

---

## PENSION BOARD 13/03/19

---

**Present:** Anthony Deakin (Cartrefi Conwy) (Chair), Councillor Aled Evans (Gwynedd Council), H. Eifion Jones (Scheme Members' Representative), Osian Richards (Scheme Members' Representative), Huw Trainor (North Wales Police) and Sharon Warnes (Scheme Members' Representative).

**Others invited:** Councillor John Pughe Roberts (Chair of the Pensions Committee).

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

### 1. APOLOGIES

An apology was received from Councillor John Pughe Roberts, (Chair of the Pensions Committee). The Members wished to send their best wishes to Councillor John Pughe Roberts and his partner, Rhian, who was currently receiving treatment at Swansea hospital.

### 2. DECLARATION OF PERSONAL INTEREST

None to note

### 3. URGENT ITEMS

None to note

### 4. MINUTES

The Chair signed the minutes of the meeting of this committee, held on 13 December 2018, as a true record.

### 5. MINUTES OF PENSIONS COMMITTEE

The minutes of the Pensions Committee held on 21 January 2019, were accepted for information.

**Loan Security:**

It was noted that Mr Hywel Eifion Jones had asked about limiting the relevant investment sum of the Fund, and whether a maximum had been set. It was noted that the question would be asked at the Wales Pension Partnership Joint Committee on 27.3.19.

**The Scheme's Advisory Board: Managing Costs**

In response to the proposed recommendations of the Scheme's Advisory Board that would return the total cost of the scheme to its target cost of 19.5%, the

Members agreed with the observations of the Pensions Committee, and noted that the scheme had to be affordable to everyone. It was reiterated that the McCloud case had now slowed the process down, and that the national LGPS Advisory Board would reconsider following the outcome of the case.

**Staffing of Pensions Administration Unit:**

In response to the information regarding restructuring the administration unit, the fact that there were no cuts to the Administration of the Pension Fund was welcomed, and a clear understanding was appreciated here in Gwynedd that the Fund and the Administration Authority's budget would be separately funded to the Council budget.

**6. TRANSFER OF INVESTMENTS TO THE WELSH POOL**

Submitted - a report informing the members of the Gwynedd Fund's equity portfolio transfer to the new funds of Wales Partnership. Equal sums were transferred into two funds in January 2019,

- LF Wales PP Global Growth Fund (Class A Income)  
(Baillie Gifford, Veritas a Pzena)
- LF Wales PP Global Opportunities Equity Fund (Class A Income)  
(Morgan Stanley, Numeric, Sanders, Jacobs Levy, SW Mitchell, NWG and Oaktree)

It was reiterated that the exercise had been easy, with investments to both funds keeping their value during the transfer.

It was reported that the Ministry for Housing, Communities and Local Government from the Westminster Government was conducting a consultation on Partnership management and administration guidelines. It was highlighted that the response of the Wales Partnership was being prepared and would be discussed finally at the next meeting of the Wales Pension Partnership Joint Committee on 27.3.19. The Head of Finance Department suggested that, if practical to do so, the final draft response be shared with the Chair and the Board Members, so that their observations could have been received before the full response was submitted to the Government on 28.3.19.

In response to a question regarding reviewing the investment performance, it was noted that this was premature and that reporting and performance arrangements would be discussed with Link and Russell Investments at the Partnership's meeting soon. In the context of fees paid, it was confirmed that the fees of the basic asset management companies would be smaller under the new system; however, of course, Link and Russell's management fees would need to be paid.

In response to a question regarding the timetable of the transfers, it was noted that the fixed income asset category would be the next transfer in Gwynedd in summer 2019. It was reiterated that discussions had already been held at the Investment Panel about these transfers, and that interest had been expressed in two Wales Pension Partnership sub-funds.

In the context of equity in specific regions, it was explained that the Gwynedd Pension Fund did not have specific separate mandates for these regions, but that Gwynedd equity investments in development market regions would be likely to transfer in autumn 2019.

Regarding the impact of the transfers on staff workload, it was noted that the next major challenge for the services would be to close the 2018/29 accounts in April / May.

**RESOLVED to note the information.**

## **7. PENSION BOARD CHAIR DRAFT REPORT FOR 2018/19 FOR GWYNEDD PENSION FUND'S ANNUAL GENERAL REPORT**

The Chair of the Pension Board's initial draft report for 2018/19 was submitted, inviting the Members to contribute additions or amendments to the report. It was explained that the layout of the report corresponded to the 2017/18 report, and offered factual statements that reflected the subjects discussed during the 2018/19 year.

Additions and amendments to the draft, arising from the discussion:

- That the report needed to reflect positive pro-active practice
- It would be sensible to compare with the reports of other funds
- With regard to the 'survey of arrangements', the opinion needed to be highlighted in addition to the response only
- Staff succession, risk matters and employers' costs had been matters that the Board had highlighted for the Committee to act upon.

**RESOLVED to accept the report subject to including the above observations.**

## **8. LAPFF CONFERENCE**

H. Eifion Jones noted that he had attended the Local Authority Pension Fund Forum's Annual Conference in Bournemouth on 5-7 December 2018, and that he had sent a copy of the PowerPoint presentations from the conference to the Head of Finance and the Chair. The Head of Finance Department added that he had received the presentations along with an e-mail from Hymans enclosing a report summarising the presentations at the Bournemouth conference, and that he would forward this to the members.

## **9. 2019/2020 AMENDED WORK PROGRAMME**

A draft work programme was submitted by the Communication and Systems Team Leader, including matters and items for discussion during the year.

Observations and suggestions arising from the discussion:

- An update on investing and administration to appear every other meeting
- Matters arising from the Pensions Committee to be a standing item
- Risk Register as a standing item, in accordance with a suggestion from CIPFA that this was good practice. Propose the item to report on changes only, not to open a discussion on any element.
- That Officers would be expected to report on technical breach to the following Board meeting, should one arise
- A suggestion to hold a discussion on engagement with young people / promote the benefit of the fund
- That an update on the McCloud case would likely have an impact on the fund's work and discussions during the year
- Matters from the LGPS Governance Conference (January 2020) to be

discussed at the Board meeting in March 2020.

- Meeting dates to be confirmed

**RESOLVED to note the information and amend the work programme according to the observations.**

The meeting commenced at 14:00 and concluded at 15:35pm

---

**CHAIRMAN**