

GWYNEDD PENSIONS FUND ANNUAL MEETING BETWEEN MEMBERS OF GWYNEDD COUNCIL'S PENSION COMMITTEE AND REPRESENTATIVES OF THE EMPLOYERS AND UNIONS 24/11/25

Present:

Members of the Pensions Committee

Councillors: Stephen Churchman, John Brynmor Hughes, Elin Hywel, John Pughe Roberts, Geraint Parry, Ioan Thomas, Goronwy Edwards (Conwy County Borough Council Representative) and Robin Williams (Isle of Anglesey Council Representative)

Members of the Pension Board

Sioned Parry (Chair of the Pension Board), Tony Deakin, Eifion Jones, Osian Richards and Roland Thomas

Employers' Representatives:

Richard Jones - (Holyhead Town Council), Marc Jones (Isle of Anglesey County Council), Huw Jones (Conwy Borough County Council), Tracey Pardoe (Conwy Borough County Council), Iwan Hywel (Menter Iaith Gwynedd), Peter Lewis (Cartrefi Conwy), Rhys Parry (Adra), Heledd Owens (Adra), Gwawr Francis (Medrwn Môn), Gina Galluccio (Eryri National Park) and Gavin Jones (Careers Wales)

Others:

Councillor Gareth Williams, Councillor Delyth Lloyd Griffiths and Alys Wardle – Divest Gwynedd

Staff Serving the Fund (Cyngor Gwynedd):

Dewi Morgan (Head of Finance), Ffion Madog Evans (Assistant Head of Finance - Accounting and Pensions), Delyth Jones-Thomas (Investment Manager), Meirion Jones (Pensions Manager), Glesni Owen (Senior Communications Officer (Pensions), Marina Parry-Owen (Pensions and Investments Officer), Sara Jane Jones (Senior Accountant) and Lowri Haf Evans (Democracy Services Officer)

1. ELECT CHAIR

RESOLVED to elect Councillor Elin Hywel as Chair of the meeting.

2. APOLOGIES

Apologies were received from Cllr Richard M Hughes (Pensions Committee Member - Cyngor Gwynedd), Ned Michael (Pension Board Member - Isle of Anglesey Council), (Sue Hill (ABM Catering), Sally Williams (Conwy Borough County Council Salaries), Lyndsey Campbell-Williams (Medrwn Môn), Caren Byron (Careers Wales), Nia Murray (Eryri), Nikki Lawrence (Careers Wales), Karen Nelson (Grŵp Llandrillo Menai),

Rebecca Moss (Menter Môn), Clerk to Bangor City Council, Diana Burns (Conwy Borough County Council), Gemma Browes (Cartrefi Conwy), Sian Owen (Eryri), Alwen Williams (Ambition Board), Sioned Morgan Thomas (Menter Môn), Ffion Griffiths (Menter Môn), Kate Jackson (North Wales Police) and Amanda Hughes (Conwy County Borough Council)

3. DECLARATION OF PERSONAL INTEREST

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

4. URGENT BUSINESS

None to note

5. GWYNEDD PENSION FUND ANNUAL REPORT 2024/2025

Everyone was welcomed to the annual meeting of the Pension Fund.

The Head of Finance introduced the Fund Officers along with Pensions Committee Members and Pensions Board Members to everyone. He referred briefly to the main responsibilities of the Committee including its role as 'Quasi-trustees' to the Fund, determining the general policy objectives, strategy and operation of the Fund in accordance with relevant legislation. He added that they also determined the strategy for investing the Pension Fund's money and monitored and reviewed investment arrangements. He referred to the Committee's work during 2024/25 and it was noted that the reports and minutes of the Committee's meetings could be found on the Council's website.

Referring to the work of the Pension Board (the membership included three member representatives and three employer representatives), it was explained that the Board was an oversight body and although the Board had no decision-making powers it would oversee the operation of the Fund ensuring that it met the legal and administrative requirements.

Reference was made to the Board's work during 2024/25 and it was noted that the reports and minutes of the Pension Board meetings could be found on the Council's website.

Pensions Administration:

The Pensions Manager referred to the main duties of the Administrative Unit presenting the Fund's statistics for 2024/25 and the performance of the Unit.

Reporting on 'My Pension Online' it was noted that the system remained a popular and practical resource. The system had been significantly upgraded in April 2024 with all existing users required to re-register. This, along with the introduction of a new, modern platform and design, had strengthened engagement with members' needs and expanded usability. During 2024 – 2025, around eight thousand had registered with the new portal and the number continued to steadily increase every month.

He drew attention to the Members' Satisfaction Survey which was sent out to all Fund members at the end of each process, e.g. retirements and payment of backpayments, for members to give their opinion on the quality of the service received and on the service provided by the department's staff. It was reported that over 96% of members

either strongly agreed or agreed that the quality of the service was high, and that 95% of users strongly agreed or agreed that the quality of the service provided by the staff was high. In order to achieve these high scores, it was noted that the employers' cooperation was crucial, and he thanked the employers for their readiness to provide the information promptly and for their commitment to using the i-connect system that reconciled the data.

The Pension Fund Administrative Unit's priorities for 2025-26 were to continue to update and expand the website, continue to develop process automation and improve correspondence, scan paper files in the office to become a paperless office, continue to update records for the McCloud and Pensions Dashboard projects and reduce the number of 'leave undecided' records, namely members who had left the scheme but whose record had not been closed.

2025 Valuation of the Fund

It was reported that the valuation of LPGA funds assessed whether each pension fund had sufficient assets to pay pensions in the future. The valuation was conducted every three years and helped determine employer contribution rates based on funding levels. It was highlighted that the 2025 valuation was currently being carried out in order to calculate employer contribution rates for 2026/27, 2027/28 and 2028/29. The results of the draft valuation had been shared with employers in October. The new rate would come into force on 1 April 2026.

Investment Performance

The Investment Manager presented details of the value of the Fund noting that its value had increased steadily over the last 10 years and now in 2025, was just over £3 billion. It was reported that the increase was down to returns along with the Fund's performance against the benchmark every quarter over the years. It was reported that this had been a volatile year, with performance below the benchmark in two of the quarters, and above the benchmark in another two. It was reiterated that the Fund's performance followed a cyclical pattern and followed market performance which was also fluctuating. In the context of performance against the benchmark it was noted that the year's performance had been 5.1% and was responsible for stabilising the value of the Fund well above the £3 billion threshold. It was clarified that while this was behind the benchmark of 6.9%, the underperformance was common to all LGPS funds with the average return being 3.4%, so there was no doubt that the benchmark set was challenging. However, it was noted that it was not a matter of concern as the Fund's trend was long-term investment.

Reference was made to charts highlighting the performance of the Fund over a 30-year period and its performance against all local government funds (86 in total). It was reported that Gwynedd Fund's returns had been in line with the long-term average and well above the short and medium term averages. In terms of ranking, and performance over the last 3 years, it was highlighted that the Gwynedd Fund, while behind the benchmark, was in 10th place of all pension funds in England and Wales, and over 5 years, it was in 5th place.

Collaboration in Wales

When discussing the Wales Pension Partnership (WPP), it was reported that the collaboration had continued to be successful since its inception in 2017. It was noted that the success of the Partnership was measured not only by pooling investments, but by sharing good practice, improving governance documents, responding to joint requests, and offering great training sessions on a quarterly basis where officers, Board members and the Committee could attend.

87% of the Gwynedd Pension Fund was now pooled with the Partnership – equity and fixed income investments were the first to be pooled, but during 2024/25 the focus had been on the alternative investments of infrastructure, private equity and private debt. These funds had been launched at the end of the 2023/24 financial year, which as a result, had gradually increased the pooling percentage. It was reiterated that work was also taking place within the property sector, with these funds expected to launch in 2025/26 with the option of investing in areas that made a difference e.g. social housing etc., leading to another exciting year in the Partnership.

Responsible Investment

It was noted that the Fund's responsible investment policy had been approved in March 2022. The policy took into account factors such as legal guidance, investment beliefs, engagement, disclosure and reporting; it was intended to review the policy during the next financial year following the outcome of the 2025 valuation. It was reiterated that the Gwynedd Pension Fund had committed to invest £10m in a wind turbines project in Wales; £34.5m to a sustainable infrastructure fund; £270m to a sustainable equity fund; and recently to the Black Rock Equity Fund (dedicated to Welsh pension funds) which was a fund tailored to invest in the low carbon transition (in line with the Strategy, with climate and sustainability objectives in place).

It was explained that WPP had played a key role in strengthening responsible investment as a priority for all Welsh funds. It was noted that the Partnership was a signatory to the Stewardship Code, which verified the transparency of the Partnership's processes, policies and activities. A climate report would outline clearly the carbon footprint of the funds in which the Partnership invested, and the Partnership had also commissioned Robeco as a voting and engagement provider to assist the Partnership with operating arrangements within the large companies. It was reiterated that the Partnership, through the infrastructure funds, was able to assess local investment options for Gwynedd, and was therefore an important forum to try to implement the investments and adhere to the fiduciary duty.

The members expressed their thanks for the report. The Chair noted that the performance was positive and reflected the officers' work and advice.

RESOLVED TO ACCEPT THE ANNUAL REPORT OF THE PENSION FUND FOR 2024/25

The meeting commenced at 1.00 pm and concluded at 1.50 pm

CHAIRMAN