

---

## PENSION BOARD 11/07/25

---

**Present:**

Anthony Deakin, Eifion Jones and Osian Richards (Member Representatives)

Roland Thomas (Employer Representative)

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

**1. ELECT CHAIR**

**RESOLVED to re-elect Sioned Parry as Chair of the Board for 2025/26**

**2. ELECT VICE CHAIR**

**RESOLVED to re-elect Osian Richards as Vice-Chair of the Board for 2025/26.**

**3. APOLOGIES**

Apologies were received from Sioned Parry and the Cllr Elin Hywel (Chair of the Pensions Committee).

Due to technical problems, Ned Michael was unable to join.

Roland Thomas was welcomed to his first meeting of the Board as an Employer Representative.

Following the sudden and unexpected death of Mrs Sharon Warnes, the Vice-Chair took the opportunity to offer his condolences to her family. It was noted that Sharon was a former Member and Chair of the Pension Board and was thanked for her contribution, service and support to the Board; She was a respectful and conscientious person and will be greatly missed.

**4. DECLARATION OF PERSONAL INTEREST**

None to note

**5. URGENT ITEMS**

None to note

**6. MINUTES**

The Chair signed the minutes of the previous meeting of this committee held on 7 April

2025 as a correct record.

## **7. MINUTES OF PENSIONS COMMITTEE**

The minutes of a Pensions Committee held on 12 June 2025 were submitted for information.

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

For information, a report was submitted by the Investment Manager providing details of the financial activities of the Pension Fund during the year ending 31 March 2025.

It was reported that the accounts followed the statutory CIPFA format, with the guidance interpreting what was to be presented in the accounts. It was reiterated that the accounts were audited by Audit Wales in September and had already been submitted to the Pensions Committee on the 7 July 2025. It was noted that the year has been a busy one for the Fund as it continued to invest more broadly with the Wales Pension Partnership (WPP).

Attention was drawn to the Fund Account, noting that there were some variations as the contributions and benefits increased after employees received salary increases and also as the pension increased with the CPI. It was reiterated that there was an increase in management costs as the value of the assets increased and the introduction of different types of investments into the portfolio e.g. private credit. It was reiterated that there was an increase of around £160 million in the market value of the fund which was in line with the annual gradual increase.

It was highlighted that the fund's investment income had increased substantially, and the equity investments had performed strongly and had therefore generated a substantial income. It was noted that as part of the new strategic asset allocation, there was a greater investment impact in the fixed income and infrastructure funds.

Reference was also made to the statutory notes contained in the report which gave details behind the figures along with further details about the activities of the Fund and WPP.

The members thanked the officer for the report

Observations arising from the ensuing discussion:

- Reference to 'Cyngor Gwynedd area' - need to include Conwy and Ynys Môn?
- The work had been completed in a timely and professional manner with new investment complexities to be considered and included.
- That there was a significant increase in infrastructure fees (from 2,875 to 4,851) – this needed to be monitored.

In response to a comment regarding a significant increase in the costs of the Performance Monitoring Service, it was stated that the reason for this was that historical invoices were due and the funds in which the Fund invests were more complex. It was also noted in response to a comment on an increase in Wales Pension Partnership (WPP) managers' fees (from 3,193 to 5,624), that this was

due to a shift from a historical investment pattern to investment work in new investments and different funds, and therefore the fees varied.

In response to a question about an increase in unclaimed benefits (from 4,006 in 2024 to 4,683 in 2025), it was noted that this related to leavers who had left employment but had not decided what action they wanted to take in relation to their benefits, but that the benefits need to be processed. It was noted that an effort had been made to reduce the number when preparing work for the dashboard.

**RESOLVED to accept and note the statement of Accounts of the Pension Fund (subject to audit) for 2024/25.**

## **9. WALES PENSION PARTNERSHIP UPDATE: FIT FOR THE FUTURE**

A report was submitted by the Investment Manager providing the Board with an update on the work of the WPP. As everyone knows, the Gwynedd Pension Fund had co-operated with other pension funds in Wales since 2017 and now had around £25 billion of assets under the control of the pool which had resulted in cost savings, improved investment opportunities, improved performance and increased collaboration and governance across Wales, that the co-operation had been beneficial for Gwynedd which now had over 85% of the Gwynedd Pension fund pooled.

Members were reminded that, since October 2023, the UK Government had been reviewing the investment arrangements of Local Government Pension Schemes (LGPSs) in England and Wales, with an initial consultation taking place in October 2024, and the Pensions Bill published in June 2025.

The three areas that had been covered were highlighted:

- Reform of the pool's operating model – which was an element that had created a great deal of work in the short term in response to the requirements of continuing to be responsible for setting an investment strategy for the Gwynedd Pension Fund, but the implementation of the strategy would need to be delegated to the pool. It was reiterated that the administrative authorities must receive their main investment advice from the pool and not from Hymans Robertson, as was currently the case, and that all the Fund's residual assets needed to be transferred to the pool (which was not a huge change as Gwynedd already had a high percentage in the pool). The pool must also develop internal ways of completing due diligence on local investments and the management of these investments.

In addition, it would be necessary to create an investment company regulated by the FCA (Financial Conduct Authority). This would offer a unique opportunity to establish a centre of expertise in local government investments in Wales. It was noted that the application was approved by Cyngor Gwynedd's Full Council on 3 July, and that it would need to receive approval from the eight Councils in Wales that are part of the pool, before proceeding with the phase to create the new company.

- Boosting LGPS investment in their areas and regions in the UK
- Strengthening governance

(these two elements will be addressed within the next few months – consideration needed to be given to how they could be implemented for the

pool and the Gwynedd Pension Fund).

Thanks were given for the report and for the detailed work completed within a very tight timeframe from the UK Government. It was considered that the situation was one where there was no choice but to comply.

In response to a comment that the Gwynedd Fund had saved fees by pooling with WPP, however, the WPP was now being forced, in line with UK Government rules, to spend around £5m to set up a new company (IMCo), and whether there will be an opportunity to save money as a result of the change, the Head of Finance stated that IMCo would be responsible for the governance structure and for advising and ensuring value for money. He added that while the amount appeared to be high, it was considered that the costs would decrease as the scheme progressed and that the £5 million reflected the highest cost. He noted that the comments had been conveyed to the Government, and that it was intended to keep a close eye on the situation in case there was a loss of control regarding expenditure. It was also noted that there were significant legal costs associated with the change along with a higher rate of pay than Local Government employment rates.

In addition, it will be the IMCo who will advise the pool and not Hymans Robertson, and therefore obviously the advice and support Hymans offers to the Gwynedd Fund will be significantly reduced.

It was reported that WPP chief officers meet weekly to discuss the development and that clear boundaries had been set to ensure that Gwynedd does not miss out.

#### **RESOLVED**

**To accept the report and note the information.**

### **10. LGPS POOLING SYMPOSIUM**

An oral update was provided by Mr Anthony Deakin who attended the LGPS Pooling Symposium in May on behalf of the Board. The conference focused on how the pooling work within the LGPS continues to evolve, and what the future will look like.

It was noted that the conference was very technical providing an update on the pooling work by highlighting the success of the Wales Pension Partnership pool, especially given that the business plan of two larger partnerships had failed. WPP was considered a unique partnership, a national, strong, and separate fund.

Other issues discussed were:

- Equity (impact of President Trump's tariffs),
- Property (global shift in movement from investment in shops and offices to housing),
- Renewable energy schemes and rewilding.
- Net Zero and the impact of Trump's stance on corporate matters.

Although it was a conference with a good mix of issues to discuss, it was interesting to see how political some of the issues were discussed.

**Gratitude was expressed for the information.**

## **11. INVEST IN WALES CONFERENCE**

The Head of Finance who attended the conference in April 2025 gave an oral update with two Pensions Committee Members, Councillor Elin Hywel and Councillor Goronwy Edwards.

The purpose of the conference was to focus on the challenges and investment opportunities in Wales considering the social and political pressures that are unique to the country. While there was a consensus that there were no major opportunities, there was a sense that small/medium businesses needed to be identified and to encourage support for those businesses to develop.

It was noted that while there was a lot of talk about investing locally in Wales, it appeared that it was the social impact that was being promoted rather than receiving full information about financial investment opportunities in Wales. While recognising that town centre regeneration opportunities and building and investing in housing and social infrastructure are a means of improving livelihoods and communities across Wales, financial returns must be secured – clearly there was an aspiration to support communities, but balance must be ensured and the Pension Fund's duty to its members must be met.

Thanks were expressed for the feedback

In response to a question about a definition of the word 'local', it was noted that the eight Councils who are part of WPP, have a different definition of the meaning of the word.

In response to a question about the Partnership facing the risk of being forced to invest a percentage of money in local enterprises, it was noted that this had not been decided, but that a discussion was on the horizon – Canada and Australia were cited as examples where the country has contributed to investments locally.

It was suggested that the risk profile needed to be reviewed.

### **RESOLVED**

**To accept and note the information.**

## **12. PENSION BOARD CHAIR DRAFT REPORT FOR GWYNEDD PENSION FUND'S ANNUAL GENERAL REPORT**

A (draft) report was submitted by the Investment Manager detailing the activities of the Pension Fund during the year ending 31 March 2025. It was highlighted that the report had been written in line with the layout of the 2024 report taking into consideration the topics discussed during the year.

It was proposed to submit the final report to the Investment Manager by 31/07/2025 for inclusion as part of the Fund's annual report and as part of the Fund's November 2025 annual meeting.

Gratitude was expressed for the report and to the staff associated with preparing the work.

**RESOLVED to accept the contents of the draft report.**

### **13. UPDATED GOVERNANCE POLICY STATEMENT**

Submitted - the report of the Pensions Manager, highlighting the requirement for the Fund to publish a Governance and Compliance Statement under Regulation 55 of the Local Government Pension Scheme (as amended) Regulations 2013 and to review that statement on an ongoing basis. The purpose of the statement was to set out the Fund's Governance Structure, the scheme of delegation, and the terms of reference for its Governing Bodies, the Pensions Committee and the Local Pension Board.

Following the retirement of Mr Dafydd Edwards as Director of the Fund, the need to update the Statement was highlighted to ensure that the information was in line with policy and the Fund's current governance structure and reflected the correct responsibilities now held by the Chief Finance Officer and his support teams.

It was recommended that the Board review and note the content of the updated Governance Policy Statement and support the publication and continued use of the revised document as part of the Fund's compliance framework.

Members thanked the officer for the report and agreed with the requirement to comply with the Regulations and report on the current situation.

**RESOLVED:**

1. **To review and note the contents of the updated Governance Policy Statement.**
2. **Support the publication and the continued use of the revised document as part of the Fund's compliance framework.**

### **14. RISK REGISTER**

Submitted - an existing risk register highlighting relevant risks to the Pension Fund. It was highlighted that the register was an active document that it was reviewed regularly and updated in response to any substantial risks that were likely to develop.

Reference was made to updates for 2025 which included.

- Requirements of the new Pensions Regulator General Code (TPR)
- Introduction of the Pensions Dashboard and the implications of that change
- Yr Wyddfa Project - Changes resulting from the Fit for Future consultation

It was reiterated that further update will be required following the latest valuation and in the implementation of legislative changes that will come as a result of the Fit for Future Regulations.

Gratitude was expressed for the information.

Observations arising from the ensuing discussion:

- There was a suggestion to maximise the cyber security risk in light of recent cyber-attacks on M&S and Co-op stores

- That a New Payroll system needs to be added to the register given that 13,500 were paid through the system.
- There was a suggestion to consider including a 'velocity' element in the register - would it add value?
- Welcoming the risk of Fit for the Future Regulations – a risk of costs being greater than expected. It would be necessary to ensure that the company's structure works.

**RESOLVED to accept and note the information**

## **15. PENSION FUND ADMINISTRATION POLICIES**

The Pensions Manager presented a report which set out three key administrative policies for the Board to examine. It was noted that the policies were essential for the effective management and administration of the pension fund and marked a significant step towards good governance. It was reiterated that following the Board's review, the policies will be approved by the Pensions Committee in September 2025.

The Policies were discussed individually, providing the background and context for each one of the Members.

- Advance payments from Pensioners' Payroll
- Distribution of Death Grant Payments
- Education Break for LGPS Dependent Child Pension

The members expressed their thanks for the report and for the work of formalising the policies. It was noted that some of the updates had been prudent.

Observations arising from the ensuing discussion:

- Advance payments from the Pensioners' Payroll Distribution of Death Grant Payments – consider adding a short summary at the beginning of the policy highlighting that although there was a nomination to receive a death grant, this would not be legally binding. Should there be no nomination, the decision would be made at the discretion of the Pensions Manager

**RESOLVED to accept and note the information**

The meeting commenced at 1.30 pm and concluded at 2.50 pm

---

**CHAIRMAN**