
PENSIONS COMMITTEE 7/07/25

Councillors:

Stephen Churchman, Goronwy Edwards (Conwy County Borough Council), John Brynmor Hughes, R Medwyn Hughes, Iwan Huws, Ioan Thomas and Robin Williams (Isle of Anglesey County Council)

Officers:

Dewi Morgan (Head of Finance), Delyth Jones-Thomas (Investment Manager), Meirion Jones (Pensions Manager) and Lowri Haf Evans (Democracy Services Officer)

Others invited:

Ned Michael (Pension Board - observing)
Osian Roberts (Audit Wales)

1. APOLOGIES

None to note

2. DECLARATION OF PERSONAL INTEREST

None to note

3. URGENT ITEMS

None to note

4. MINUTES

The Chair accepted the minutes of the meeting held on 12 June 2025 as a true record.

5. WALES PENSION PARTNERSHIP UPDATE

The Investment Manager highlighted that the report was now a regular one presented to the Members noting the latest information on WPP's work, as well as what was decided at the March meeting of the Governance Joint Committee (a body which made decisions on behalf of the Partnership where the Chair of each fund sat). Attention was drawn to the fact that the Partnership had re-appointed Hymans Robertson as an oversight advisor and Robeco as an engagement and voting provider.

An update was also presented on the training plan, the business plan and the risk register as well as the operator's update which highlighted all the funds that the Partnership had established. Reference was made to the detail of the operator's work over the period and to any market conditions that had been monitored by

them. Attention was drawn to a performance analysis of the sub-funds, which noted that the performance of the global equity funds had been strong and the fixed income markets had lagged.

Reference was made to the 'Fit for the Future' work where Members were reminded that they had approved a requirement to create an IMCo investment company and move the project forward. It was elaborated that the Full Council had also approved it on 3 July 2025, with an expectation that the eight Partnership Councils had approved the requirement by the end of the month. The work of establishing the company would happen over the summer to reach the target date of 31 March 2026.

Thanks were given for the report.

In response to a question about what would happen to the Gwynedd property portfolio once the IMCo investment company was established, it was noted that a tendering process had been undertaken and the property investments would be part of the new Wales Pension Partnership property funds, with the United Kingdom property fund and the impact property fund.

In response to an observation regarding a request to record the training sessions so that it would be possible to refer back to them if there was a problem with attending, it was noted that the observation would be referred to the Host Authority to ensure that links to the recordings would be available to Members.

In response to an observation about the Committee's functions and responsibilities changing as a result of establishing an IMCo investment company by March 2026, it was suggested to hold a specific session to share information about the situation by the next Committee meeting.

RESOLVED

To accept the report and note the information.

6. GWYNEDD PENSION FUND'S DRAFT STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2025

Submitted, for information, a report from the Investment Manager providing details of the financial activity of the Pension Fund during the year ending 31 March 2025. It was highlighted that the accounts (draft) were subject to audit and the audit would be undertaken by Audit Wales.

It was reported that the accounts followed the CIPFA statutory format, with the guidance interpreting what was submitted in the accounts and there was no change in the guidance from the previous year.

It was expressed that it had been a busy year for the Fund and work continued with wider investment with the Wales Pension Partnership. Reference was made to a summary of the Fund account, drawing attention to a few variations as the contributions and benefits increased after employees received salary increases and as the pension increased with the CPI. It was reported that there had been an increase in the management costs as the value of assets increased and from introducing different types of investments into the portfolio, e.g. private credit. It was elaborated that there was an increase of approximately £160 million in the

market value of the fund which was in accordance with the annual gradual increase.

It was explained that the fund's investment income had significantly increased and that equity investments had performed strongly, and as a result had generated a significant income. It was elaborated that as part of the strategic asset allocation, more had been invested into the infrastructure and fixed income funds.

Attention was drawn to the statutory notes which provided further details behind the figures, the activities of the Fund, and Wales Pension Partnership, as the Partnership was now a prominent part of the Fund's work.

The Head of Finance Department elaborated that, as the Section 151 Officer, he had signed the draft accounts, accepting that they were a correct and fair reflection of the situation.

The members thanked the officer for the report.

Observations arising from the ensuing discussion:

- The report and the accounts were detailed and easy to understand
- The format was good
- The growth was encouraging

RESOLVED:

To accept and note the Gwynedd Pension Fund's Statement of Accounts (subject to audit) for 2024/25.

7. GWYNEDD PENSION FUND AUDIT PLAN 2025

Osian Roberts (Audit Wales) was welcomed to the meeting.

A detailed Audit Plan for 2025 was presented, introducing the audit team, the fees and timeline for the work which would be completed during the year, in accordance with the statutory responsibility that they had as external auditors. It was highlighted that the work of auditing the financial statements would be completed during September, with the intention of submitting a report on the statements during November 2025. Reference was made to the risks, noting that the risk of management override was a compulsory risk included in every plan in Wales as part of the Audit Wales procedure.

The members expressed their thanks for the report and to Osian Roberts for attending the meeting.

RESOLVED

To accept and note the information.

8. EXCLUSION OF PRESS AND PUBLIC

RESOLVED to exclude the press and public from the meeting during the discussion on the following items due to the likely disclosure of exempt information as defined in paragraph 14, Schedule 12A of the Local

Government Act 1972 - Information about the financial or business transactions of any specific person (including the authority that retains that information).

There is an acknowledged public benefit in being open about the use of public resources and related financial issues. However, it was also acknowledged that there were occasions, in order to protect public financial interests, where commercial information must be discussed without being publicised. The reports related specifically to a proposed procurement process. Publicising such commercially sensitive information could be detrimental to the interests of the Council and its partners by undermining competition. This would be contrary to the wider public interest of securing the best overall outcome. For these reasons, the matter was closed in the public interest.

9. ROBECO ENGAGEMENT SERVICE - ENGAGEMENT REPORT 1.10.24 - 31.12.24

A quarterly report was submitted summarising the work that Robeco (WPP Voting and Engagement Provider) undertook on behalf of the Pension Fund, including the engagement work.

The members thanked the officer for the report.

Observations arising from the ensuing discussion:

- Information was needed about the timetable for developing an escalation policy. The timetable would be useful to answer questions that arose often
- There was a need to ensure that the policy was effective - a clear definition was required of when intervention would be timely
- The report was positive and had been presented well
- A suggestion to consider using emojis as a way of drawing attention towards the highlights within the report

RESOLVED

To accept and note the information.

The meeting commenced at 2.00 pm and concluded at 2.35 pm

CHAIRMAN