATEMENT 2017/18 – 2019/20

Following the Actuarial Valuation in November 2016, the Investment Manager highlighted the fact that it was required for the Council to review and publish a triennial Funding Strategy Statement (FSS) by 31 March 2017 (it was noted that the current Gwynedd FSS had been approved by the Pensions Committee on 17 March 2014). A (draft) report was submitted by the Investment Manager who was willing to share it for a consultation period with the employers that were part of the scheme, the actuary and the fund's consultant.

In response to a question regarding submitting the strategy, it was noted that the strategy was to formalise the discussions held on 10 November 2017 - summarising the decisions made with the employers. It was reported that although the document was a technical and substantial one, it had been prepared in consultation with the support of Hymans.

RESOLVED TO ACCEPT THE REPORT AND THE PRESUMPTIONS AND POLICIES OUTLINED IN THE REPORT WERE CONFIRMED TO BE CONSULTED APPROPRIATELY

6. INVESTMENT STRATEGY STATEMENT

A report was submitted by the Investment Manager, asking the Committee to approve the Investment Strategy Statement (draft) (that is taking place, in name only, the Statement of Investment Principles - in accordance with the requirements of the new legislation) for consultation with all interested parties by 31 March 2017.

It was reported that the strategy was based on investment arrangements and what needed to be done to deal with Investment Managers. Should the investment arrangements need to be changed, this strategy would need to be revised.

In response to a question regarding Britain leaving the European Union, and the need to adapt investment methods, it was highlighted with worldwide portfolios that there would be no need to adapt investment methods because it would be the companies being affected directly.

In response to a question regarding ethical investments, it was highlighted that the administrator's main responsibility and aim was to ensure the best returns to the fund and definite and strong reasons would be needed to follow a 'political' investment strategy that could endanger this.

In response to a question regarding investing in local infrastructure, it was noted that exciting regional opportunities did not offer themselves to North Wales and that investing in infrastructure that did not offer itself, was a risk in terms of gains. In considering Wales Investment Pools, the possibility of encouraging discussions and conveying opinions on investing in infrastructure was suggested, giving full consideration to possible enterprises in North Wales. It was suggested that the Wales Pool possibly had the flexibility of investing in a more local infrastructure as the size enabled a more direct investment in infrastructure.

It was noted, should the need arise to review the Fund's investments, that there would be a need to amend agreements with Investment Managers. The logical step would be to offer observations to representatives of the Wales Investment Pool. It was suggested to hold a discussion at the investment panel before offering anything formal.

A suggestion was also made that the investment managers should respect the need to keep investments legal, and act responsibly. It was noted that their actions could be challenged to ensure that they were wise enough not to invest in anything suspicious.

RESOLVED TO ACCEPT THE REPORT AND THE DRAFT STATEMENT FOR THE CONSULTATION PERIOD WAS APPROVED.

7. WALES INVESTMENT POOL

Submitted – the report of the Head of Finance Department updating the Committee Members on the progress made to the development in the Wales Investment Pool to manage the investment assets of eight Local Government Pension Schemes (LGPS) in Wales on a co-operative basis; and to seek the Committee's approval on Inter-Authority Agreements to be recommended to the full Council to approve, in order to commit to establishing an All Wales Pool and govern the relevant Joint-committee.

It was noted that the Burges Salmon company drew up the Inter-Authority Agreement with a contribution from the finance officers and legal officers of the eight funds. The agreement reflected what had been discussed over the past months.

It was highlighted that the document was not final, but the members were asked to delegate the right to the Head of Finance Department, in consultation with the Head of Legal Department and the Chair to agree on any changes to the Inter-Authority Agreement before submitting it to the full Council for approval on 2 March 2017. It was noted that minor amendments needed to be done before submitting it, but that the agreement, in terms of form, was quite accurate.

During the ensuing discussion the following points were highlighted by individual Members:

- It should be aimed to ensure that the Welsh language was central to the Pool's work
- The host authority would need to arrange that documents were available bilingually and formal, public meetings would be held bilingually
- That a suitable location was needed for the Pool's Joint-committee meetings

In response to the observations, it was noted that the language matters had been highlighted at a meeting of the Pool's Chairs on 11/1/2017 and had been 'accepted as an understanding.' The Solicitor highlighted that it was possible to add this to the agreement. It was acknowledged that language provision standards varied across Wales.

Proposed and seconded - to ensure that official formal meetings of the Pool's Joint-committee followed the full bilingual procedure, and appropriate clauses should be included in the agreement.

In expressing gratitude for the work done in drawing up the agreement, an application was made to the officers to note, if they were uncomfortable with any situation, that they report back to the Committee.

In response to the comments, the Solicitor noted, by establishing Partnerships, it was essential not to set strict elements. It was highlighted that a high level of key matters continued on local levels and that this was part of the agreement. It was also noted that the joint-committee would adopt local rules.

In response to a comment made regarding differences in council regulations in committee membership, and specifically the Chairmanship period, it was noted that Gwynedd arrangements would be adapted to comply with rules and arrangements of other Councils.

In response to an observation regarding Gwynedd offering themselves as a host authority, it was accepted that the observation was a discussion matter and that it was possible to offer this to the Joint-committee should that be the Committee's desire. The Solicitor highlighted that Gwynedd led on a number of projects, therefore it would be necessary to ensure that resources were in place before venturing - the scope of the work to meet the requirements. It was explained that the host resource would be funded by the eight funds and therefore the observation could be considered as a response to an opportunity.

RESOLVED:

- i. **That the Committee notes the progress to the development of the Wales Investment Pool and supports the commitment to the Pool.**
- ii. **That the Committee approves the draft Inter-Authority Contract, and supports its recommendation to the full Council on 2 March 2017.**
- iii. **That the Committee recommends establishing an All Wales Joint-Committee in accordance with the Agreement and that the Joint-committee's official meetings follow the full bilingual procedure.**

- iv. **That the Committee delegates the right to the Head of Finance Department in consultation with the Head of Legal Department and the Chair to decide on any changes to the Inter-Authority Agreement before submitting it to the Council for approval.**

The meeting commenced at 2pm and concluded at 3:20pm

Agenda Item 6

| | |
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| MEETING: | PENSION BOARD |
| DATE: | 5 APRIL 2017 |
| TITLE: | RISK REGISTER |
| PURPOSE: | To understand the risks relating to the Pension Fund and scrutinize the Risk Register |
| AUTHOR: | CAROLINE ROBERTS, INVESTMENT MANAGER MEIRION JONES, SENIOR COMMUNICATION OFFICER |

1. INTRODUCTION

The Gwynedd Pension Fund has a Risk Register in order to identify and monitor significant risks. The Risk Register also includes the processes in place to mitigate the risks where possible.

A copy of the current Risk Register is attached at Appendix A

It is a working document and will be reviewed regularly and updated for any significant risks that develop.

2. THE BOARD'S ROLE

The members of the Board are asked to scrutinise the risk register and bring any comments or suggestions to the meeting.

GWYNEDD PENSION FUND

RISK REGISTER

| Risk Assessment Matrix | | | | | |
|------------------------|--------|----|----|----|----|
| Likelihood | 5 | 10 | 15 | 20 | 25 |
| | 4 | 8 | 12 | 16 | 20 |
| | 3 | 6 | 9 | 12 | 15 |
| | 2 | 4 | 6 | 8 | 10 |
| | 1 | 2 | 3 | 4 | 5 |
| | Impact | | | | |

| Assessment of Impact | | | | |
|----------------------|--------------|--------------|---|---|
| | | Financial | Reputation | Stakeholder/Customer |
| 1 | Negligible | < £35k | Minimal and transient loss of public trust. | Minimal impact on stakeholders or customers. |
| 2 | Minor | £35k - £300m | Slight loss of trust with no lasting impact. Little adverse publicity. | Minor impact on stakeholders or customers and customer dissatisfaction. Limited service disruption. |
| 3 | Moderate | £300m - £3m | Moderate loss of trust that receives significant adverse publicity locally with no lasting impact. | No lasting impact. Moderate disruption to stakeholders, moderate impact on customers and customer dissatisfaction. Moderate service disruption. |
| 4 | Major | £3m - £30m | Significant loss of trust and receives local media attention with potential for lasting impact. | Significant service disruption and opposition from stakeholders and/or customers. Threat of legal action. |
| 5 | Catastrophic | > £30m | Significant loss of trust and receives national media attention with potential for persisting impact. | Major service disruption and significant opposition from stakeholders and/or customers. Legal action. Long term public memory. |

| Assessment of Likelihood | | | |
|--------------------------|----------------|---|-----------------------|
| | | Probability Descriptors | Numerical Probability |
| 1 | Rare | This will probably never happen/recur. | Under 1% |
| 2 | Unlikely | Do not expect it to happen/recur, but it is possible it may do so. | 1% - under 5% |
| 3 | Possible | Might happen or recur occasionally. | 5% - under 20% |
| 4 | Likely | Will probably happen/recur, but it is not a persistent issue or circumstances | 20% - under 50% |
| 5 | Almost Certain | Will undoubtedly happen/recur, possibly frequently. A project more likely to fail than succeed. | Over 50% |

| Risk No. | Description of Risk and Potential Impact | Inherent Risk | | | Mitigating Controls | Current Risk | | | Risk Owner | Additional Plan | Time scale |
|-----------|---|---------------|------------|----------------|--|--------------|------------|----------------|---|--|------------|
| | | Impact | Likelihood | Combined Score | | Impact | Likelihood | Combined Score | | | |
| 14 | Governance The Administering Authority does not have appropriate governance arrangements including the requirement for a Pension Board resulting in: - Non-compliance with legislation or best practice - Inability to determine policy, make effective decisions and deliver services. - Risk to reputation | 4 | 3 | 12 | Gwynedd Pension Fund (GPF) has a Governance Policy Statement and a Governance Compliance Statement as required by the LGPS Regulations 2008. Both statements are reviewed and updated when required. Scheme employers are consulted when changes are proposed to ensure the policy is still appropriate. The Statement is available on the Gwynedd Pensions website: | 3 | 1 | 3 | Head of Finance Investment Manager | The Governance Policy Statement and the Governance Compliance Statement are to be reviewed and Policy brought to the Pensions Committee for approval | 2017 |

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| | | | | | <p>www.gwynedd.gov.uk</p> <p>GPF has a Pensions Committee to discharge the Council's duties as Administering Authority of the Pension Fund.</p> <p>Gwynedd Pension Board has been established as required by the Public Service Pension Act 2013.</p> <p>Support and training are being provided to ensure that the members of the board have the knowledge and skills to undertake their role.</p> | | | | | | |
| Page 15 | <p>The Pensions Committee and the Pension Board are unable to fulfil their responsibilities effectively resulting in:</p> <ul style="list-style-type: none"> - Non-compliance with legislation or best practice - Inability to determine policy, make decisions and / or deliver service. - Risk to reputations. | 4 | 3 | 12 | <p>The Committee has adopted the CIPFA Code of Practice on Knowledge and Skills and regular training is provided to ensure that members have the level of understanding required.</p> <p>A training and induction programme is available for new Committee and Board members.</p> <p>The Fund subscribes to relevant bodies (i.e. CIPFA and LAPFF) and sends representatives to major conferences.</p> <p>Committee and Board members are made aware of and adhere to the Governance Compliance Statement and are encouraged to identify training requirements.</p> | 3 | 2 | 6 | Investment Manager | <p>Training for new Committee members following local elections in May 2017</p> <p>Training for new Board member following resignation from one member of the Board</p> | <p>2017</p> <p>2017</p> |

Funding and Investments

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| Page 16 | <p>The Committee Members and Investment Officers make inappropriate decisions as a result of insufficient knowledge of financial markets and inadequate investment and actuarial advice received resulting in:</p> <p>Poor Fund performance</p> <p>Financial loss</p> <p>Increased employer contributions</p> | 5 | 3 | 15 | <p>GPF Investment Strategy is set in accordance with LGPS investment regulations.</p> <p>The Investment Strategy takes the Fund's liabilities into account.</p> <p>The Investment Strategy is approved and reviewed by the Pensions Committee.</p> <p>GPF uses an external investment advisor who provides specialist guidance to the Investment Panel and Pensions Committee regarding the Investment Strategy.</p> <p>Members and Officers are encouraged to challenge advice and guidance received.</p> | 2 | 2 | 4 | <p>Head of Finance</p> <p>Investment Manager</p> | | |
| | <p>The Pension Fund has insufficient assets to meet its long term liabilities.</p> <p>The Pension Fund's investment strategy fails to produce the required returns.</p> <p>Performance is damaged by:</p> <ul style="list-style-type: none"> • Fund Managers failure to produce the required returns. • Fund managers damage performance by failing to | 5 | 3 | 15 | <p>Triennial actuarial valuations provide periodic indications of the growth in assets against liabilities. Employer contribution rates are set in response to this.</p> <p>The 2016 actuarial valuation includes provision for the fund to achieve full funding over 20 years.</p> <p>GPF investments are diversified across a range of different types of assets to minimise the impact of losses in</p> | 2 | 2 | 4 | <p>Investment Manager</p> | | |

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| | <p>make organisational changes or manager departures.</p> <p>Resulting in</p> <ul style="list-style-type: none"> • Financial loss • Insufficient funds available to meet future obligations | | | <p>individual markets.</p> <p>Fund-specific benchmarks and targets are set.</p> <p>Fund assets are kept under regular review as part of the Fund's performance management process.</p> <p>Fund managers are thoroughly vetted prior to appointment and performance is reviewed regularly against the benchmark and performance objectives by the Investment Panel.</p> <p>Appropriate action may be taken if an Investment Manager is underperforming.</p> <p>The depth of expertise in the fund manager's team will be assessed as part of the appointment process.</p> <p>Performance targets are agreed by the Pensions Committee and are based upon recommendations for the external advisor.</p> <p>The Pensions Committee have the power to terminate a fund manager's contract if it is deemed that the manager has not performed as expected or there are concerns about future performance due to organisational change or manager departures.</p> | | | | | | |
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| Page 18 | <p>The fund is exposed to unnecessary risks and avoidable costs due to poorly structured investment arrangements resulting in:</p> <p>Financial loss</p> | 5 | 3 | 15 | <p>The Fund aims to ensure best value and to minimise exposure to risk as follows:</p> <p>The Fund’s investments are diversified across a range of different types of assets to minimise the impact of losses in individual markets.</p> <p>Investment managers provide invoices for fees and disclosure of fees within funds.</p> <p>Specialist services such as transitions or currency transfers are considered where appropriate in order to reduce costs.</p> <p>Banking and custodian arrangements are reviewed and retendered as appropriate.</p> | 2 | 2 | 4 | Investment Manager | | |
| | <p>Collapse of a fund manager or negligence, fraud or wilful default committed by a fund manager resulting in:</p> <p>Financial loss</p> | 4 | 3 | 12 | <p>The Fund considers the financial stability of managers during the appointment process and the situation is kept under review.</p> <p>GPF uses a global custodian service to ensure that investment of assets is segregated from custody of assets.</p> <p>Legal requirements for fund managers are set out in their management agreements.</p> <p>Fund managers are required to be fully compliant with Financial Conduct Authority (FCA), the Pensions Regulator (TPR) and other regulatory</p> | 2 | 3 | 6 | Investment Manager | | |

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| | | | | | requirements. The Fund's custodian can deal provide a transition service if a fund manager is being wound up. | | | | | | |
| Page 19 | Market crash leading to failure to reduce the deficit resulting in: Financial loss Increased employer contribution costs. | 5 | 4 | 15 | The Fund is diversified across a range of asset classes to mitigate the impact of poor performance in an individual market segment. Investment performance and monitoring arrangements exist which provide the investment officers with the flexibility to rebalance the portfolio in a timely manner. The long term nature of the liabilities provides some mitigation, in that markets fluctuate down and up which significantly reduces the impact. | 3 | 3 | 9 | Investment Manager | | |
| | Pay and price inflation are significantly more than anticipated leading to: An increase in liabilities which is higher than the previous actuarial valuation estimate. | 3 | 3 | 9 | The focus of the actuarial valuation process is on real returns on assets, net of price and pay increases. Employers pay for their own salary awards. The Fund has committed to investments in infrastructure funds which helps to mitigate this risk. | 2 | 3 | 6 | Investment Manager | | |
| | Increase in number of early retirements due to public service cuts and/or ill health leading to | 3 | 5 | 10 | Employers are charged the extra capital cost of non-ill health retirements following each individual decision. | 1 | 5 | 5 | Investment Manager | | |

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| | <p>pension liabilities increasing</p> <p>An increase in liabilities which exceeds the previous valuation estimate.</p> | | | | <p>Employer ill health retirement is monitored.</p> <p>Small employers are required to take out the ill health retirement insurance provided by the Fund.</p> | | | | | | |
| | <p>The average life expectancy of pensioners is greater than assumed in actuarial assumptions.</p> <p>An increase in liabilities which exceeds the previous valuation estimate.</p> | 4 | 4 | 16 | <p>Life expectancy assumptions are reviewed at each valuation.</p> <p>The Fund uses bespoke assumptions based on the life expectancy across Gwynedd Pension Fund's area.</p> <p>Mortality assumptions include some allowance for future increases in life expectancy.</p> | 2 | 4 | 8 | Investment Manager | | |
| Page 20 | <p>Scheme employers' contributions to the Fund are not received or are processed or recorded completely and accurately</p> <p>Increased costs across all the remaining scheme employers</p> | 4 | 3 | 12 | <p>The team monitor the receipt of contributions to the fund.</p> <p>The team communicates regularly with scheme employers to ensure that contributions are made in a timely manner and are recorded accurately.</p> <p>Details of any outstanding and overdue contributions are recorded and appropriate action is taken in order to recover payments.</p> | 2 | 2 | 4 | Investment Manager | | |
| | <p>An employer ceases to exist with insufficient funding available to settle any outstanding debts, or refuses to pay the cessation value.</p> | 4 | 3 | 12 | <p>The risk is mitigated by: Vetting prospective employers before admission and ensuring that they fully understand their obligations.</p> <p>Applications for admission to the Fund</p> | 3 | 3 | 9 | Head of Finance Pensions Manager | | |

| | | | | | | | | | | | |
|---------|--|---|---|----|---|---|---|----|--|--|--|
| | Departing employer does not fully meet its liabilities which leads to increased costs across the remaining scheme employers. | | | | are considered carefully and a bond or guarantee is put into place if required. Outstanding liabilities will be assessed and recovered from any successor bodies or spread amongst remaining employers. The actuarial valuation attempts to balance recovery period with risk of withdrawal. If necessary, appropriate legal action will be taken. | | | | | | |
| Page 21 | A significant number of LGPS members transfer their pension pots to other pensions providers in order to obtain a capital sum under the Government's "Freedom and Choice" legislation resulting in: Significant cashflow out of the Fund. Reduction in assets greater than reduction in the Fund's liabilities. | 4 | 3 | 12 | The risk is mitigated by: Effective communication of the benefits of remaining in the LGPS. Actuarial calculation of transfer value should ensure transfer value does not exceed reduction in liability. | 2 | 2 | 4 | Pensions Manager Investment Manager | | |
| | The result of the EU Referendum and the decision to leave the European Union results in significant economic instability and slowdown and as a consequence lower investment returns resulting in: | 5 | 4 | 20 | The Fund's investments are diversified across a range of different types of assets to minimise the impact of losses in individual markets. The Fund will consider the impact when the terms of leaving the EU are clear | 3 | 4 | 12 | Investment Manager | | |

| | | | | | | | | | | | |
|------------------------------|---|---|---|----|---|---|---|----|--------------------|---|------|
| | Financial loss and / or failure to meet return expectations. Increased employer contribution costs. | | | | and take any actions required. | | | | | | |
| CUSTODY | | | | | | | | | | | |
| | Failure of custodian leading to losses which results in: Failure to reduce the deficit Financial loss | 5 | 3 | 15 | Fund assets are protected in the event of insolvency of the custodian. The custodian must adhere to FCA and TPR financial regulations. | 2 | 2 | 4 | Investment Manager | | |
| WALES INVESTMENT POOL | | | | | | | | | | | |
| Page 22 | The Gwynedd Pension Fund has insufficient resources available to deliver the pooling proposal within the required timescale without impacting the day-to-day management of the fund. The management of the Pension Fund is affected due to existing resources working on the establishment of the investment pool. | 4 | 5 | 20 | | 4 | 5 | 20 | Head of Finance | Additional staffing resources will be required if it becomes apparent that insufficient resources exist to take forward the proposal without impacting the day-to-day management of the fund. | |
| Communication | | | | | | | | | | | |
| | Insufficient communication and engagement with the Pension Fund Stakeholders. Non-compliance with legislation and/or best practice. | 3 | 3 | 9 | A Communications Policy is in place. The Gwynedd Pension Fund website is kept up to date. Fund Performance is reported to the Investment & Pension Fund Committee | 3 | 2 | 6 | Pensions Manager | The Communication Policy is to be reviewed and a revised Strategy brought to the Pensions Committee for | 2017 |

| | | | | | | | | | | | |
|-------------------------------|---|---|---|---|---|---|---|---|-----------------|---|-----------|
| | Inability to determine policy, make effective decisions and/or deliver service. Reputation risk. | | | | on a regular basis. Meetings are held periodically with the Fund's Employing Authorities. Annual Benefit Statements and newsletters are sent annually to active and deferred Fund members. The contact list for employers is updated regularly. An AGM is held for employers and Trade Unions. The annual report and accounts are published on the Gwynedd Pensions website. A Member Self Service website is available to members to calculate their own benefits. | | | | | approval | |
| Data Protection | | | | | | | | | | | |
| | The Pension Fund systems and data may not be secure and appropriately maintained. - Loss of sensitive data. - Reputation risk. Financial loss arising from legal action. | 3 | 2 | 6 | It is a mandatory requirement for all employees to undertake Data Protection training and to adhere to Gwynedd's data protection policy. Egress email system is used where possible to send emails (A secure email system) | 3 | 1 | 3 | Pension Manager | Encourage employers to sign up to the Egress email system | 2017/2018 |
| Pension Administration | | | | | | | | | | | |
| | Pension benefits are not paid: - Risk of financial loss arising from | 4 | 2 | 8 | The payroll system is set up to pay pensioners monthly. | 4 | 1 | 4 | Pension Manager | | |

| | | | | | | | | | | | |
|---------|---|---|---|---|--|---|---|---|-----------------|---|--|
| | <p>compensation claims</p> <ul style="list-style-type: none"> - Damage to reputation. | | | | Disaster recovery plan in place with Heywood which will restore data within 7 days in the event of system failure. | | | | | | |
| Page 24 | <p>Failure of scheme membership data and pension benefit calculation processes leading to fraud, corruption or error.</p> <ul style="list-style-type: none"> - Unauthorised payments under the Finance Act 2004. - Risk of financial loss and damage to reputation. | 3 | 2 | 6 | <p>Information and instructions are only accepted from authorised sources.</p> <p>Employers are required to review and confirm membership records annually.</p> <p>Benefit calculations are checked by senior colleagues.</p> <p>All transactions comply with DCC financial regulations and are subject to independent authorisation.</p> <p>Members approaching 75 are separately identified monthly.</p> | 3 | 1 | 3 | Pension Manager | | |
| | <p>Failure of employing authority to provide timely and accurate member data resulting in delays or errors with benefit payments.</p> <p>Risk of financial loss and damage to reputation.</p> | 3 | 3 | 9 | <p>Administration Strategy is in place and employer duties are clearly identified.</p> <p>Employing authorities are contacted for outstanding information when it is identified that information is missing or contains errors.</p> | 3 | 2 | 6 | Pension Manager | | |
| | <p>Non-compliance with legislation and failure to correctly implement new legislation and regulations, resulting in:</p> <ul style="list-style-type: none"> - Incorrect payments being made. <p>Risk of financial loss and damage to reputation</p> | 3 | 3 | 9 | <p>LGA/External training.</p> <p>Project work approach to implementation of legislative changes.</p> <p>In house training for all staff.</p> | 2 | 2 | 4 | Pension Manager | | |
| | <p>Pension benefits continue to be paid to deceased pensioners.</p> | 2 | 3 | 6 | <p>All pensioners are contacted annually.</p> | 2 | 2 | 4 | Pension Manager | Tell us once service has been rolled out to | |

| | | | | | | | | | | | |
|---------|--|---|---|----|---|---|---|---|-----------------|---|------|
| | Risk of financial loss and damage to reputation. | | | | <p>Pensioners are incorporated into National Fraud Initiative.</p> <p>Further targeted checks are conducted with credit reference agencies as appropriate.</p> <p>Monthly mortality screening is undertaken and any positive matches are ceased immediately</p> | | | | | LGPS. | |
| | <p>System failure.</p> <ul style="list-style-type: none"> - Loss of sensitive data. - Reputation risk. <p>Financial loss arising from legal action.</p> | 5 | 2 | 10 | <p>The system is backed-up daily.</p> <p>A full disaster recovery plan is in place and tested annually (In line with Gwynedd Council's policy).</p> | 5 | 1 | 5 | Pension Manager | | |
| Page 25 | <p>Employing authorities not fulfilling their responsibilities e.g. not supplying us with correct employee data or not supplying it in a timely manner</p> <ul style="list-style-type: none"> - Incorrect benefit calculations <p>Delays while we request missing information</p> | 3 | 2 | 6 | <ul style="list-style-type: none"> - Admin strategy details employer responsibilities and timescales - Advice and consultancy provided. - Yearly checks on data to highlight gaps - Employer administration meetings held periodically. <p>Guidance available on website.</p> | 3 | 1 | 3 | Pension Manager | Individual employer meetings which will include review of Employer performance. | 2017 |
| | <p>Failure to comply with disclosure regulations e.g. the requirement to issue information within a certain timescale after a request/event</p> <ul style="list-style-type: none"> - Complaints <p>Fines</p> | 3 | 2 | 6 | Robust workflow management system in place. | 3 | 1 | 3 | Pension Manager | | |

| | | | | | | | | | | | |
|---------------------------|---|---|---|----|--|---|---|---|-----------------|---|-------------|
| | Failure to issue Annual Benefit statements to active and deferred members by 31st August: - Reputational risk and complaints Fines | 2 | 4 | 8 | Project management approach - Regular contact with employers to get data. | 2 | 3 | 6 | Pension Manager | Monthly interfacing to reduce workload at year end with the main employers (iConnect) | 2017 |
| Internal processes | | | | | | | | | | | |
| | Concentration of knowledge in a small number of officers and risk of departure of key staff. The risk of losing key staff could lead to a breakdown in internal processes and service delivery, causing financial loss and potential risk to reputation. | 4 | 3 | 12 | - Knowledge of all tasks shared by at least two team members and can in addition be covered by senior staff. - Training requirements are set out in job descriptions and reviewed annually with team members through the appraisal process. | 4 | 2 | 8 | Pension Manager | Internal 'how to guides' are being developed on all internal processes | 2017/ 18 |

MEETING: **PENSION BOARD**

DATE: **5 APRIL 2017**

TITLE: **CONFLICT OF INTEREST**

PURPOSE: **To understand the requirements if there is conflict of interest.**

AUTHOR: **CAROLINE ROBERTS, INVESTMENT MANAGER**

1. INTRODUCTION

The Gwynedd Pension Fund is administrated by Gwynedd Council. Elected members and officers of Gwynedd Council are required to work in accordance with the constitution and administration structure of the Council.

The Council's Constitution contains the rules and procedures for making decisions and managing the Council's business. In the Constitution you will find information on the committee structure, its procedures, the rights given to individual officers and members to make decisions, the standards of conduct expected and the allowances paid to members.

The constitution includes separate Codes of Conduct for elected members and officers.

2. ELECTED MEMBERS

Section 18 – MEMBERS CODE OF CONDUCT

This section of the Code of Conduct addresses conflicts of interest and what a Member must do if they have a conflict.

A copy of Section 18 is attached at Appendix A

The electronic version is available through the link below:

<https://www.gwynedd.llyw.cymru/en/Council/Documents---Council/Strategies-and-policies/The-Constitution/Section-18---Members-code-of-conduct.pdf>

Members of the Pension Board and non-elected members of Committees are also subject to this code of conduct.

3. OFFICERS

Section 20 – OFFICERS CODE OF CONDUCT

This section of the Code of Conduct addresses conflicts of interest and what an Officer must do if they have a conflict.

A copy of Section 20 is attached at Appendix B

The electronic version is available through the link below:

<https://www.gwynedd.llyw.cymru/en/Council/Strategies-and-policies/Corporate-plans-and-strategies/TheConstitution.aspx>

SECTION 18

18. MEMBERS' CODE OF CONDUCT

18.1 THE PRINCIPLES

The Conduct of Members (Principles) (Wales) Order 2001 sets out the principles which are to govern the conduct of members of a relevant authority in Wales.

They are:

18.1.1 SELFLESSNESS

Members must act solely in the public interest. They must never use their position as members to improperly confer advantage on themselves or to improperly confer advantage or disadvantage on others.

18.1.2 HONESTY

Members must declare any private interests to their public duties and take steps to resolve any conflict in a way that protects the public interest.

18.1.3 INTEGRITY AND PROPRIETY

Members must not put themselves in a position where their integrity is called into question by any financial or other obligation to individuals or organisations that might seek to influence them in the performance of their duties. Members must on all occasions, avoid the appearances of such behaviour.

18.1.4 DUTY TO UPHOLD THE LAW

Members must act to uphold the law and act on all occasions in accordance with the trust that the public has placed in them.

18.1.5 STEWARDSHIP

In discharging their duties and responsibilities members must ensure that their authority's resources are used both lawfully and prudently.

18.1.6 OBJECTIVITY IN DECISION MAKING

In a carrying out their responsibilities including making appointments, awarding contracts, or recommending individuals for rewards and benefits, members must make decisions on merit. Whilst members must have regard to the professional advice of officers and may properly take account of the views of others, including their political groups, it is their responsibility to decide what view to take and if appropriate, how to vote on any issue

18.1.7 EQUALITY AND RESPECT

Members must carry out their duties and responsibilities with due regard to the need to promote equality of opportunity for all people, regardless of their gender, race, disability, sexual orientation, age or religion, and show respect and consideration for others.

18.1.8 OPENESS

Members must be as open as possible about all their actions and those of their authority. They must seek to ensure that disclosure of information is restricted only in accordance with the law.

18.1.9 ACCOUNTABILITY

Members are accountable to the electorate and the public generally for their actions and for the way they carry out their responsibilities as a member. They must be prepared to submit themselves to such scrutiny as it appropriate to their responsibilities.

18.1.10 LEADERSHIP

Members must promote and support these principles by leadership and example so as to promote public confidence in their role and in the authority. They must respect the impartiality and integrity of the authority's statutory officers and its other employees.

18.2 INTERPRETATION

18.2.1 In this code

"**co-opted members**" in relation to a relevant authority, means a person who is not a member of the authority but who:

- (a) is a member of any committee or sub-committee of the authority, or
- (b) is a member of, and represents the authority on, any joint committee or joint sub-committee of the authority and who is entitled to vote on any question which falls to be decided at any meeting of that committee or sub-committee:

"**meeting**" means any meeting:

- (a) of the relevant authority;
- (b) of any executive or board of that relevant authority;
- (c) of any committee, sub-committee, joint committee or joint subcommittee of the relevant authority or of any such committee, joint committee or joint sub-committee of any executive or board of the authority, or
- (d) where members or officers of the relevant authority are present other than a meeting of a Political Group constituted in accordance with regulation 8 of the Local Government (Committee and Political Groups) Regulations 1990 and includes circumstances in which a member of an executive or board or an officer acting alone exercises a function of an authority;

"**Member**" includes, unless the context requires otherwise a co-opted member;

"**Register of Members' interests**" means the register established and maintained under section 81 of the Local Government Act 2000;

"**Relevant authority**" means:

- (a) a county council;
- (b) a county borough council;
- (c) a community council

- (d) a fire and rescue authority constituted by a scheme under Section 2 of the Fire and Rescue Service Act 2004 or a scheme to which 4 of that Act applies;
- (e) a National Park Authority established under Section 63 of the Environment Act 1995;

"**you**" means you as a member or co-opted member of a relevant authority;

and

"**your authority**" means the relevant authority of which you are a member or co-opted member.

18.2.2 In relation to a community council—

- (a) "**proper officer**" means an officer of that council within the meaning of section 270(3) of the Local Government Act 1972; and
- (b) "**standards committee**" means the standards committee of the county or county borough council which has functions in relation to the community council for which it is responsible under section 56(1) and (2) of the Local Government Act 2000.

18.3 GENERAL PROVISIONS

18.3.1. Save where paragraph 18.3.3 applies, you must observe this code of conduct:

- (a) whenever you conduct the business, or are present at a meeting, of your authority;
- (b) whenever you act, claim to act or give the impression you are acting in the role of member to which you were elected or appointed;
- (c) whenever you act; claim to act or give the impression you are acting as a representative of your authority; or
- (d) at all times and in any capacity, in respect of conduct identified in paragraphs 18.3.6(a) and 18.3.8

18.3.2 You should read this code together with the general principles prescribed under Section 49(2) of the Local Government Act 2000 in relation to Wales.

18.3.3 When you are elected, appointed or nominated by your authority to serve

- (a) on another relevant authority, or any other body, which includes a Local Health Board you must, when acting for that other authority or body, comply with the code of conduct of that other authority or body; or
- (b) on any other body which does not have a code relating to the conduct of its members, you must, when acting for that other body, comply with this code of conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject.

18.3.4 You must:

- (a) carry out your duties and responsibilities with due regard to the principle that there should be equality of opportunity for all people, regardless of their gender, race, disability, sexual orientation, age or religion;
- (b) show respect and consideration for others,
- (c) not use bullying behaviour or harass any person; and
- (d) not do anything which compromises, or which is likely to compromise, the impartiality of those who work for, or on behalf of, your authority.

18.3.5 You must not :

- (a) disclose confidential information or information which should reasonably be regarded as being of a confidential nature, without the express consent of a person authorised to give such consent, or unless required by law to do so.
- (b) prevent any person from gaining access to information to which that person is entitled by law.

18.3.6 You must:

- (a) not conduct yourself in a manner which could reasonably be regarded as bringing your office or authority into disrepute;
- (b) report, whether through your authority's confidential reporting procedure or direct to the proper authority, any conduct by another member or anyone who works for, or on behalf of, your authority which you reasonably believe involves or is likely to involve criminal behaviour (which for the purposes of this paragraph does not include offences or behaviour capable of punishment by way of a fixed penalty);
- (c) report to your authority's Monitoring Officer any conduct by another member which you reasonably believe breaches this code of conduct;
- (d) not make vexatious, malicious or frivolous complaints against other members or anyone who works for or on behalf of your authority.

18.3.7 You must comply with any request of your authority's Monitoring Officer or the Public Services Ombudsman for Wales, in connection with an investigation conducted in accordance with their respective statutory powers.

18.3.8 You must not:

- (a) in your official capacity or otherwise, use or attempt to use your position improperly to confer on or secure for yourself, or any other person, an advantage or create or avoid for yourself, or any other person, a disadvantage;
- (b) use, or authorise others to use, the resources of your authority:
 - (i) imprudently;
 - (ii) in breach of your authority's requirements;
 - (iii) unlawfully;
 - (iv) other than in a manner which is calculated to facilitate, or to be conducive to, the discharge of the functions of the authority or of the office to which you have been elected or appointed;
- (v) improperly for political purposes; or
- (vi) improperly for private purposes.

18.3.9 You must:

(a) when participating in meetings or reaching decisions regarding the business of your authority, do so on the basis of the merits of the circumstances involved and in the public interest having regard to any relevant advice provided by your authority's officers, in particular by:

(i) the authority's head of paid service;

(ii) the authority's Head of Finance;

(iii) the authority's Monitoring Officer;

(iv) the authority's chief legal officer (who should be consulted when there is any doubt as to the authority's power to act, as to whether the action proposed lies within the policy framework agreed by the authority or where the legal consequences of action or failure to act by the authority might have important repercussions);

(b) give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed by your authority.

18.3.10 You must:

(a) observe the law and your authority's rules governing the claiming of expenses and allowances in connection with your duties as a member;

(b) avoid accepting from anyone gifts, hospitality (other than official hospitality, such as a civic reception or a working lunch duly authorised by your authority), material benefits or services for yourself or any person which might place you, or reasonably appear to place you, under an improper obligation.

18.4 INTERESTS

18.4.1 Personal Interests

(a) You must in all matters consider whether you have a personal interest, and whether this code of conduct requires you to disclose that interest.

(b) You must regard yourself as having a personal interest in any business of your authority if

(i) it relates to, or is likely to affect:

(A) any employment or business carried on by you;

(B) any person who employs or has appointed you, any firm in which you are a partner or any company for which you are a remunerated director;

(C) any person, other than your authority, who has made a payment to you in respect of your election or any expenses incurred by you in carrying out your duties as a member;

(D) any corporate body which has a place of business or land in your authority's area, and in which you have a beneficial interest in a class of securities of that body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital of that body;

(E) any contract for goods, services or works made between your authority and you or a firm in which you are a partner, a company of which you are a remunerated director, or a body of the description specified in sub-paragraph (D) above;

(F) any land in which you have a beneficial interest and which is in the area of your authority;

(G) any land where the landlord is your authority and the tenant is a firm in which you are a partner, a company of which you are a remunerated director, or a body of the description specified in sub-paragraph (D) above.

(H) any body to which you have been elected, appointed or nominated by the authority;

(I) any:

1. public authority or body exercising functions of a public nature;
2. company, industrial and provident society, charity or body directed to charitable purposes;
3. body whose principal purposes include the influence of public opinion or policy;
4. trade union or professional association; or
5. private club, society or association operating within your authority's area in which you have membership or hold a position of general control or management.

(J) any land in your authority's area in which you have a licence (alone or jointly with others) to occupy for 28 days or longer).

(iii) a decision upon it might reasonably be regarded as affecting:

(A) your well-being or financial position, or that of a person with whom you live, or any person with whom you have a close personal association;

(B) any employment or business carried on by persons as described in (A).

(C) any person who employs or has appointed such persons described in (A), any firm in which they are a partner, or any company of which they are directors;

(D) any corporate body in which persons as described in (A) have a beneficial interest in a class of securities exceeding the nominal value of £5,000, or

(E) any body listed in paragraphs 18.4.1(b)(i)(I)1 to 18.4.1(b)(i)(I)5 in which persons described in (A) hold a position of general control or management to a greater extent than the majority of:

1. in the case of an authority with electoral divisions or wards, other council tax payers, rate payers or inhabitants of the electoral division or ward, as the case may be, affected by the decision; or
2. in all other cases, other council tax payers, ratepayers or inhabitants of the authority's area.

18.4.2 Disclosure of Personal Interests

(a) Where you have a personal interest in any business of your authority and you attend a meeting at which that business is considered, you must disclose orally to that meeting the existence and nature of that interest before or at the commencement of that consideration, or when the interest becomes apparent.

(b) Where you have a personal interest in any business of your authority and you make:

(i) written representations (whether by letter, facsimile or some other form of electronic communication) to a member or officer of your authority regarding that business, you should include details of that interest in the written communication; or

(ii) oral representations (whether in person or some form of electronic communication) to a member or officer of your authority you should disclose the interest at the commencement of such representations, or when it becomes apparent to you that you have such an interest, and confirm the representations and interest in writing within 14 days of the representation.

(c) Subject to paragraph 18.4.5(a)(ii) below, where you have a personal interest in any business of your authority and you have made a decision in exercising a function of an executive or board, you must in relation to that business ensure that any written statement of that decision records the existence and nature of your interest.

(d) You must, in respect of a personal interest not previously disclosed before or immediately after the close of a meeting where the disclosure is made pursuant to

sub-paragraph 18.4.2(a) submit a written notice to the authority in accordance with any requirements identified by your authority's Monitoring Officer or in relation to a community council your authority's proper officer from time to time, but as a minimum containing:

(i) details of the personal interest;

(ii) details of the business to which the personal interests relates;

and

(iii) your signature.

(e) Where you have agreement from your monitoring officer that the information relating to your personal interest is sensitive information, pursuant to paragraph 18.5.2(a), your obligations under paragraph 18.4.2 to disclose such information, whether orally or in writing, are to be replaced with an obligation to disclose the existence of a personal interest and to confirm that your Monitoring Officer has agreed that the nature of such personal interest is sensitive information.

(f) For the purpose of paragraph (d), a personal interest will only be deemed to have been previously disclosed if written notification has been provided in accordance with this code since the last date on which you were elected, appointed or nominated as a member of your authority.

(g) For the purposes of sub-paragraph (c) where no written notice is provided in accordance with the paragraph you will be deemed as not to have declared a personal interest in accordance with this code.

18.4.3 Prejudicial Interests

(a) Subject to sub-paragraph (b) below, where you have a personal interest in any business of your authority, you also have a prejudicial interest in that business if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest.

(b) Subject to paragraph (c), you will not be regarded as having a prejudicial interest in any business where that business:-

(i) relates to:

(A) another relevant authority of which you are also a member;

(B) another public authority or body exercising functions of a public nature in which you hold a position of general control or management;

(C) a body to which you have been elected, appointed or nominated by your authority;

(D) your role as a school governor (where not appointed or nominated by your authority) unless it relates particularly to the school of which you are a governor;

(E) your role as a member of the Local Health Board where you have not been appointed or nominated by your authority;

(ii) relates to:

(A) the housing functions of your authority where you hold a tenancy or lease with your authority, provided that you do not have arrears of rent with your authority of more than two months and provided that those functions do not relates particularly to your tenancy or lease;

(B) the functions of your authority in respect of school meals, transport and travelling expenses, where you are a guardian, parent, grandparent or have parental responsibility (as defined in section 3 of the Children Act 1989) of a child in full time education, unless it relates

particularly to the school which the child attends;

(C) the functions of your authority in respect of statutory sick pay under Part XI of the Social Security Contribution and Benefits Act 1992, where you are receipt of, or are entitled to the receipt of such pay from your authority;

(D) the functions of your authority in respect of an allowance or payment made in accordance with the provisions of Part 8 of the Local Government (Wales) Measure 2011, or an allowance or pension provided under section 18 of the Local Government and Housing Act 1989;

(iii) your role as a community councillor in relation to a grant, loan or other form of financial assistance made by your community council to community or voluntary organisations up to a maximum of £500.

(c) The exemptions in sub-paragraph 18.4.3.(b)(i) do not apply where the business relates to the determination of any approval, consent, licence, permission or registration.

18.4.4 Overview and Scrutiny Committees

You also have a prejudicial interest in any business before an Overview and Scrutiny Committee of your authority (or of a sub-committee of such a committee) where:

(a) that business relates to a decision made (whether implemented or not) or action taken by your authority's executive, board or another of your authority's committees, sub-committees, joint committees or joint sub-committees; and

(b) at the time the decision was made or action was taken, you were a member of the executive, board, committee, sub-committee, joint committee or joint sub-committee mentioned in sub-paragraph (a) and you were present when that decision was made or action was taken.

18.4.5 Participation in relation to Disclosed Interests

(a) Subject to paragraphs (b), (c) and (d), where you have a prejudicial interest in any business of your authority you must, unless you have obtained a dispensation from your authority's standard committee:

(i) withdraw from the room, chamber or place where a meeting considering the business is being held -

(A) where sub-paragraph (b) applies, immediately after the period for making representations, answering questions or giving evidence relating to the business has ended and in any event before further consideration of the business begins, whether or not the public are allowed to remain in attendance for such consideration; or

(B) in any other case, whenever it becomes apparent that that business is being considered at that meeting;

(ii) not exercise executive or board functions in relation to that business;

(iii) not seek to influence a decision about that business;

(iv) not make any written representations (whether by letter, facsimile or some other form of electronic communication) in relation to that business; and

(v) not make any oral representations (whether in person or some form of electronic communication) in respect of that business or immediately cease to make such oral representations when the prejudicial interest becomes apparent.

(b) Where you have a prejudicial interest in any business of your authority you making representations, answering questions or giving evidence relating to the business provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

(c) Where you have a prejudicial interest in any business of your authority you may submit written representations to a meeting relating to that business, provided that

the public are allowed to attend the meeting for the purpose of making representations, answering questions or giving evidence relating to the business, whether under a statutory right or otherwise.

(ch) Where you have a prejudicial interest in any business of your authority you may submit written representations to a meeting relating to that business, provided that the public are allowed to attend the meeting for the purpose of making representations, answering questions or giving evidence relating to the business, whether under a statutory right or otherwise. When submitting written representations under sub-paragraph (c) you must comply with any procedure that your authority may adopt for the submission of such representations.

(c) Sub-paragraph (a) does not prevent you attending and participating in a meeting if:

(i) you are required to attend a meeting of an overview or scrutiny committee by such committee exercising its statutory powers;

or

(ii) you have the benefit of a dispensation provided that you -

(A) state at the meeting that you are relying on the dispensation; and

(B) before or immediately after the close of the meeting give written notification to your authority containing -

1. details of the prejudicial interest;

2. details of the business to which the prejudicial interest relates;

3. details of, and the date on which, the dispensation was granted; and

4. your signature.

(d) Where you have a prejudicial interest and are making written or oral representations to your authority in reliance upon a dispensation you must provide details of the dispensation within any such written or oral representation and, in the latter case, provide written notification

to your authority within 24 days of making the representation.

18.5 THE REGISTER OF MEMBERS' INTERESTS

18.5.1 Registration of Financial and Other Interests and Memberships and Management Positions

(a) Subject to sub-paragraph(c) you must within 28 days of

(i) your authority's code of conduct being adopted or the mandatory provisions of this model code being applied to your authority; or

(ii) your election or appointment to office (if that is later) register your personal interests, where they fall within a category mentioned in paragraph 18.4.1(b)(i), in your authority's register of members' interests by providing written notification to your authority's monitoring officer.

(b) Subject to sub-paragraph (4), you must, within 28 days of becoming aware of any new personal interest falling within a category mentioned in paragraph 10(2)(a), register that new personal interest in your authority's register of members' interests by providing written notification to your authority's monitoring officer.

(c) Subject to sub-paragraph (4), you must, within 28 days of becoming aware of any change to a registered personal interest falling within a category mentioned in paragraph 10(2) (a), register that change in your authority's register of members' interests by providing written notification to your authority's monitoring officer, or in the case of a community council to your authority's proper officer.

(d) Sub-paragraphs (1), (2) and (3) do not apply to sensitive information determined in accordance with paragraph 18.5.2(a).

(e) Sub-paragraphs (1) and (2) do not apply if you are a member of a relevant authority which is community council when you act in your capacity as a member of such an authority.

(f) You must, when disclosing a personal interest in accordance with paragraph 11 for the first time, register that personal interest in your authority's register of members' interests by providing written notification to your authority's monitoring officer, or in the case of a community council to your authority's proper officer."

18.5.2 Sensitive Information

(a) When you consider that the information relating to any of your personal interests is sensitive information and your authority's monitoring officer agrees, you need not include that information may attend a meeting but only for the purpose of when registering that interest, or as the case may be a change to the interest under paragraph 18.5.1.

(b) You must, within 28 days of becoming aware of any change of circumstances which means that information excluded under subparagraph (a) is no longer sensitive information, notify your authority's monitoring officer or, in relation to a community council your authority's proper officer asking that the information be included in your authority's register of members' interests.

(c) In this code, 'sensitive information' means information whose availability for inspection by the public creates, or is likely to create, a serious risk that you or a person who lives with you may be subjected to violence or intimidation.

18.5.3 Registration of Gifts and Hospitality

You must within 28 days of being offered any gift, hospitality, material benefit or advantage above the value of £25, provide written notification to your authority's monitoring officer in relation to a community council your authority's proper officer of the existence and nature of that gift, hospitality, material benefit or advantage. You must register any such offer whether you accept it or not.

APPENDIX 1 THE GWYNEDD STANDARD

This document explains the standard of conduct expected from Gwynedd Council's councillors in dealing with each other. It should be read in conjunction with the Members Code of Conduct and the Protocol Member-Officer Relations. It adds to those documents and not detract from them.

Gwynedd Council members are expected to:-

Public behaviour:

- Show respect to each other
- Not make personal abusive comments about each other.
- Not publish anything insulting about each other.
- Not make malicious allegations against each other.
- Not publish or spread any false information about each other.
- Show respect to diversity and equality.

Behaviour in committees:

- Behave with dignity in the Chamber.
- Show respect to the Chairman and obey his decisions.
- Not use indecent language nor make racial remarks or remarks which prejudice any section of society.
- Confidentiality:
- Keep the confidentiality of exempt papers and any other documents which are not public.
- Not release confidential information to the press or the public.
- Return confidential papers.
- Not use confidential information for purposes other than intended.

Local members

- Work with members of adjoining wards for the benefit of the locality.
- If dealing with any matter relating to another ward
- Explain to anyone seeking assistance that he/she is not the local member
- Inform the local member, unless it would lead to a breach of confidentiality

APPENDIX 2 GWYNEDD COUNCIL LOCAL RESOLUTION PROCEDURE

A PROCEDURE FOR DEALING WITH ALLEGATIONS THAT A MEMBER HAS BREACHED THE MEMBER-OFFICER RELATIONS PROTOCOL OR THE GWYNEDD STANDARD

INTRODUCTION

1. The Protocol for Member-Officer Relations is an important tool to promote good cooperation between members and officers within the Council and thereby allow the council to fulfil its duties effectively and professionally. In the same vein the Council has adopted the Gwynedd Standard in order to promote and maintain high standards of conduct amongst members. It is therefore important that any allegations against a member that he/she has breached the protocol or the Standard can be dealt with quickly and effectively. The purpose of this procedure is to introduce a simple and easy to understand method of dealing with such allegations.

STAGE 1 OF THE PROCEDURE

2. Anyone who wishes to submit an allegation under this procedure should send the complaint (in the case of an officer following consultation with the Head of Department) to the Monitoring Officer. Following receipt of the complaint the Monitoring Officer will act as follows:-

3. In the first place a brief preliminary investigation will be held to establish the facts (where possible) and the areas of dispute. Possible resolutions will be explored with the complainant and the member about whom the complaint is made to establish whether the complaint can be resolved quickly. At this stage the complainant will also be advised whether another course of action (e.g. referral to the Ombudsman) is more appropriate. This stage may be undertaken by the Monitoring Officer personally or by another officer appointed by him.

4. If following the first stage the complainant wishes to proceed with the allegation under this procedure the matter may be referred either to a conciliation meeting under Stage 2 or to a hearing by the Standards Committee under Stage 3.

STAGE 2 OF THE PROCEDURE.

5. At Stage 2 a meeting will be held between the person making the complaint, the member against whom the complaint is made, the Monitoring Officer and (if deemed appropriate) other persons invited by the Monitoring Officer. Such persons could include, but are not limited to, the Chief Executive and the Group Leader of the relevant political group(s). It is possible for an officer to have a colleague or senior officer from the department with him/her. It is also possible for the matter to be dealt with in the officer's absence in exceptional cases. The purpose of this meeting will be to try and resolve the matter without it going further.

STAGE 3 OF THE PROCEDURE.

6. The third Stage is a hearing before the Standard Committee. The person making the complaint will be asked to submit the substance of the complaint in writing and the member concerned will be asked for a written response. These papers, together

with any additional written evidence that is submitted by either side will be distributed to the members of the Standards Committee.

7. Both the person making the complaint and the member who is the subject of the complaint have the right to appear before the Standards Committee and to submit evidence from witnesses. Written witness evidence alone will not be accepted without the consent of the other side. Both sides will have the right to representation or to have a colleague present. The Council will not meet the costs of representations.

8. If either side wishes not to be present or fails to attend, the hearing may be held in their absence.

9. After the evidence has been heard, both sides and their representatives will be asked to leave the chamber and the Standards Committee will come to a conclusion on the allegation. The Monitoring Officer or his representative will be available to advise the Committee.

10. The Committee can come to one of three conclusions, namely:-

a) That there is basis to the complaint

b) That there is a basis to the complaint but that no further action is required.

c) That there is a basis to the complaint and that the member should be censured.

In addition the Committee can make recommendations to the Council regarding changing any procedures or taking any further action.

SUPPLEMENTARY MATTERS.

11. Publicity will not be given to the names of the parties unless it is decided to uphold the complaint. The hearing before the Standards Committee will be exempt.

12. Stages 2 and 3 do not have to be following sequentially. Although it is possible for a complainant who remains dissatisfied after the conciliation meeting to ask for the matter to be referred to a hearing before the Standards Committee, it is also possible for a matter to proceed directly to the Standards Committee without going first to a conciliation meeting. The member may offer an apology at any time up to the hearing but if a hearing has been arranged and the complainant decides that he/she does not wish to proceed with the complaint the consent of the Chair of the Standards Committee is required to cancel the hearing.

13. The aim of this procedure is to try and resolve complaints regarding members quickly and effectively. Nothing in this procedure prevents anyone from submitting a complaint to the public services ombudsman for wales that a member has breached the members' code of conduct. The ombudsman could, if he is of the opinion that there is a case to answer, refer the matter to the standards committee or the adjudication panel for wales which has the power to disqualify members for up to 5 years.

SECTION 20**20. CODE OF CONDUCT FOR EMPLOYEES****20.1 General Principles**

The public is entitled to expect the highest standards of conduct from all qualifying employees of relevant authorities. The role of such employees is to serve their employing authority in providing advice, implementing its policies, and delivering services to the local community. In performing their duties, they must act with integrity, honesty, impartiality and objectivity.

20.2 Accountability

Qualifying employees of relevant authorities work for their employing authority and serve the whole of that authority. They are accountable to, and owe a duty to that authority. They must act in accordance with the principles set out in this Code, recognising the duty of all public sector employees to discharge public functions reasonably and according to the law.

20.3 Political Neutrality

Qualifying employees of relevant authorities, whether or not politically restricted^[3], must follow every lawfully expressed policy of the authority and must not allow their own personal or political opinions to interfere with their work. Where qualifying employees are politically restricted (by reason of the post they hold, the nature of the work they do, or the salary they are paid), they must comply with any statutory restrictions on their political activities.

20.4 Relations with Members, the Public and Other Employees

Mutual respect between qualifying employees and members is essential to good local government, and working relationships should be kept on a professional basis. Qualifying employees of relevant authorities should deal with the public, members and other employees sympathetically, efficiently, and without bias.

20.5 Equality

Qualifying employees of relevant authorities must comply with policies relating to equality issues, as agreed by the authority, in addition to the requirements of the law.

20.6 Stewardship

Qualifying employees of relevant authorities must ensure that they use public funds entrusted to them in a responsible and lawful manner, and must not utilise property, vehicles or other facilities of the authority for personal use unless authorised to do so.

20.7 Personal Interests

Whilst qualifying employees' private lives are their own concern, they must not allow their private interests to conflict with their public duty. They must not misuse their official position or information acquired in the course of their employment to further their private interests, or the interests of others. In particular, they must comply with:

20.7.1 any rules of their relevant authority on the registration and declaration by employees of financial and non-financial interests;

20.7.2 any rules of their relevant authority on the declaration by employees of hospitality or gifts offered to or received by them, from any person or organisation doing or seeking to do business, or otherwise benefiting or seeking to benefit from a relationship with the authority. Qualifying employees must not accept benefits from a third party unless authorised to do so by their relevant authority.

20.8 Whistleblowing

In the event that a qualifying employee becomes aware of activities which that employee believes to be illegal, improper, unethical or otherwise inconsistent with this Code, the employee should report the matter, acting in accordance with the employee's rights under the Public Interest Disclosure Act 1998, and with the relevant authority's confidential reporting procedure, or any other procedure designed for this purpose.

20.9 Treatment of Information

Openness in the dissemination of information and decision making should be the norm in relevant authorities. However, certain information may be confidential or sensitive and therefore not appropriate for a wide audience. Where confidentiality is necessary to protect the privacy or other rights of individuals or bodies, information should not be released to anyone other than a member, relevant authority employee or other person who is entitled to receive it, or needs to have access to it for the proper discharge of their functions. Nothing in this Code can be taken as overriding existing statutory or common law obligations to keep certain information confidential, or to divulge certain information.

20.10 Appointment of Staff

Qualifying employees of relevant authorities involved in the recruitment and appointment of staff must ensure that appointments are made on the basis of merit. In order to avoid any possible accusation of bias, such employees must not be involved in any appointment, or any other decisions relating to discipline, promotion or pay and conditions for any other employee, or prospective employee, to whom they are related, or with whom they have a close personal relationship outside work.

20.11 Investigations by Monitoring Officers

Where a monitoring officer is undertaking an investigation in accordance with regulations made under section 73(1) of the Local Government Act 2000 a qualifying employee must comply with any requirement made by that monitoring officer in connection with such an investigation.

Agenda Item 8

| | |
|-----------------|--|
| MEETING: | PENSION BOARD |
| DATE: | 5 APRIL 2017 |
| TITLE: | BOARD REPORT FOR THE PENSION FUND ANNUAL REPORT |
| PURPOSE: | To enable members of the Board to contribute to the report. |
| RECOMMENDATION: | To agree matters to be included in the report and a timetable to produce the document |
| AUTHOR: | CAROLINE ROBERTS, INVESTMENT MANAGER |

1. INTRODUCTION

The Pension Fund Annual Report 2015/16 included a report from the Pension Board. A copy of that report is attached as Appendix A. A Pension Board report will be included in the 2016/17 Annual Report.

2. CONTENTS OF THE PENSION BOARD REPORT

Last year the report was written by the Chair of the Board as the timing of the first meeting of the Board on 29 June 2016 and the timetable for publication of the report in July 2016 did not allow sufficient time for discussion at a meeting.

3. ROLE OF THE BOARD

The Board is invited to contribute to the content of the Pension Board report for the 2016/17 Annual Report. A draft version of the Report can then be circulated for comments or brought to the next meeting for approval.

3. Annual Report of the Gwynedd Pension Board for the year to 30th June 2016

3.1 Background / Constitution

The Board was constituted under the Public Services Pensions Act 2013 and held its first meeting on 13th July 2015. The membership consists of three members representing scheme employers and three representing scheme members, including one retired member.

Over the period between 13th July 2015 and 30th June 2016 the Board has met four times with individual attendances available. Board members are invited as observers to meetings of the Pensions Committee and have agreed to take this role in turn in order to facilitate understanding as well as communication. This arrangement is reciprocated with the Chair of the Pensions Committee now attending Board meetings in an observer capacity. The Board has asked for its views and recommendations to be presented formally to the Committee as necessary.

3.2 Function of the Board

In terms of legislation the two primary functions of the Local Pension Board are to assist the Administering Authority to:

- i. Ensure effective and efficient governance and administration of the LGPS
- ii. Ensure compliance with relevant laws and regulation

It is therefore not a decision making body but there to monitor, assist and review. The Board operates under Terms of Reference agreed by Gwynedd Council on 5th March 2015. It is supported by the Council's member support and scrutiny officer and reports are prepared and presented by officers including Head of Finance, Investment Manager, Pensions Manager and Communications Manager.

3.3 The Work of the Board

The establishment of the Board has coincided with a period of greater pressure on the Administering Authority's senior staff with the Authority having to respond by February 2016 to the DCLG on the consultation documents on the proposed pooling of LGPS investments and a revised Investment and Management of Funds regulations. The Board was aware, therefore, of not over commissioning reports from senior staff at this period. The Board recognised the need to prioritise.

Work Plan

The agendas for the first meetings emerged as the Board took on information, scanned statutory documents, the reports of the Pensions Committee and compliance requirements.

The work plan agreed in the first meeting included:

- The Gwynedd Pension Fund Annual Report
- Pension Committee reports
- Wales Audit Office and Internal Audit recommendations
- Administration of the Pension Fund and the Role of the Administration Unit
- The Investment Portfolio
- Communication with members and employers
- Pooling Investments

A number of key points were suggested regarding the Investment Portfolio and it was agreed that the Pension Board would receive:

- Quarterly Performance Data
- An overview report of performance to monitor 3-5 year trends

It was also recommended that the Pension Committee set a specific time period for reviewing the performance of investment managers.

Whilst looking at communication with employers and the role of the administration unit some issues were raised regarding communication with some parties and the ability to receive data for some organisations on time to be able to prepare the annual pension statements. This seems to now be resolved.

The work plan for 2016/2017 will also include:-

- Developments in pooling
- Investments
- The Triennial Valuation
- Audit and Risk Management
- Further Training

There will be a need to have a degree of flexibility to allow for any reviews by the SAB or the Pensions Regulator and in particular the role of the Boards in pooling arrangements.

3.4 Training

Each Board Member was provided with the details of the Fund and its administration with presentations made by the Investment Manager and Communications Manager.

At the first meeting in July 2015, a preliminary session was held with Mr Stephen Lee of Investec focussing on the role and responsibility of the Board. In September 2015, Board members were invited to the Fund's Annual General Meeting and some of the members went to the presentation on the Triennial Valuation methodology.

In the Autumn of 2015, 4 members of the Board completed the 3 day LGPS Trustee Fundamentals training course and the remaining members will take part in 2016. All members now have access to the Pensions Toolkit on line.

The Chair and a member representative joined two members of the Committee and the Pensions Manager at the Annual Local Government Association LGPS Trustees Conference which provided a high level perspective on the issues facing Pension Authorities in the future.

3.5 Thanks

The Chair wishes to thank fellow Board members who have volunteered their time to the new roles and particular thanks also to the officers for their openness.

MEETING: **PENSION BOARD**

DATE: **5 APRIL 2017**

TITLE: **BOARD MEMBERSHIP**

PURPOSE: **To appoint a new member to the Board.**

AUTHOR: **CAROLINE ROBERTS, INVESTMENT MANAGER**

1. INTRODUCTION

Members of the Board are aware that Victoria Hallaron, who represents employees on the Board, has been unable to attend meetings recently. She now has a different post in Cartrefi Cymunedol Gwynedd and has resigned from the Board.

2. APPOINTMENT OF CURRENT MEMBERS OF THE BOARD

When the Board was formed the following process was used:

- an e-mail was sent to each employer asking them to send messages to all staff (by e-mail) offering them the opportunity to sit on the Board.
- posters were made to put in employers' offices .
- messages were included on employee pay slips.

As the timetable for setting up the Board was tight it was not possible to advertise in the Daily Post.

Following the deadline for applications a panel of officers interviewed the applicants and made the appointments.

3. APPOINTMENT OF NEW MEMBER

The appointment will follow the same process and will include an advertisement in the Daily Post.

The Board may wish to consider the option of a member of the Board on the interview panel.

Agenda Item 10

| | |
|-----------------|--|
| MEETING: | PENSION BOARD |
| DATE: | 5 APRIL 2017 |
| TITLE: | WORK PLAN |
| PURPOSE: | To update the Pension Board work programme for the year |
| RECOMMENDATION: | AGREE A WORK PLAN |
| AUTHOR: | CAROLINE ROBERTS, INVESTMENT MANAGER |

1. Introduction

The development of a work programme for future meetings was started at the meeting of the Pension Board last December when items were prioritised for future meetings.

2. Amended Work Programme

The work programme below has been amended and updated following consideration by the Board in previous meetings and matters arising.

WORK PROGRAMME

06/07/17

- Draft Annual Report – narrative
- Final Annual Board Report to agree
- Update on investment pooling

07/12/17

- Ethical Investments
- The Board's (future) Governance Procedure – what were the Government's considerations to this end.

15/02/18

- Update on investment pooling

12/04/18

- Treasury Management Strategy

Matters that arise during the year can be added to the programme as required, as is the case with the items on this agenda regarding the recent consultations on pooling and investment regulations.

3. Recommendation

The Board is asked to consider the above programme and suggest any additions or changes if required.