



# Complete Agenda

**Democratic Service**  
Swyddfa'r Cyngor  
CAERNARFON  
Gwynedd  
LL55 1SH

Meeting

**PENSION BOARD**

Date and Time

**1.00 pm, MONDAY, 3RD NOVEMBER, 2025**

Location

**Virtual Meeting**

Contact Point

**Lowri Haf Evans**

**01286 679878**

**[lowrihafevans@gwynedd.llyw.cymru](mailto:lowrihafevans@gwynedd.llyw.cymru)**

(DISTRIBUTED 24/10/25)

## **PENSION BOARD**

### **MEMBERSHIP**

#### **EMPLOYER REPRESENTATIVES**

**Sioned Parry (Conwy County Borough Council)**

**Edward Michael (Isle of Anglesey County Council)**

**Roland Thomas (Cyngor Gwynedd)**

#### **MEMBER REPRESENTATIVES**

**Hywel Eifion Jones (retired – formerly Isle of Anglesey County Council)**

**Osian Richards (Cyngor Gwynedd)**

**Anthony Deakin (retired – formerly Cartrefi Conwy)**

# **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 - 10

The Chairman shall propose that the minutes of the meeting of this committee held on 11<sup>th</sup> of July 2025 be signed as a true record.

## **5. MINUTES OF PENSIONS COMMITTEE**

11 - 14

To submit, for information, minutes of the Pensions Committee meeting held on the 15<sup>th</sup> of September 2025

## **6. GWYNEDD PENSION FUND DRAFT ANNUAL REPORT 2024/25**

15 - 64

To review and provide feedback on the report.

## **7. LGC INVESTMENT AND PENSIONS CONFERENCE**

65

To consider the information

## **8. PENSION ADMINISTRATION**

66 - 72

To consider the report

## **9. DATA IMPROVEMENT PLAN**

73 - 79

To consider the report and provide feedback or endorsement where appropriate.

---

## 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. ELECTION OF CHAIR**

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

### **2. ELECTION OF 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. PENSIONS COMMITTEE MINUTES**

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 ENDING 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 (WPP) UPDATE SUITABLE 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. THE DRAFT REPORT OF THE PENSION BOARD'S CHAIR FOR THE PENSION FUND'S ANNUAL 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 GOVERNMENT 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. THE PENSION FUND'S ADMINISTRATIVE 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 1:30pm and ended at 14:50pm

---

## PENSIONS COMMITTEE 15-09-25

---

**Attendance:** Councillor Elin Hywel (Chair)  
Councillor John Pughe Roberts (Vice Chair)

**Councillors:** Stephen Churchman, Goronwy Edwards (Conwy County Borough Council), John Brynmor Hughes, R Medwyn Hughes, 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)

### 1. APOLOGIES

Apologies were received from Councillor Iwan Huws

### 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 7 June 2025 as a true record.

### 5. WALES PENSION PARTNERSHIP (WPP) UPDATE

The Investment Manager highlighted that this report was regularly submitted to the Members noting the latest information on WPP's work, as well as the decisions of the March meeting of the Governance Joint Committee (the decision-making body on behalf of the Partnership made up of the Chairs of each fund).

It was confirmed that the audit and the Annual Form had been approved, and no issues had arisen. It was reiterated that the 'Snowdon Project' work, which involved the establishment of an Investment Company for LGPS pension fund investments in Wales, was progressing well, and the next step would be to register with the FCA, (Financial Conduct Authority) by the end of September.

An update was also provided on the training plan, the business plan and the risk register and the responsible investment, climate and stewardship policies had also been reviewed. 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. The analysis and performance of the sub-funds was mentioned, highlighting that private market investments had been launched and that the Gwynedd Pension Fund had investments in infrastructure, private credit and private equity, with work continuing to seek to launch property investments, later in the autumn. With several new areas, it was reported that information on each individual area was submitted to the joint committee and that private equity had been discussed in July.

Gratitude was expressed for the report.

In response to a comment that WPP continued to refer to the project as the Snowdon Project and not Yr Wyddfa Project, it was noted that the observation had been submitted to WPP, and at every possible opportunity thereafter, the officers had attempted to convey the correct name. It was accepted that the rest of the UK now used the name Yr Wyddfa and the disappointment that WPP, of all organisations, was unable to recognise this. Although phase 1 (the Snowdon Project) had now come to an end, it was accepted that the Chair, at the next meeting of the Joint Committee, should once again press on WPP to refer to the Snowdon Project as Yr Wyddfa Project.

## **RESOLVED**

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

Note: Put pressure on WPP once again to refer to the Snowdon Project as Yr Wyddfa Project.

## **6. TREASURY MANAGEMENT**

Submitted - a report by the Investment Manager reporting on the actual results of the Council's treasury management during 2024/25, against the Strategy approved by the Full Council on 7 March 2024. It was reported that it had been a very busy and prosperous year for the Council's treasury management activity as the activity had remained within the constraints originally set. It was confirmed that there had been no defaults by institutions in which the Council had invested money with.

It was reported that £2.5m in interest had been received on investments, which was lower than the £2.7m included in the budget and this was reasonable given the base rate had fallen from 5.25% to 4.5%. It was noted that this interest income was shared with the Pension Fund on a daily balance basis and the Pension Fund received £1.09 million in income for the year in question.

It was reported that, in the context of investment activities, the Council had continued to invest with Banks and Building Societies, Money Market Funds, Pooled Funds, Local Authorities and the Debt Management Office. It was noted that the funds were consistent with the type of investments made for several years by now.

In the context of the compliance and indicators report, it was reported that all activities had fully complied with the CIPFA code of practice and the Council's treasury management strategy – that was good news and demonstrated that there was firm control over the funds.

The members thanked the officer for the report

## **RESOLVED**

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

## **7. PENSIONS COMMITTEE CHAIR DRAFT REPORT FOR THE FUND'S ANNUAL GENERAL REPORT**

The Pensions Manager highlighted that the Pension Board was now required to submit an annual report as part of the Pension Fund's annual report and as part of the Fund's annual meeting. It was noted that the report followed the layout of the annual report of the Chair of the Pension Board and included information on the core functions of the Committee, training, work plan, priorities and a summary of the topics discussed during the year.

It was reported that the final report needed to be submitted to the Investment Manager by 30/9/2025 for inclusion as part of the Fund's Annual Report and as part of the Fund's Annual Meeting in November 2025.

Gratitude was expressed for the report and to the staff involved with preparing the work. A suggestion was made to include more detail about how the Committee approached performance challenge and quality assurance – not just discussing investments but trying to drive change.

**RESOLVED to accept the report and note the information.**

Note: Suggestion to include in paragraph 3 'Committee Work', the Committee's responsibility to challenge, encourage change and seek quality assurance

## **8. GWYNEDD PENSION FUND RISK REGISTER**

Submitted to the Committee - a revised risk register as a means of identifying and understanding the relevant risks to the Pension Fund. Attention was draw to the new risks that had been added – compliance with the Pensions Regulator's General Code (1.4), meeting the dashboard requirements (6.12), introducing a new payroll system (6.13) and responding to a 'Fit for the Future' consultation (9.1-9.3). Reference was also made to the increase in the risk score level of cyber-attacks as a result of recent incidents to large institutions.

It was reiterated that the document was a live document and that further modifications, such as when Fit for Purpose came into force, would be added.

Gratitude was expressed for the report.

**RESOLVED**

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

Note: Correct the wording of Risk 2:12 in English to '*... are not received or are NOT processed or recorded completely and accurately*'

## **9. PENSION FUND ADMINISTRATION POLICIES**

Submitted - the Pensions Manager's report which set out three key administrative policies for the Committee to approve. It was noted that the policies were essential for the effective management and administration of the Pension Fund and were a significant step towards good governance. It was noted that the policies had been reviewed by the Pension Board, and their comments had been included in the final versions.

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

1. Policy on Making Advanced Payments from the Pensioner Payroll
2. Distribution of Death Grant Payment Policy
3. Education Break Policy for LGPS Dependent Child Pension

Members expressed their thanks for the report and for the work of formalising the policies.

**DECISION**

**To accept the report and approve the following policies to be operational as of 1 October 2025**

- 1. Policy on Making Advanced Payments from the Pensioner Payroll**
- 2. Distribution of Death Grant Payment Policy**
- 3. Education Break Policy for LGPS Dependent Child Pension**

**10. 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 published. The reports related specifically to a proposed procurement process. Publishing 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.

**11. INITIAL RESULTS OF THE 2025 VALUATION**

Submitted - a report for information by the Investment Manager formally presenting the initial results of the 2025 actuarial valuation of the Gwynedd Pension Fund. It was highlighted that Members had received training from Hymans Robertson (15-09-25), where the key findings, assumptions, risks and next steps were discussed.

**RESOLVED**

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

**12. ROBECO ENGAGEMENT SERVICE – ENGAGEMENT REPORT 01.01.2025 – 31.03.25**

Submitted - a quarterly report summarising the work Robeco (WPP Voting and Engagement Provider) was carrying out on behalf of the Pension Fund on responsible investment issues. Reference was made to the areas covered by Robeco during the quarter in question and the information included details of the number of activities and engagements completed which included large companies of international importance. It was also noted that the engagement theme of the quarter in question was Good Governance.

Gratitude was expressed for the report.

**RESOLVED**

**To accept and note the information.**

The meeting commenced at 14:30 and concluded at 15:15

MEETING	PENSION BOARD
DATE	3 NOVEMBER 2025
TITLE	GWYNEDD PENSION FUND DRAFT ANNUAL REPORT 2024/25
PURPOSE	To review and provide feedback on the report
AUTHOR	DELYTH JONES-THOMAS, INVESTMENT MANAGER

---

**1. INTRODUCTION**

This report introduces the statutory Annual Report for the 2024/25 financial year, which provides details of the Pension Fund’s activities during the year which ended on 31 March 2025.

The document in Appendix A is the draft Annual Report.

**2. REVIEW BY AUDIT WALES**

The draft annual report here will be reviewed as part of the financial statements audit by Audit Wales. Is it possible that some changes will be necessary before a final version is submitted for approval.

**3. RECOMMENDATION**

The Board is asked to review and provide feedback on the report.



Cronfa Bensiwn  
**GWYNEDD**  
Pension Fund

# **ANNUAL** **REPORT** **2024/25**

## Contents

	<b>Page</b>
<b>1. Foreword</b>	<b>3</b>
<b>2. Management Structure</b>	<b>4</b>
<b>3. Annual Report of the Gwynedd Pensions Committee and Gwynedd Pension Board</b>	<b>5-11</b>
<b>4. Membership Summary</b>	<b>12</b>
<b>5. Pensions Administration</b>	
5.1 Review of the Year	13- 23
5.2 Local Government Pension Scheme Regulations	24-26
<b>6. Investments</b>	
6.1 End of Year Position	27-29
6.2 Investment Performance	29-30
6.3 Administrative and Custody Arrangements	30-31
6.4 Investment Powers	31
6.5 Investment Management	31
6.6 Wales Pension Partnership Collaboration	31-38
6.7 Responsible Investing	38-39
<b>7. Management and Financial Performance</b>	
7.1 Managing Risk	40-42
7.2 Investment Strategy Statement	42
7.3 Funding Strategy Statement	42
7.4 Financial Performance	43
7.5 International Accounting Standard 19 (IAS19) and Financial Reporting Standard 102 (FRS102)	44
7.6 Final Accounts 2024/25	44
7.7 Governance	44
7.8 Knowledge and Skills Framework	44-45
7.9 Investment Unit	45
<b>8. Actuarial Report</b>	<b>46-47</b>
<b>9. The Accounts</b>	<b>o/s</b>
<b>10. Communication Policy Statement</b>	<b>o/s</b>
<b>11. Glossary</b>	<b>o/s</b>

## I. Foreword

Welcome to the Gwynedd Pension Fund's annual report for the financial year that ended 31<sup>st</sup> of March 2025.

This Annual Report has been produced to provide employers, scheme members, elected members and other interested parties with information concerning the administration and performance of the fund for financial year 2024/2025 and we hope you find its content useful.

During the year, the value of the Pension Fund increased from £3.1 billion to £3.2 billion. The Fund saw positive returns of 5.1% over the year, against a benchmark of 6.9%. The average LGPS fund delivered a return of 3.4% for the year, and therefore the Fund return was significantly above the average for the year and ranked in the 7<sup>th</sup> percentile of the LGPS funds in Wales.

The Fund's target strategic allocation was updated at the end of 2023 to partially de- risk the Fund by reducing its equity allocation and invest in income generating assets. This has been actioned during the year and investments in infrastructure, private credit and equity will increase further as the investment capital is called.

The Fund continues to work as a committed member of the Wales Pension Partnership (WPP) to achieve efficiencies through pooling assets by combining assets in our investment management arrangements. Since October 2023, the Government has been reviewing the investment arrangements of LGPS funds in England and Wales under the 'LGPS Fit for the Future' consultation. Three key areas have been addressed: reforming the pool's operating model, promoting LGPS investment in their local areas and regions within the UK, and strengthening governance. The Government has expressed strong support for the WPP's proposal to advance to the next phase of investment pooling, and the goal is to ensure the long- term sustainability and effectiveness of the partnership.

Regular requests are received to set an ambitious timetable for total disinvestment of fossil fuels but as a pension fund, it is more responsible to us to plan properly, take real action, and influence where possible for the benefit of our environment. We continue to support our commitment to be net zero by 2050, supported by a commitment to assess the feasibility of the Fund reaching net zero 5, 10 or 20 years earlier. We ensure that we invest responsibly and consider the impact our actions will have on future generations and will continue to develop our responsible investment practices in the coming years.

From the point of view of administration, the Fund's staff have continued to ensure that we provide a high level of service in 2024/25. There have been great strides in developing electronic ways of working, with employers increasingly using the i-Connect system interface to provide data to the fund and a brand-new member self-service portal being developed to allow members to take control of their pension in an interactive way. We would also like to thank the Gwynedd pension administration staff and their colleagues in the investment team for their hard work over the past year.

We hope the following report will provide you with useful information about our Pension Fund. For more information, or to give your opinion on this report, the contact details of the relevant officers are provided on the next page of the report. Many thanks for your support during 2024/25, and we look forward to the fund's developments in 2025/26.



**Councillor  
R Medwyn Hughes**  
Pensions Committee  
Chair 2024/25



**Dewi Morgan**  
s151  
Head of Finance

## 2. Management Structure

### Administering Authority

Cyngor Gwynedd

### Pensions Committee

Councillor R Medwyn Hughes (Chair)  
Councillor Elin Hywel (Vice Chair)  
Councillor Stephen Churchman  
Councillor Ioan Thomas  
Councillor John Pughe Roberts  
Councillor John Brynmor Hughes  
Councillor Iwan Huws  
Councillor Robin Wyn Williams (Co-opted Member)  
Councillor Goronwy Edwards (Co-opted Member)

### Pension Board

#### Employer Representatives

Mr Ned Michael (Isle of Anglesey County Council)  
Mrs Sioned Parry (Conwy County Borough Council)  
Councillor Beca Roberts (Cyngor Gwynedd) until October 2024

#### Member Representatives

Mr Osian Richards  
Mr H. Eifion Jones  
Mr Anthony Deakin

### Head of Finance (“Section 151 Officer”)

Mr Dewi Morgan

### Advisor

Hymans Robertson

### Fund Managers

BlackRock  
Lothbury  
Partners Group  
Threadneedle  
UBS Global Asset Management Limited  
Russell Investments (WPP)  
Schroders Capital (WPP)  
GCM Grosvenor (WPP)  
Octopus Renewables (WPP)  
Capital Dynamics (WPP)  
IFM Investors (WPP)  
CBRE Investment Management (WPP)

### Fund Website

[www.gwyneddpensionfund.wales](http://www.gwyneddpensionfund.wales)

### AVC Providers

Clerical Medical, Utmost Life and Standard Life

### Pool

Wales Pension Partnership (WPP)

### Pool Operator

Waystone Management (UK) Limited

### Custodian

Northern Trust

### Actuary

Hymans Robertson

### Bank

Barclays Bank plc

### Auditor

Audit Wales

### Contact Details

Enquiries and more detailed information regarding:

- administration of the Fund can be obtained by contacting:

Mr Meirion Jones,  
Pensions Manager,  
Cyngor Gwynedd,  
Council Offices,  
Caernarfon,  
Gwynedd. LL55 1SH  
☎ 01286 679643

✉ [meirionjones2@gwynedd.llyw.cymru](mailto:meirionjones2@gwynedd.llyw.cymru)

- The Fund’s investment and accounting activities should be made to:

Mrs Delyth Jones-Thomas,  
Investment Manager,  
Cyngor Gwynedd,  
Council Offices,  
Caernarfon,  
Gwynedd. LL55 1SH  
☎ 01286 679128

✉ [delythwynjonesthomas@gwynedd.llyw.cymru](mailto:delythwynjonesthomas@gwynedd.llyw.cymru)

### **3. Annual Reports of the Gwynedd Pensions Committee and Gwynedd Pension Board for 2024/25 (the year to 31 March 2025)**

#### **3(a) Annual Report of the Gwynedd Pensions Committee for 2024/25 (the year to 31 March 2025)**

##### **1. Background and Constitution of the Committee**

The Gwynedd Pension Fund is part of the national Local Government Pension Scheme (LGPS), providing retirement and related benefits for employees of Cyngor Gwynedd and a range of other employers within Northwest Wales.

The governance of the Fund is overseen by the **Pensions Committee**, which operates under powers delegated by Cyngor Gwynedd as the administering authority. The Committee is constituted in accordance with the Local Government Act 1972 and complies with LGPS governance regulations and guidance issued by The Pensions Regulator (TPR) and the Scheme Advisory Board (SAB).

The Committee plays a vital role in safeguarding the interests of the Fund's members and employers by ensuring sound financial management, strong governance, and compliance with all legislative responsibilities.

##### **2. Functions of the Pensions Committee**

The key responsibilities of the Pensions Committee include:

- **Strategy and Oversight**
  - Approving and regularly reviewing the Fund's Investment Strategy Statement (ISS) and Funding Strategy Statement (FSS).
  - Ensuring the long-term sustainability and financial health of the Fund.
- **Governance and Risk Management**
  - Overseeing Fund governance in line with regulatory requirements and best practice.
  - Maintaining oversight of the Fund's risk register and internal Controls.
- **Investment Management**
  - Monitoring investment performance and engaging with the Fund's investment managers.
  - Making strategic decisions regarding asset allocation and the use of pooled investment vehicles via the Wales Pension Partnership (WPP).
- **Administration and Compliance**
  - Overseeing the administration of benefits and member services.
  - Ensuring compliance with TPR guidance and LGPS regulations.

The Committee works alongside the **Local Pension Board**, which has an oversight and scrutiny role, ensuring that the Fund is managed effectively and in line with legislation.

### 3. Work of the Committee in 2024/25

During 2024/25, the Pensions Committee met five times. Its work was shaped by both routine governance matters and evolving regulatory requirements. Key areas of focus included:

- **Investment Oversight**
  - Reviewed quarterly investment performance reports and received presentations from key fund managers.
  - Approved adjustments to asset allocations in line with market conditions and investment beliefs.
  - Continued transition of assets to the Wales Pension Partnership's pooled funds, including responsible investing-aligned equity and fixed income portfolios.
  - Challenge, encourage change, and seek assurance of quality in respect of investments to ensure alignment with strategic objectives and responsible stewardship.
- **Funding and Valuation**
  - Engaged in preparatory work for the 2025 actuarial valuation, including interim funding level monitoring and employer covenant assessments.
  - Approved updates to the Funding Strategy Statement reflecting changes in employer participation.
- **Governance and Risk Management**
  - Reviewed the Fund's Risk Register regularly, including specific attention to McCloud remedy implementation, cyber risk, and employer insolvency risk.
  - Ensured continued compliance with governance best practice and TPR expectations.
- **Responsible Investment**
  - Received updates on climate risk exposure, carbon intensity metrics, and TCFD alignment.
  - Approved ongoing collaboration with WPP to integrate responsible investing considerations into all asset classes.
- **McCloud and Regulatory Compliance**
  - Oversaw the Fund's compliance preparations for McCloud remedy implementation, including data processing and member communication.
  - Monitored progress toward the Fund's Pensions Dashboard Programme readiness.

### 4. Membership of the Committee (2024/25)

The Pensions Committee is composed of 7 elected members from Cyngor Gwynedd together with one co-opted member each (with a vote) from the Isle of Anglesey County Council and Conwy County Borough Council. Membership during the 2024/25 year was as follows:

Member Name	Representing	Role
Cllr Medwyn Hughes	Cyngor Gwynedd	Chair
Cllr Elin Hywel	Cyngor Gwynedd	Vice Chair

Member Name	Representing	Role
Cllr Stephen Churchman	Cyngor Gwynedd	Member
Cllr Iwan Huws	Cyngor Gwynedd	Member
Cllr Ioan Thomas	Cyngor Gwynedd	Member
Cllr John Pughe Roberts	Cyngor Gwynedd	Member
Cllr John Brynmor Hughes	Cyngor Gwynedd	Member
Cllr Robin Williams	Anglesey CC	Co-opted Member
Cllr Goronwy Edwards	Conwy CBC	Co-opted Member

## 5. Attendance

	17/06/2024	16/09/2024	25/11/2024	27/01/2025	17/03/2025
Cllr Medwyn Hughes	✓	✓	✓	✓	
Cllr Elin Hywel	✓	✓	✓	✓	✓
Cllr Stephen Churchman	✓	✓	✓	✓	✓
Cllr Iwan Huws	✓		✓	✓	✓
Cllr Ioan Thomas	✓	✓	✓	✓	✓
Cllr John Pughe Roberts	✓	✓		✓	
Cllr John Brynmor Hughes	✓	✓	✓	✓	✓
Cllr Robin Williams	✓	✓	✓	✓	
Cllr Goronwy Edwards	✓		✓	✓	✓

## 6. Work Plan and Priorities for 2025/26

The Committee has adopted a forward-looking work plan for 2025/26, focusing on:

- Completion of the **2025 Triennial Actuarial Valuation**
- Further transition and monitoring of pooled investments with WPP
- Oversight of the **McCloud remedy implementation**
- Continued development of **climate risk reporting** and compliance with TCFD
- Preparation for compliance with the **Pensions Dashboard**
- Ongoing review of the **Fund's governance framework** and policies

Regular reporting from the Fund's actuaries, investment consultants and officers will support effective oversight throughout the year.

## **7. Training and Development**

In line with CIPFA's Knowledge and Skills Framework, the Committee maintained a structured training programme to ensure members possess the knowledge and understanding required to discharge their duties effectively.

### **Key training activities in 2024/25 included:**

- ESG and Responsible Investment Training
- Actuarial funding principles and employer covenant assessment
- The McCloud judgment and legislative reform updates
- Investment performance and risk management workshops
- Induction sessions for new members and refresher sessions for existing members

All members are expected to undertake a minimum level of annual training and to maintain a personal development log. The training plan is reviewed annually and tailored to individual and collective needs.

## **7. Conclusion**

The Pensions Committee is satisfied that it has fulfilled its governance responsibilities during 2024/25. The Committee has provided robust oversight of the Fund's investments, funding position, and administration services while responding effectively to the challenges and changes within the LGPS environment.

The Committee remains committed to acting in the best interests of all stakeholders and ensuring that the Gwynedd Pension Fund continues to deliver long-term security and value for its members and employers.

**Cllr Medwyn Hughes**  
Pensions Committee Chair 2024/25

### **3(b) Annual Report of the Gwynedd Pension Board for 2024/25 (the year to 31 March 2025)**

#### **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 members representing scheme members (which include staff who contribute to the pension scheme and those who are retired and receiving a pension).

Over the period between 1st April 2024 and 31st March 2025, the Board has met virtually four times. 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, where he is accountable, with officers for the governance and administration of the Fund. At times, the Board has asked for its views and recommendations to be submitted for consideration by the Committee.

#### **2. Function of the Board**

In accordance with legislation, the two primary functions of the Local Pension Board are to assist the administering authority (Cyngor Gwynedd) to:

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

Therefore, the Board is a monitoring, reviewing and assisting body, not a management or decision-making body. The Board operates under Terms of Reference agreed by Cyngor Gwynedd (in a meeting of the full Council on the 5th March 2015).

It is supported by the Council's Member Support and Scrutiny Officer and reports are prepared and presented by officers including the Head of Finance, Investment Manager, and the Fund's Pensions Manager.

#### **3. The work of the Board**

Once again, the last year has been a busy year for the senior staff of the Administration Authority. Therefore, Board members were aware of the need to prioritise requests for officers to prepare reports for the Board.

#### **4. Attendance**

Councillor Beca Roberts decided to step down from the Pension Board during 2024/25, and we would like to thank Beca for her contributions during her time on the Board.

	23/04/2024	08/07/2024	14/10/2024	04/02/2025
Anthony Deakin		✓	✓	✓
H. Eifion Jones	✓	✓	✓	✓
Ned Michael	✓	✓	✓	✓
Sioned Evans Parry	✓	✓	✓	✓
Osian Richards	✓	✓	✓	
CLlr Beca Roberts		✓		

## 5. Work Plan

In accordance with the work plan agreed in the previous year, reports on the following issues were received:

- Pension Fund Budget
- Investment Consultant Objectives
- Pension Fund Investment Performance
- Pension Administration
- Pension Fund Annual Report
- Wales Pension Partnership
- Fund Accounts
- Audit Wales Report
- The Pensions Regulator's General Code of Practice
- Hymans Robertson National Knowledge Assessment
- Administrative Policies

During discussions, input and comments were provided by Board members, which supported the administering authority's officers in completing their work.

The work plan for 2025/26 includes:

- General Update on Pension Administration
- Pension Fund Discretionary Policies
- The Pensions Regulator's General Code of Practice
- Update on the Wales Pension Partnership
- Gwynedd Pension Fund Annual Report
- Gwynedd Pension Fund Investment Performance Update
- Final Accounts for the year ended 31 March 2025
- Risk Register
- 2026/27 Budget
- 2026/27 Business Plan
- 2026/27 Training Plan
- 2026/27 Work Programme
- 2025 Valuation

## 6. Training

During Board meetings all members of the Board were given details on the LGPS and its administration in Gwynedd through various presentations by the Head of Finance, Investment Manager and Pensions Manager.

Members of the Board have also attended a number of virtual meetings and presentations. These include:

**LGC:** Investment and Pensions Summit

**LGC:** Investment Seminar

**WPP:** Pooled Investments

**WPP:** Overview of cyber security and consideration for WPP

**WPP:** Policies – Responsible Investment Policy

**WPP:** Policies - Climate

**WPP:** Policies - Stewardship

**WPP:** Responsible Investment - Net Zero journey planning

**WPP:** Responsible Investment - Climate Metrics

**WPP:** Progress of other LGPS pools / collaboration opportunities

**WPP:** Any new regulatory / guidance developments

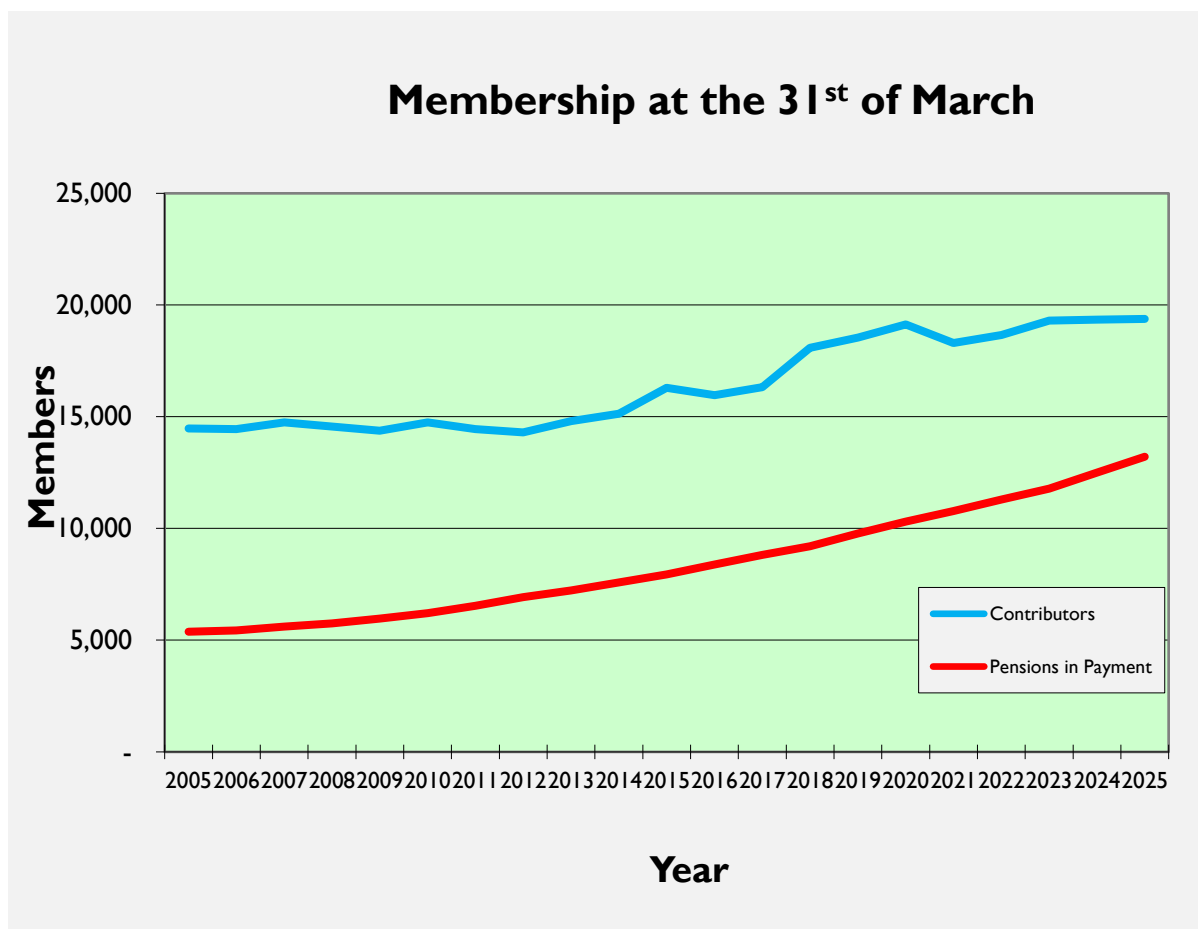
## **7. Thanks**

The Chair wishes to thank her fellow members on the Board, who have volunteered their time to the roles, and the relevant officers for their support.

**Sioned Parry  
Chair**

#### 4. Membership Summary

The graph below shows the changes in the Fund's membership over the last 20 years. It shows that the number of pensioners has slowly increased from 5,379 in 2005 to 13,211 in 2025 and the number of active contributors has also increased from 14,481 in 2005 to 19,380 in 2025.



The table below shows further details on the Fund's membership:

31 March 2024	Description	31 March 2025
19,348	Contributors	19,380
12,504	Pensions in Payment	13,211
14,419	Deferred Pensioners	14,826
4,006	Unclaimed Benefits	4,683
3,038	Undecided Leavers*	1,792
53,315	Total Membership	53,892

\*An undecided leaver is someone who has left their employment but is undecided as to the action that they now want to take with regard to their pension benefits. These records are closely monitored and are ultimately removed from the system once the individual member has decided upon the action they wish to take with regard to their pension benefits. Some records are also undecided leaver as the fund is awaiting termination details from the scheme employer or because there is a delay in processing the records to the correct status due to staff shortage as a result of struggling to recruit new staff.

## 5. Pensions Administration

### 5.1 Review of the Year

#### Introduction

2024/25 has been another busy year for the Pension Fund. This report provides a general overview of pension administration over the past year. It contains information on the work carried out over the period and an update on various previously mentioned projects.

#### Performance Management

##### Administration KPI table A – Total number of casework

	Casework KPI	Total number of cases open as at 31 March (starting position)	Total number of new cases created in the year (1 April to 30 March)	Total number of cases completed in year	Total number of cases completed in previous year
A1	Deaths recorded of active, deferred, pensioner and survivor members	10	488	498	402
A2	New survivor benefits	0	38	38	24
A3	Deferred member retirements	7	462	469	467
A4	Active member retirements	33	560	593	490
A5	Deferred benefits	2,493	966	3,459	4,978
A6	Transfers in (including interfunds in, club transfers)	88	319	407	441
A7	Transfers out (including interfunds out, club transfers)	11	129	140	116
A8	Refunds	5	283	288	402
A9	Divorce quotations issued	0	90	90	99
A10	Actual divorce cases	0	0	0	2
A11	Member estimates requested either by scheme member or employer	35	2,749	2,784	2,714
A12	New joiner notifications	483	3,303	3,786	3,907
A13	Aggregation cases	1,100	2,066	3,166	1,488
A14	Optants out received after 3 months membership	Not recorded	Not recorded	Not recorded	Not recorded

During the reporting year, the administration team handled a wide range of casework activity. Death notifications rose slightly, with 498 cases completed compared to 402 the previous year. New survivor benefits remained steady at 38, up from 24. Retirement processing was consistent, with 469 deferred member retirements and 593 active member retirements completed — both showing a modest increase from the previous year.

Deferred benefit cases saw a notable decrease, with 3,459 completed compared to 4,978 previously, despite starting the year with a high volume of 2,493 open cases. Transfers in and out were relatively stable, with 407 and 140 cases completed respectively. Refunds dropped significantly to 288 from 402, while divorce quotations remained similar at 90, and no actual divorce cases were processed this year.

Member estimate requests continued at a high level, with 2,784 completed, slightly up from 2,714. New joiner notifications remained consistent at 3,786, and aggregation cases saw a sharp increase to 3,166 from 1,488 the previous year. Data for opt-outs after three months of membership was not recorded.

Overall, the team maintained strong throughput across most categories, with some areas showing increased demand and others reflecting reduced volumes year-on-year.

#### **Administration KPI table B – Time taken to process casework**

	Casework KPI	Suggested fund target	% completed within fund target in year	% completed in previous year	Legal requirement	% completed within legal target in year	% completed within legal target in previous year
B1	Communication issued with acknowledgement of death of active, deferred, pensioner and survivor member	5 working day	18.7%	19.5%	2 months	69.3%	75.6%
B2	Communication issued confirming the amount of dependents pension	10 working day	81.6%	50%	2 months	97.4%	75%
B3	Communication issued to deferred member with pension and lump sum options (quotation)	15 working day	98.9%	99.4%	2 months	99.9%	99.9%
B4	Communication issued to active member with pension and lump sum options (quotation)	15 working day	95.9%	97.1%	2 months	97.7%	99.7%
B5	Communication issued to deferred member with confirmation of pension and lump sum options (actual)	15 working day	98.1%	99.6%	2 months	99.4%	100%

B6	Communication issued to active member with confirmation of pension and lump sum options (actual)	15 working day	60.6%	85.1%	2 months	95.7%	98.5%
B7	Payment of lump sum (both actives and deferreds)	15 working day	Not recorded	Not recorded	Not recorded	Not recorded	Not recorded
B8	Communication issued with deferred benefit options	30 working day	5.0%	4.9%	2 months	36.2%	21.7%
B9	Communication issued to scheme member with completion of transfer in	10 working day	2.2%	4.8%	2 months	67.4%	65.2%
B10	Communication issued to scheme member with completion of transfer out	10 working day	87.3%	64.8%	2 months	94%	93.3%
B11	Payment of refund	10 working day	96.4%	98.5%	2 months	99.6%	99.2%
B12	Divorce quotation	45 working day	95.5%	81.8%	3 months	100%	99%
B13	Communication issued following actual divorce proceedings i.e application of a Pension Sharing Order	15 working day	None	0%	3 months	None	100%
B14	Communication issued to new starters	40 working day	0.8%	8.3%	2 months	90.5%	94.5%
B15	Individual member estimates provided to scheme member or employer	10 working day	95.0%	97.1%	2 months	99.7%	97.7%

This year, we have transitioned to a new method of reporting performance. We are still in the process of adjusting our tasks to comply with this new approach, and work is ongoing to improve the quality of the data. Further adjustments may be required as the process evolves.

Some areas have shown poor performance, but it is likely that the task itself needs further refinement, and actual performance may be better than reported. However, the statistics presented here reflect the current position as recorded in our system.

Communications acknowledging a member's death remain below the fund target, with only 18.7% completed within five working days, though 69.3% met the legal requirement of two months — a

slight decline from the previous year. Communications confirming dependent pension amounts showed significant improvement, with 81.6% meeting the fund target and 97.4% meeting the legal requirement, up from 50% and 75% respectively.

Retirement quotations and confirmations for deferred members performed consistently well, with nearly all cases meeting both fund and legal targets. Active member quotations also remained strong, though actual confirmations dropped to 60.6% against the fund target, despite maintaining 95.7% compliance with the legal requirement. Deferred benefit option communications continued to underperform, with only 5% meeting the fund target and 36.2% meeting the legal requirement — though both figures improved slightly year-on-year.

Transfer-in communications were particularly low, with just 2.2% meeting the fund target, although 67.4% met the legal requirement. Transfer-out communications showed marked improvement, with 87.3% meeting the fund target and 94% meeting the legal requirement. Refund payments and divorce quotations were processed efficiently, with over 95% meeting both fund and legal targets. However, no communications were issued following actual divorce proceedings, a drop from 100% compliance the previous year.

Communications to new starters remained very low at 0.8% against the fund target, though legal compliance stayed relatively high at 90.5%. Member estimate requests were handled well, with 95% meeting the fund target and 99.7% meeting the legal requirement. Data for lump sum payments was not recorded.

**Note:** The Fund does not operate to fixed performance targets. Instead, we are committed to continuous improvement, focusing on enhancing service quality and responsiveness over time. However, for the purposes of this report, performance has been assessed against suggested targets. These targets reflect nationally recommended benchmarks and are used here to provide context and comparison.

#### Administration KPI table C – Communications and engagement

Digital engagement KPI																																																		
C1	% of active members registered for self-service	55.11% as at 31 March																																																
C2	% of deferred members registered for self-service	43.46% as at 31 March																																																
C3	% of pensioner and survivor members registered for self-service	39.80% as at 31 March																																																
C4	% total of all scheme members registered for self-service	46.95% as at 31 March																																																
C5	Top 5 most frequently visited functions	<ol style="list-style-type: none"> <li>Document and Uploads</li> <li>Benefit Calculators</li> <li>Latest Valuation</li> <li>Annual Benefit Statement Video Overview</li> <li>Manage Beneficiaries</li> </ol>																																																
C6	Number of registered users by age	<table border="1"> <thead> <tr> <th>Age Group</th> <th>Orange Series (Count, %)</th> <th>Green Series (Count, %)</th> </tr> </thead> <tbody> <tr> <td>21-25</td> <td>1,137 (83.8%)</td> <td>1,356 (75.7%)</td> </tr> <tr> <td>26-30</td> <td>3,188 (62.3%)</td> <td>1,926 (37.7%)</td> </tr> <tr> <td>31-35</td> <td>3,739 (53.6%)</td> <td>3,233 (46.4%)</td> </tr> <tr> <td>36-40</td> <td>3,657 (50.6%)</td> <td>3,573 (49.4%)</td> </tr> <tr> <td>41-45</td> <td>3,506 (47.4%)</td> <td>3,884 (52.6%)</td> </tr> <tr> <td>46-50</td> <td>3,216 (45.3%)</td> <td>3,723 (53.7%)</td> </tr> <tr> <td>51-55</td> <td>3,814 (43.9%)</td> <td>4,875 (56.1%)</td> </tr> <tr> <td>56-60</td> <td>3,923 (42.2%)</td> <td>5,372 (57.8%)</td> </tr> <tr> <td>61-65</td> <td>3,415 (41.2%)</td> <td>4,869 (58.8%)</td> </tr> <tr> <td>66-70</td> <td>3,208 (50.3%)</td> <td>3,166 (49.7%)</td> </tr> <tr> <td>71-75</td> <td>3,402 (75.8%)</td> <td>1,185 (24.2%)</td> </tr> <tr> <td>76-80</td> <td>3,099 (85.8%)</td> <td>507 (14.2%)</td> </tr> <tr> <td>81-85</td> <td>2,260 (97.5%)</td> <td>207 (2.5%)</td> </tr> <tr> <td>86-90</td> <td>1,729 (97.5%)</td> <td>174 (2.5%)</td> </tr> <tr> <td>Total</td> <td>4,727 (99.8%)</td> <td>4,744 (100%)</td> </tr> </tbody> </table>	Age Group	Orange Series (Count, %)	Green Series (Count, %)	21-25	1,137 (83.8%)	1,356 (75.7%)	26-30	3,188 (62.3%)	1,926 (37.7%)	31-35	3,739 (53.6%)	3,233 (46.4%)	36-40	3,657 (50.6%)	3,573 (49.4%)	41-45	3,506 (47.4%)	3,884 (52.6%)	46-50	3,216 (45.3%)	3,723 (53.7%)	51-55	3,814 (43.9%)	4,875 (56.1%)	56-60	3,923 (42.2%)	5,372 (57.8%)	61-65	3,415 (41.2%)	4,869 (58.8%)	66-70	3,208 (50.3%)	3,166 (49.7%)	71-75	3,402 (75.8%)	1,185 (24.2%)	76-80	3,099 (85.8%)	507 (14.2%)	81-85	2,260 (97.5%)	207 (2.5%)	86-90	1,729 (97.5%)	174 (2.5%)	Total	4,727 (99.8%)	4,744 (100%)
Age Group	Orange Series (Count, %)	Green Series (Count, %)																																																
21-25	1,137 (83.8%)	1,356 (75.7%)																																																
26-30	3,188 (62.3%)	1,926 (37.7%)																																																
31-35	3,739 (53.6%)	3,233 (46.4%)																																																
36-40	3,657 (50.6%)	3,573 (49.4%)																																																
41-45	3,506 (47.4%)	3,884 (52.6%)																																																
46-50	3,216 (45.3%)	3,723 (53.7%)																																																
51-55	3,814 (43.9%)	4,875 (56.1%)																																																
56-60	3,923 (42.2%)	5,372 (57.8%)																																																
61-65	3,415 (41.2%)	4,869 (58.8%)																																																
66-70	3,208 (50.3%)	3,166 (49.7%)																																																
71-75	3,402 (75.8%)	1,185 (24.2%)																																																
76-80	3,099 (85.8%)	507 (14.2%)																																																
81-85	2,260 (97.5%)	207 (2.5%)																																																
86-90	1,729 (97.5%)	174 (2.5%)																																																
Total	4,727 (99.8%)	4,744 (100%)																																																

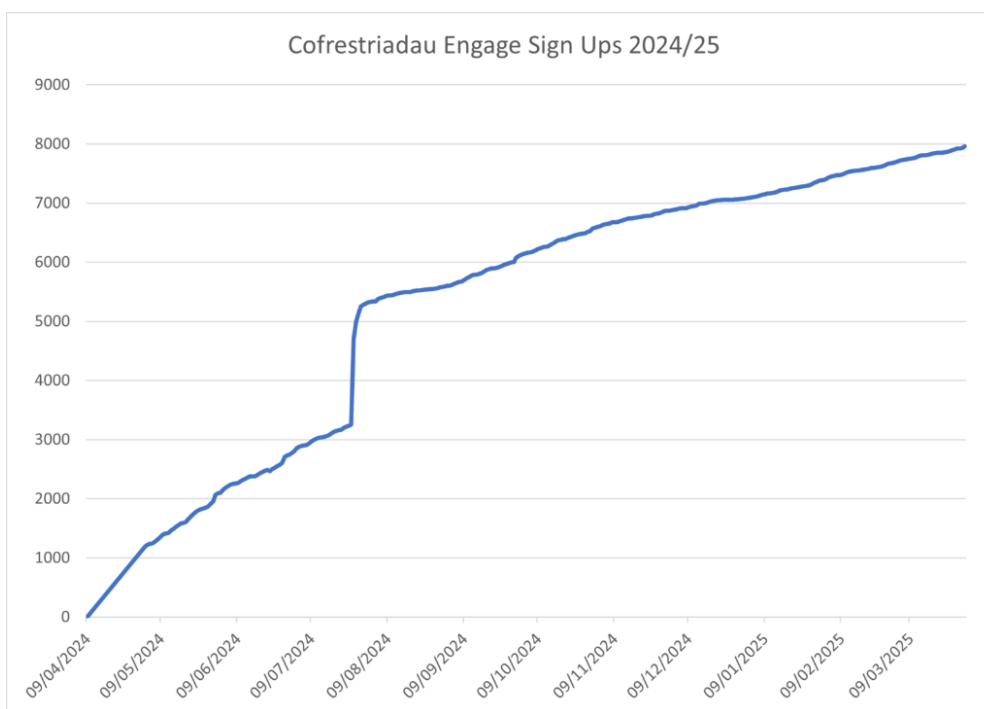
C7	% of all registered users that have logged onto the service in the last 12 months	39.64%
Communication KPI		
C8	Total number of telephone calls received in year	Information not available
C9	% of calls answered at first point of contact	Information not available
C10	Total number of email and online channel queries received	Information not available
C11	Average wait time to speak to a member of the administration team	Information not available
C12	Number of scheme member events held in year (total of in-person and online)	12
C13	Number of employer engagement events held in year (in-person and online)	22
C14	Number of active members who received a one-to-one (in-person and online)	180
C15	Number of times a communication (i.e a newsletter) issued to:	
	a) Active members	1
	b) Deferred members	1
	c) Pensioners	1

### Digital Engagement KPI (C1 – C7)

This section highlights how effectively members are engaging with the self-service portal and the features they find most valuable.

The 'My Pension Online' system continues to be a widely used and trusted resource, with high daily traffic from members seeking to manage their pension information. On 10 April 2024, a major upgrade to the portal was launched, requiring all existing users to re-register. The new platform introduced a modernised design and significantly enhanced functionality, underpinned by advanced technology. These improvements reflect an ongoing commitment to member-centric service, with further enhancements in development to deepen engagement and improve usability.

During the 2024–25 period, approximately 8,000 members successfully registered on the new portal, with numbers increasing steadily each month. The graph below illustrates the upward trend in member adoption over the past 12 months.



The upgraded system offers a wide range of features designed to support members in managing their pension benefits. These include the ability to view and update personal details and addresses, access benefit projections and retirement lump sum calculations, review service history, update nominated beneficiaries, and view Annual Benefit Statements and payslips (for pensioners). New features introduced with the upgrade include simplified login using email and password, enhanced security through two-factor authentication, improved navigation, a retirement planner tool, personalised explanatory videos for complex topics, and an electronic ID authentication system.

As of 31 March, registration rates across member categories show encouraging levels of participation. Active members lead with a registration rate of 55.11%, followed by deferred members at 43.46%, and pensioner and survivor members at 39.80%. Overall, 46.95% of all scheme members have registered, reflecting strong uptake and growing digital engagement.

Usage data reveals the most frequently accessed functions are document uploads, benefit calculators, latest valuation views, the Annual Benefit Statement video overview, and beneficiary management. These features align closely with members' practical needs in planning for retirement and maintaining accurate records.

Further analysis of user activity shows that 39.64% of registered users have logged into the portal within the past 12 months, indicating consistent and meaningful engagement. Age distribution data has also been collected to better understand usage patterns across different demographics.

Efforts are ongoing to increase member participation and ensure the portal continues to meet evolving user needs.

### Communication KPI (C8-C15)

During the reporting year, member and employer engagement activities continued to play a vital role in supporting communication across the scheme. A total of 22 employer engagement events were held, both in-person and online, alongside dedicated scheme member sessions delivered by our Communication team. In addition, 180 active members received personalised one-to-one support, reflecting a strong commitment to direct and meaningful interaction. It is important to note, however, that a number of pensioners, deferred members, and family members of deceased members also received one-to-one support during the year. While these groups fall outside the scope of formal reporting, their inclusion would significantly increase the total number of individuals

supported.

Unfortunately, it was not possible to report on several key communication metrics this year due to changes in the telephone system, which affected data collection. As a result, figures relating to call volumes, first contact resolution rates, email and online queries, and average wait times were unavailable. Work is underway to address these limitations, and we aim to include comprehensive data for these areas in future reporting cycles.

#### **Administration KPI table D – Administration staff as at 31 March**

Staff KPI		
D1	Total number of all administration staff (FTE)	23.6
D2	Average service length of all administration staff	10 years 229 days
D3	Number of administration staff vacancies occurred in the year	3
D4	Number of the vacancies filled as at 31 March	3
D5	Ratio of all administration staff to total number of scheme members (all staff including management)	1:2278
D6	Ratio of administration staff (all processing staff and excluding management) to total number of scheme members	1:2610
D7	Average number of all cases (open and closed) completed per member of staff involved in administration duties.	666

The administration team consists of 23.6 full-time equivalent staff, with an average service length of 10 years and 229 days. During the year, three vacancies arose, all of which were successfully filled by 31 March. The ratio of total administration staff (including management) to scheme members stands at 1:2278, while the ratio for processing staff only (excluding management) is 1:2610. Based on the tasks listed in Table A above, the average number of cases completed per member of staff involved in administrative duties is 666.

#### **Administration KPI table E – Data Quality**

Annual Benefit Statements KPI		Previous year %	Current year %
E1	% of Annual Benefit Statements issued as at 31 August	100%	100%
E2	Explain with Short commentary if less than 100%	N/A	N/A
E3	% number of annual benefit statements reissued	N/A	N/A
Data category KPI		Previous year data quality score %	Current year data quality score %
E4	Common data	97.5%	98%
E5	Scheme specific data	99.1%	99.33%

Address and email data KPI		Previous year %	Current year %
E6	% of active, deferred and pensioner members recorded as 'gone away' with no home address held or address is known to be out of date	Not recorded	1.59%
E7	% of active, deferred and pensioner members with an email address held on file (with and without a record home address)	Not recorded	61.91%

### **Annual Benefit Statements KPI (E1–E3)**

We must produce an Annual Benefit Statement for each member of the scheme by the end of August each year. This statement provides members with details of the benefits accrued up to the end of the previous financial year and predicts the benefits payable at their Normal Pension Age. The statement also includes pay details and explanatory notes about how the benefits are calculated.

Since 2018, these statements have been available electronically on our website's Member Self Service section. 2023/24 statements were uploaded to the system for active and deferred members on 25/07/2024.

1,070 members have written in to confirm that they want to continue receiving a paper copy of their statements. These statements were sent at the end of August 2024.

### **Data Category KPI (E4-E5)**

In 2015, the Pensions Regulator (tPR) took over responsibility for Public Sector Pension Schemes. Before that, in June 2010, the tPR published guidance on what they consider to be good practice to measure the presence of members' data.

Over the last few years we have been commissioning our software provider, Heywood Pension Technologies to produce a Data Quality Report for our Fund every September. We now have software to run this report internally.

The report is divided into two sections:

**Common Data:** e.g. name, address, NI number, gender, date of birth, status and start date

**Scheme Specific Data:** e.g. benefits in the scheme, transfer details, AVC, salary details, contributions, service, lifetime allowance, annual allowance and GMP.

### **Member Satisfaction Survey**

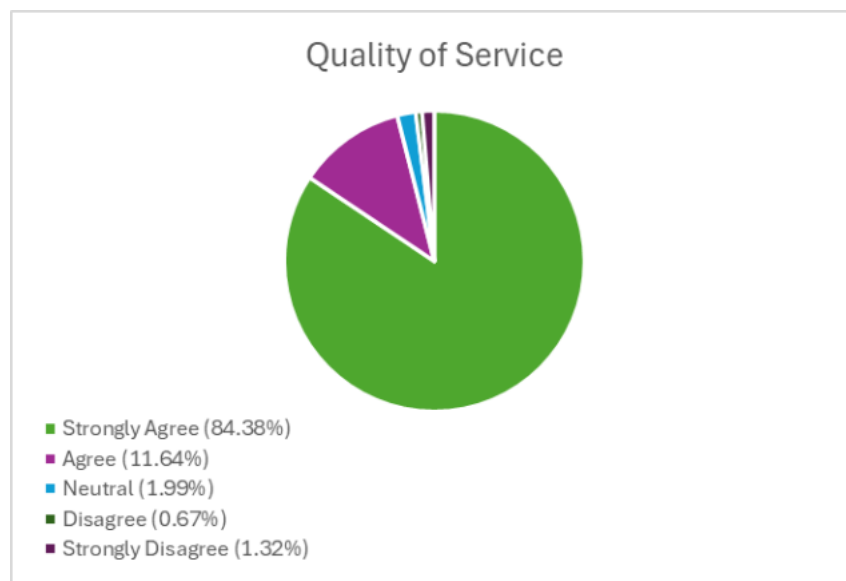
To ensure that we offer the best possible service to our members, a Member Satisfaction Survey is sent at the end of each process, e.g. retirements and payment of refunds for the members to give their opinion on the quality of the service received and their opinion about the service provided by the staff.

**76** Members took part in this survey.

Here is a summary of the 2024/25 results:

## Quality of Service

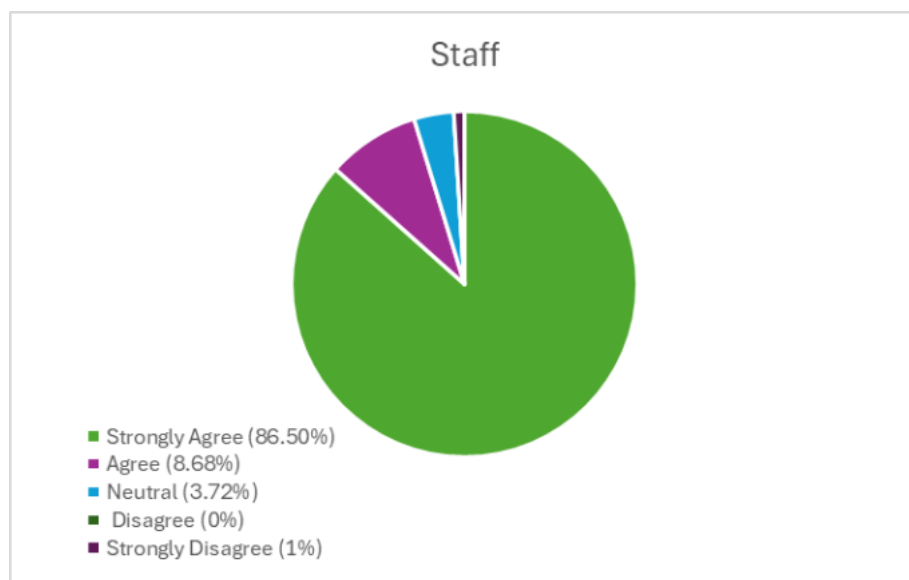
The chart below shows the percentage of users who are satisfied with four aspects of the service's performance based on: i) Service as a whole; ii) Clear information; iii) Quality of service; iv) Time to deal with the enquiry.



As can be seen, **96%** of the users strongly agree or agree that the quality of the service provided is of a high standard. The percentage for 2023/24 was **99%**.

## Staff

The chart below shows the percentage of users who are satisfied with four aspects of staff performance based on: i) Courtesy; ii) Punctuality; iii) Assistance given; iv) Level of knowledge.



As can be seen, a high percentage once again (**95%**) of the users strongly agree or agree that the quality of the service provided is of a high standard in relation to the staff. The percentage for 2023/24 was **99%**.

Although the score is slightly lower than in 2023/24, we remain confident that our performance in 2024/25 has been consistent. The minor dip reflects feedback from a single dissatisfied member whose concerns related to an issue beyond our control.

## **Work to do**

There are a number of tasks and projects requiring attention during the next year. These include:

- Website: Continue to update and expand the website.
- Continue to develop process automation and improve our correspondence.
- Scanning the paper files in the office in order to be a paperless office.
- McCloud: Update records for undertaking the McCloud project.
- Reduce the number of 'undecided leavers' records, which are members who have left the scheme but their record has not been closed.

## **i-Connect**

i-Connect updates member data in our pension administration system on a monthly basis, avoiding the need for employers to send information at the end of the year.

Data is taken directly from a payroll system by i-Connect which then automatically identifies and submits details of new members, opt-outs and leavers to us.

By now all the employers use i-Connect, with the information being submitted promptly by all the employers overall.

## **Scheme Administration Statistics**

### **Number of Employers**

This table provides a summary of the number of employers in the Fund with active members and ceased (no active members but some outstanding liabilities).

	<b>Active</b>	<b>Ceased</b>
<b>Scheduled bodies:</b>	29	5
<b>Admitted bodies:</b>	18	26
<b>Total:</b>	<b>47</b>	<b>31</b>

### **Scheme membership**

	<b>31/03/2020</b>	<b>31/03/2021</b>	<b>31/03/2022</b>	<b>31/03/2023</b>	<b>31/03/2024</b>	<b>31/03/2025</b>
<b>Active</b>	18,582	18,295	18,657	19,304	19,348	19,380
<b>Deferred</b>	12,605	12,431	12,540	13,160	14,419	14,826
<b>Pensioners</b>	10,329	10,780	11,298	11,780	12,504	13,211
<b>Undecided</b>	6,441	8,133	8,617	7,966	7,044	6,475
<b>Total:</b>	<b>47,957</b>	<b>49,639</b>	<b>51,112</b>	<b>52,210</b>	<b>53,315</b>	<b>53,892</b>

### **Retirements during 2024/25**

This table provides a summary of the number of retirements within the Fund during 2024/2025.

<b>Reason for leaver</b>	<b>Number of pensioners</b>
Early/Normal Retirement	533
Redundancy/ Efficiency	69
Ill Health	43

Late Retirement	132
Flexible Retirement	57
<b>Total</b>	<b>834</b>

### **Staffing indicators**

The table below shows the number of staff in the Pensions Administration Team working exclusively on Local Government Pension Scheme benefits.

	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Number of full-time equivalent Pension Fund staff	18.10	19.16	20.16	22.6	23.6
Total fund membership (Does not include undecided members)	41,506	42,495	44,244	46,271	47,417
Number of fund members to one member of administration staff	2,293	2,218	2,195	2,047	2,009

### **Unit cost per member**

<b>Investment Management Expenses</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
Total Costs	£10,593,000	£12,866,000	£15,738,000
Total Membership Numbers (Does not include unclaimed benefits and undecided members)	44,244	46,271	47,417
Cost per member	£239.42	£278.06	£331.91
<b>Administration Expenses</b>			
Total Costs	£1,588,000	£1,720,000	£1,988,000
Total Membership Numbers (Does not include unclaimed benefits and undecided members)	44,244	46,271	47,417
Cost per member	£35.89	£37.17	£41.93
<b>Oversight and Governance Expenses</b>			
Total Costs	£548,000	£456,000	£556,000
Total Membership Numbers (Does not include unclaimed benefits and undecided members)	44,244	46,271	47,417
Cost per member	£12.39	£9.85	£11.73
<b>Total cost</b>	<b>£287.70</b>	<b>£325.08</b>	<b>£385.57</b>

### **Acknowledgments**

Overall, 2024/25 has been a successful year for the Pension Fund I would like to thank all the staff for their hard work and support over the year, the employers for providing timely information and our actuary Hymans Robertson for their work and advice over the year.

**Meirion Jones**  
**Pensions Manager**

## 5.2 Local Government Pension Scheme Regulations

### General

The Public Service Pensions Act 2013 governs the Fund. The Fund is administered in accordance with the following secondary laws:

- Local Government Pension Scheme Regulations 2013 (as amended)
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (also as amended)
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

Cyngor Gwynedd administers the Gwynedd Pension Fund for its own employees and those of 46 other bodies (including 2 Local Authorities). The Fund does not cover teachers, for whom separate arrangements exist. The Fund is financed by contributions from employers and employees, together with income earned from investments.

From April 2014 employee contribution rates are determined in bands according to their actual pay indexed annually in line with inflation. Employees may opt to pay half rate contributions to accrue half rate personal benefits in what is called the 50/50 scheme, death and dependent benefits remain at full rate. The bandings for April 2024– March 2025 are shown in the table below:

Pay Bands	Contribution Rates main scheme	Contribution Rates 50/50 scheme
Up to £17,600	5.5%	2.75%
£17,601 - £27,600	5.8%	2.9%
£27,601 - £44,900	6.5%	3.25%
£44,901 - £56,800	6.8%	3.4%
£56,801 - £79,700	8.5%	4.25%
£79,701 - £112,900	9.9%	4.95%
£112,901 - £133,100	10.5%	5.25%
£133,101 - £199,700	11.4%	5.7%
More than £199,701	12.5%	6.25%

Employers contribute to the fund at a rate assessed triennially by the Fund's Actuary, or in the event of any significant change in an employer's membership or profile. Employers continue to pay the full rate in respect of members who opt for the 50/50 option or are on reduced pay due to illness.

### Benefits

The LGPS provides significant benefits to members based on two separate schemes. There is a final salary arrangement, itself consisting of two accrual rates, and a CARE (Career Average Revalued Earnings) arrangement that came into force from 1 April 2014. Below are brief details of how the pensions accrue in both arrangements.

For the final salary element benefits will normally be based on two factors: service or membership during which contributions have been paid to the scheme, known as "Total Membership", and the wage or salary on which those contributions were paid (normally the last 12 months of service), known as "Final Pay".

The CARE part will be in the form of 1/49ths pension calculated on individual years' actual pensionable earnings revalued annually.

- **Annual Pension**

The calculation of the annual standard pension is based on the following formula:

***Final Pay x 1/80 x Total Membership to 31 March 2008; plus  
Final Pay x 1/60 x Total Membership from 1 April 2008 to 31 March 2014; plus***

### ***The accrued and revalued CARE pension on years from 1 April 2014 onwards***

Once the pension is in payment it will rise each April in line with the increase in the Consumer Price Index.

- **Lump Sum**

There is also an entitlement to a standard tax-free lump sum on membership to 31 March 2008, based on the following formula:

***Final Pay x 3/80 x Total Membership to 31 March 2008 only***

- **Conversion of Benefits**

There is an option to convert part of the pension into an additional lump sum in excess of the formula shown above, but subject to HMRC limits.

### **Councillor Pensions**

The scheme also provides access for Councillors. The benefit package is based on the pre April 2008 formula for pension and lump sum shown above but using Career Average Salary instead of Final Pay. This remains the position for councillor members even after the introduction of the new main scheme from April 2014. No new Councillors are eligible to join the LGPS in England and current Councillor Members must leave the scheme when their term of office comes to an end.

### **III-Health Retirement**

If the membership period is 2 years or more, and an administering authority approved independent registered medical practitioner certifies that the member has become permanently unable to do their job or any comparable job with their employer, they will receive a pension, and if choosing to convert their pension, a tax free lump sum immediately.

The benefit payable depends on the ill health retirement awarded:

#### **Tier 1**

If the member is unlikely to be capable of gainful employment before their Normal Pension Age (NPA), ill health benefits are based on the pension they have already built up in their pension account at the date of leaving the scheme plus the pension they would have built up, calculated on assumed pensionable pay, had they been in the main section of the scheme until they reached their NPA.

#### **Tier 2**

If the member is unlikely to be capable of gainful employment within 3 years of leaving, but are likely to be capable of undertaking such employment before their NPA, ill health benefits are based on the pension they have already built up in their pension account at the date of leaving the scheme plus 25% of the pension they would have built up calculated on assumed pensionable pay, had they been in the main section of the scheme until they reached their NPA.

#### **Tier 3**

If the member is likely to be capable of gainful employment within 3 years of leaving, or before their NPA if earlier, ill health benefits are based on the pension they have already built up in their pension account at leaving. Payment of these benefits will be stopped after 3 years, or earlier if the member is in gainful employment or become capable of such employment, provided they have not reached their NPA by then. If the payment is stopped it will normally become payable again from their NPA.

Gainful employment means paid employment for not less than 30 hours in each week for a period of not less than 12 months.

### **Early Retirement**

If membership period is 2 years or more, a member may elect to retire and receive their LGPS benefits at any time from age 55 onwards; however payment before normal pension age may result in an actuarial reduction for early release, and if after normal pension age benefits may be actuarially increased due to late payment.

**Preserved Benefits**

Leavers with 2 years of membership are awarded preserved benefits, calculated in the same way as described in the paragraph 'Benefits', but with payment being deferred and index linked until payment is made any time after age 55 (age 60 if termination before 1/04/2014). Alternatively, it may be possible to transfer the equivalent value of benefits to another pension scheme.

Leavers with less than 2 years' membership, and with no further LGPS rights, may reclaim their contributions, less tax and any contracted out premiums that may apply.

**Death in Service**

A death grant of three times Final Pay is payable, regardless of the length of membership. For part-time employees, the Final Pay is not increased to its whole-time equivalent rate.

In addition, survivor benefits may be payable to spouses, or partners, with dependent children benefits also payable subject to certain criteria, mainly based on age and whether in full time education.

**Death after Retirement**

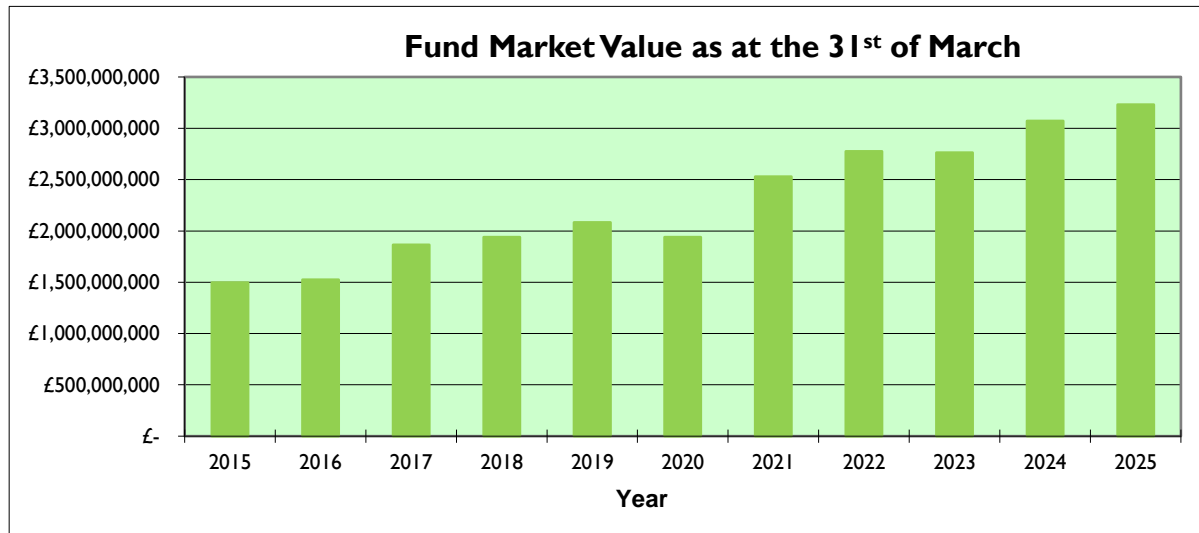
If a member dies after drawing their LGPS pension and before reaching age 75, a death grant may be payable. Generally speaking, the death grant is equal to 10 times (or 5 times if they left the LGPS before 1 April 2008) the pension less the amount already paid. If the member left after 31/03/2014 then the amount of additional lump sum the member received on retirement as a result of giving up pension for lump sum is also deducted from the sum payable.

Like for death in service, spouses and partners' pensions are payable for life whilst dependant eligible children's pensions are payable subject to the same conditions as for Death in Service.

## 6. Investments

### 6.1 End of Year Position

The Gwynedd Pension Fund is in a relatively healthy position with the value of the fund gradually increasing for some time now. By the 31<sup>st</sup> of March 2025, the Pension Fund's value has increased to £3.2 billion.



### Asset Allocation

The main determinant of the Fund's long-term performance is the strategic allocation of assets. The following table shows the Fund's actual asset allocation against its target strategic allocation at 31.03.25.

Type of asset	Actual %	Target %	Difference %
UK Equity	9.2	8.0	+1.2
Global Equity	42.5	34.5	+8.0
Emerging Markets Equity	2.0	2.5	-0.5
Private Equity	5.1	5.0	+0.1
<b>Total Growth</b>	<b>58.8</b>	<b>50.0</b>	<b>+8.8</b>
Property	5.6	10.0	-4.4
Infrastructure	5.8	7.5	-1.7
Multi Asset Credit	7.5	7.5	0.0
Private Credit	1.6	5.0	-3.4
<b>Total Income</b>	<b>20.5</b>	<b>30.0</b>	<b>-9.5</b>
Absolute Return Bond	12.5	12.5	0.0
Corporate Bonds	7.2	7.5	-0.3
<b>Total Defensive</b>	<b>19.7</b>	<b>20.0</b>	<b>-0.3</b>
Cash	1.0	0.0	+1.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>	<b>+0.0</b>

The target strategic allocations were updated at the end of 2023 following an improvement in the Fund's funding position. It was agreed by the Pensions Committee to partially de-risk the Fund by reducing its equity allocation and invest in income generating assets. This has been actioned during the year and investments in infrastructure and private credit will increase further as capital is called. The Fund is underweight to property as we await the launch of the WPP property funds.

### Investments by investment manager

Over the period of this report, there were 3 Investment Managers as follows: Wales Pension Partnership, BlackRock and Partners. The fund also made direct investments to property with the Lothbury, Threadneedle and UBS funds.

Manager	Fund	Asset Class	31 March 2024 £000	31 March 2025 £000
<b>Pooled</b>				
Wales Pension Partnership	Global Opportunities	Global Equity	434,566	460,613
Wales Pension Partnership	Global Growth	Global Equity	415,429	418,895
Wales Pension Partnership	Emerging Markets	Global Equity	59,884	63,023
Wales Pension Partnership	Sustainable Active Equity	Global Equity	317,063	317,658
Wales Pension Partnership	Absolute Return Bond	Bonds	412,216	403,247
Wales Pension Partnership	Multi Asset Credit	Multi-Credit Asset	226,013	241,859
Wales Pension Partnership	Global Credit	Bonds	223,004	233,417
Wales Pension Partnership	Russell Investments Global Private Credit	Private Credit	10,235	50,748
Wales Pension Partnership	GCM WPP Global Infrastructure	Infrastructure	3,621	8,048
Wales Pension Partnership	Capital Dynamics CEI	Infrastructure	2,977	4,131
Wales Pension Partnership	Octopus Renewables Infrastructure	Infrastructure	9,868	35,101
Wales Pension Partnership	IFM Global Infrastructure	Infrastructure	0	60,918
Wales Pension Partnership	CBRE Global Infrastructure	Infrastructure	0	14,683
Wales Pension Partnership	Schroders Capital WPP Global Private Equity I	Private Equity	3,865	6,022
Wales Pension Partnership	Schroders Capital WPP Global Private Equity II	Private Equity	0	7,165
<b>Total Pooled</b>			<b>2,118,741</b>	<b>2,325,528</b>
<b>Under pool management</b>				
Black Rock	Aquila Life UK Equity Index	UK Equity	267,131	294,958
Black Rock	ACS World Low Carbon Equity	Global Equity	203,363	170,002
<b>Total Under pool management</b>			<b>470,494</b>	<b>464,960</b>
<b>Not pooled</b>				
Black Rock	Property	Property	53,144	56,246
Lothbury	Property	Property	50,779	6,263
UBS	Property Global Ast Triton	Property	72,160	76,742
Threadneedle	Property TPEN	Property	32,217	34,116
Threadneedle	Property TPUT	Property	2,050	2,221
Partners	Private Equity	Private Equity	163,163	149,330
Partners	Infrastructure	Infrastructure	73,516	76,836
<b>Total Not pooled</b>			<b>447,029</b>	<b>401,754</b>
<b>Total</b>			<b>3,036,264</b>	<b>3,192,242</b>

## Assets within the UK

The following table provides additional information on investments in the UK:

£m Asset values as at 31 March 2025	Pooled	Under Pool Management	Not pooled	Total
UK Listed Equities	53.4	273.3	0	326.7
UK Government Bonds	30.4	0	0	30.4
UK Infrastructure	8.7	0	10.2	18.9
UK Private Equity	1.8	0	13.3	15.1

## 6.2 Investment Performance

### Quarterly Meetings

The performance of the Investment Managers is monitored on a quarterly basis. A quarterly meeting with the Investment Managers is rotated. The Investment Managers submit quarterly reports to the Pensions Committee, relevant officers and the Fund's adviser.

### Performance Monitoring

Gwynedd subscribes to a service provided by Pensions & Investment Research Consultants Ltd (PIRC), who calculate the rate of return for Gwynedd and for other pension funds and provides comparisons.

### Targets

Individual performance benchmarks for the Investment Managers are shown in the table below.

Fund/ Asset Class	Benchmark	Performance target (% p.a)
WPP Global Opportunities	MSCI All Country World Index	Outperform the index +2%
WPP Global Growth	MSCI All Country World Index	Outperform the index +2%
WPP Emerging Markets	MSCI Emerging Markets Index	Outperform the index +1.5%
WPP Sustainable Active Equity	MSCI All Country World Index	Outperform the index +2%
WPP Absolute Return Bond	3mth SONIA	3mth SONIA + 2%
WPP Multi Asset Credit	3mth SONIA	3mth SONIA + 4%
WPP Global Credit	Barclays Global Aggregate Credit Index	Outperform the index
WPP Private Credit	8% p.a.	7%- 9% net IRR
WPP Global Infrastructure	8% p.a.	8%-10% net IRR
WPP Wales Renewable Infrastructure	8% p.a.	8% p.a.
WPP Open Ended Infrastructure	8% p.a.	8%-10% net IRR
WPP Private Equity	15% net IRR	15% net IRR
Black Rock Aquila Life UK Equity Index	FTSE All- Share Index	Track the benchmark
Black Rock ACS World Low Carbon Equity Tracker	MSCI World Low Carbon Index	Track the benchmark
All Property	UK All Balanced Property Fund Index	Outperform the index
Partners Private Equity	MSCI AC World (net)	MSCI AC World (net)
Partners Infrastructure	8% p.a.	8% p.a.

The fund has made direct investments with Lothbury, UBS and Threadneedle, so therefore have not given them a benchmark. However, for indicative purposes we monitor them against the 'IPD Balanced Property Unit Trust Index'.

### The Fund's Performance

	1 Year Return	1 Year Benchmark	3 Year Return	3 Year Benchmark	Since Inception Return	Since Inception Benchmark
	%	%	%	%	%	%
Wales Pension Partnership Funds						

WPP Global Opportunities	6.0	4.9	8.2	7.6	11.8	11.0
WPP Global Growth	0.9	4.9	5.0	7.6	9.0	11.0
WPP Emerging Markets	5.2	5.8	4.3	2.5	(0.9)	(0.4)
WPP Sustainable Active Equity	0.2	4.9	n/a	n/a	8.3	13.4
WPP Absolute Return Bond	7.6	7.2	5.5	6.2	4.2	4.8
WPP Multi Asset Credit	7.1	9.3	3.4	8.3	3.2	6.8
WPP Global Credit	4.7	4.8	n/a	n/a	(1.0)	(0.8)
WPP Private Credit	n/a	n/a	n/a	n/a	n/a	n/a
WPP Global Infrastructure	5.1	8.0	n/a	n/a	6.3	8.0
WPP Wales Renewable Infrastructure	6.9	8.0	n/a	n/a	3.5	8.0
WPP Open Ended Infrastructure	n/a	n/a	n/a	n/a	1.4	8.0
WPP Private Equity	7.8	15.0	n/a	n/a	17.4	15.0
<b>Local Funds</b>						
Black Rock Aquila Life UK Equity Index	10.4	10.5	7.2	7.2	7.4	7.4
Black Rock ACS World Low Carbon Equity Tracker	4.4	4.6	7.6	7.4	10.4	10.1
BlackRock Property	5.3	6.3	(4.9)	(3.3)	4.8	5.5
Lothbury Property	n/a	n/a	n/a	n/a	n/a	n/a
Threadneedle TPEN Property	5.9	6.3	(2.8)	(3.3)	3.2	3.1
Threadneedle TPUT Property	8.7	6.3	(2.0)	(3.3)	2.6	2.2
UBS Property	6.4	6.4	(4.0)	(3.3)	2.2	3.3
Partners Group Private Equity	3.8	20.1	2.0	8.7	9.1	11.1
Partners Group Infrastructure	12.5	8.0	12.2	8.0	11.8	8.0
<b>Whole Fund</b>	<b>5.1</b>	<b>6.9</b>	<b>4.8</b>	<b>5.8</b>	<b>7.6</b>	<b>7.4</b>

The Fund saw positive returns over 1 year, 3 years and since inception. The average LGPS fund delivered a return of 3.4% for the year, and therefore, even though Gwynedd Pension Fund did not achieve its benchmark, this was common within the LGPS funds, and the fund did achieve returns that were better than the LGPS average during the year. This has been largely due to the failure of active equity managers to add value in the LGPS sector as a whole.

It is generally accepted that investment performance over a longer period of time is a more valid indicator than over a single year as investment strategies designed to bring good performance in the longer run may from time to time suffer from short-term setbacks.

The Fund's performance over three years was behind benchmark, but the performance was in the upper quartile of all LGPS and was ranked 10<sup>th</sup> out of all LGPS funds. The benchmarks given are very challenging and the fund is performing well in comparison to other LGPS funds. The fund was ranked 5<sup>th</sup> (5 years return) and 7<sup>th</sup> (10 years return) and therefore the recent strategy has had a very positive impact on the Fund's position and the longer-term results remain well ahead of inflation and the funds' actuarial assumptions.

## 6.3 Administrative and Custody Arrangements

### Specialist Advice

The Local Government Pension Scheme Regulations oblige the Council to take specialist advice on investment. This advice is provided by an independent advisor from Hymans Robertson (the Fund's advisors), who joins the Pensions Committee in monitoring the Investment Managers. An advisor from Hymans Robertson is always present at the quarterly meetings with the Investment Managers.

### Custodians

Some of the investment managers have an associated custodian who holds the assets of their part of the portfolio. The managers and their associated custodians are as follows:

- BlackRock's custodian is JP Morgan Chase Bank
- WPP's custodian is Northern Trust.

Lothbury, Threadneedle and UBS, with whom the Fund has direct investments, have Northern Trust as their custodians.

Partners Group is not included in the Fund's custody arrangements.

### **Administrative Procedures**

Administrative procedures ensure that those transfers which do take place, between the Council and the Investment Managers, must be authorised by the signatories of two named officers who are on the Pension Fund's authorised signature list.

## **6.4 Investment Powers**

### **Investment Powers**

The regulations require that the Fund has an Investment Strategy Statement (ISS).

This enables pension funds to be flexible in their strategy and invest a larger percentage of their fund in individual pooling arrangements. There are no specific limits in the legislation and therefore no need to formally increase the amounts. However, it is good practice to have some broad limits, and these are included in the ISS.

## **6.5 Investment Management**

### **General**

The main objective of an investment policy is to maximise the return on the money entrusted to the Council, consistent with acceptable levels of risk, and for the annual return in the longer run to exceed the level of wage inflation. It must be borne in mind that the Fund's liabilities (pensions) are very long-term, extending to the middle of the century. These liabilities will increase with inflation, both because of the index-linking of pensions and due to the rising level of employees' salaries and wages to the time of retirement. There is a relationship between the level of returns achieved and the contribution rate which employers are expected to pay. The Pensions Committee considers that in the long run equity returns will exceed bond returns and it is for this reason that the majority of the Fund is invested in equities.

### **Investment Manager Briefs**

As a result of a deliberate policy to diversify assets and investment styles, the Fund has Investment Managers with varying briefs:

<b>Investment Manager</b>	<b>Brief</b>
BlackRock	Passive
WPP	Active
Partners	Active

BlackRock is briefed to be a "passive" manager. The manager will allocate their mandate's asset allocation in line with that of the benchmark and in each market, they aim to track stock exchange indices. As a result, their mandates' performance should be in line with their respective benchmarks. Appointing a passive manager reduces the risk of underperformance relative to benchmark; however, it also reduces the possibility of out-performance relative to the benchmark.

All the others are "active" managers. They are given the discretion to invest in their best investment ideas. Whilst they have a great deal of flexibility in terms of which stocks, regions and sectors they can invest in, there are a number of restrictions in place which prevents the managers deviating too far from the benchmark and taking excessive risk. Appointing active managers increases the possibility of out-performance, relative to the benchmark; however, it also increases the risk of underperformance relative to benchmark.

## **6.6 Wales Pension Partnership**

The WPP was established in 2017 with the objective to deliver:

- economies of scale
- strong governance and decision making
- reduced costs and excellent value for money, and
- an improved capacity and capability to invest in infrastructure

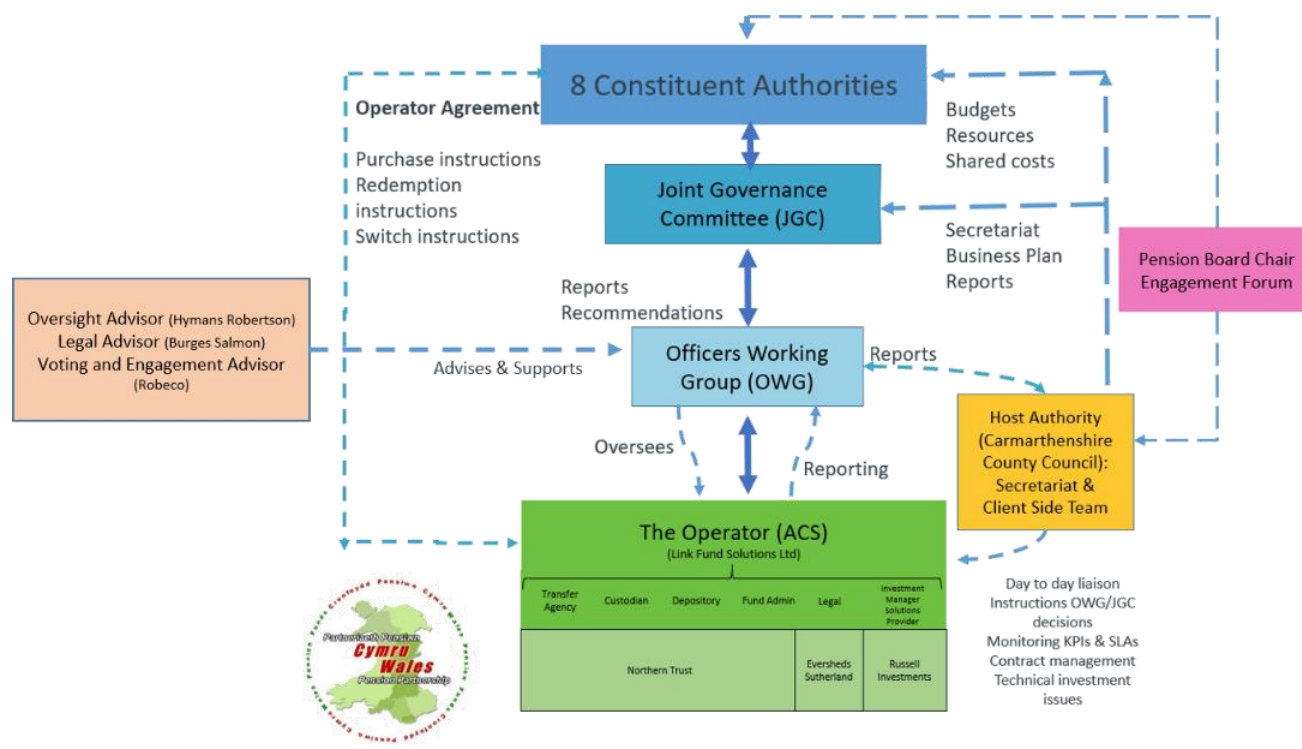
The WPP is one of the eight Local Government Pension pools nationally and is a collaboration of the eight LGPS funds in Wales. The eight funds have a long, successful history of collaboration including a collaborative tender for a single passive equity provider for the Welsh funds pre-dating the Government's pooling initiative.

Collective investment management offers the potential for investment fee savings, opportunities to broaden investment portfolios, enhanced voting and engagement activity as well as access to shared knowledge and best practice. Whilst the WPP is responsible for providing collaborative investment solutions, each constituent authority remains responsible for setting their own investment strategy.

WPP's operating model is designed to be flexible and deliver value for money. WPP appointed an external fund Operator and makes use of external advisers to bring best of breed expertise to support the running of the Pool. The Operator Waystone Management (UK) Limited (Waystone) and they have partnered with Russell Investments to deliver effective investment management solutions and provide strong net of fee performance for all the Constituent Authorities.

## Governance

The WPP details how it deals with all aspects of Governance through its Inter Authority Agreement (IAA) which was approved by all eight Constituent Authorities in March 2017. The IAA defines the standards, roles and responsibilities of the Constituent Authorities, its Members, Committees and Officers and includes a Scheme of Delegation outlining the decision-making process. In line with its belief that good governance should lead to superior outcomes for stakeholders, the WPP has put in place a robust governance structure:



The eight Constituent Authorities of the WPP are:

- Carmarthenshire County Council (Host)
- City and County of Swansea Council

- City of Cardiff Council
- Flintshire County Council
- Cyngor Gwynedd
- Powys County Council
- Rhondda Cynon Taff County Borough Council
- Torfaen County Borough Council

The Constituent Authorities sit at the top of the WPP's governance structure. They retain control of all activity carried out by the WPP and remain responsible for approving the WPP's Business Plan, which outlines the WPP's budget and work plan, as well as its Beliefs and Objectives.

The Joint Governance Committee (JGC) oversees and reports on the WPP and is comprised of one elected member from each of the eight Constituent Authorities, and a co-opted (no-voting) scheme member representative.

The Officer Working Group (OWG) provides support and advice to the Joint Governance Committee and is comprised of practitioners and Section 151 officers from all eight Constituent Authorities.

Carmarthenshire County Council is the Host Authority for the WPP and is responsible for providing administrative and secretarial support to the JGC and the OWG, and liaising day to day with the Operator on behalf of all the Welsh LGPS funds.

Waystone (Operator) carries out a broad range of services for the WPP, which includes facilitating investment vehicles and sub-funds, performance reporting, transition implementation, manager monitoring and fee negotiations. There is an Operator Agreement in place which sets out the contractual duties of the Operator and governs the relationship between the Operator and the WPP. The JGC and OWG, with the support of Hymans Robertson, oversee the work that Waystone carries out on behalf of the WPP. Waystone engages with the Constituent Authorities by:

- Direct engagement – attendance at one committee meeting annually
- Indirect engagement – with all Constituent Authorities through the JGC and OWG

In collaboration with Waystone, Russell Investments provide investment management solution services to the WPP and they work in consultation with WPP's eight Constituent Authorities to establish investment vehicles.

Northern Trust is the Depository for the WPP ACS vehicle and provides numerous services including securities lending, fund administration, compliance monitoring and reporting.

Hymans Robertson are WPP's Oversight Advisor and their role spans oversight and advice on governance arrangements, operator services, strategic investment aspects and project management support.

Burges Salmon are WPP's legal advisors, and they provide legal advice in relation to FCA regulated funds, tax and governance arrangements, including assisting with complex procurement processes.

Robeco UK are the WPP's Voting and Engagement provider and are responsible for implementing the Voting Policy across WPP's portfolio and undertaking engagement activity on behalf of the WPP.

The WPP's beliefs are the foundation for WPP's governance framework and have been used to guide all the WPP's activities and decision making, including its objectives and policies. The WPP, in consultation with the Constituent Authorities, has developed a set of governing policies. In all instances, the WPP's policies and procedures have been developed to either complement or supplement the existing procedures and policies of the Constituent Authorities. The WPP's key policies, registers and plans are listed below and can be found on the WPP website.



Responsible Investment has been a key priority for the WPP since it was established in 2017. Various activities have been undertaken to work towards WPP's ambition of becoming a leader in Responsible Investment. Initially the focus was on formulating a Responsible Investment Policy and since then the WPP has formulated its own Climate Risk Policy and has worked with its Voting and Engagement Provider, Robeco, to agree a Voting Policy. A WPP Responsible Investment Sub-Group has been established to take ownership of Responsible Investment related work streams and actions that are required to achieve the commitments made in the WPP's Responsible Investment and Climate Risk Policies.

The WPP's Business Plan, Governance Manual and all other policies detailed in the chart above can be found on the WPP website:

<https://www.walespensionpartnership.org/>

### **Risk**

Risk management is a critical element of WPP's commitment to good governance. The WPP has developed a structured, extensive and robust risk strategy which seeks to identify and measure key risks and ensure that suitable controls and governance procedures are in place to manage these risks. The WPP's Risk Policy has been developed in such a way that risks can be anticipated and dealt with in a swift, effective manner to minimize potential loss or harm to the WPP and its stakeholders.

WPP maintains a Risk Register which is reviewed regularly by a dedicated Risk Sub-Group which reports back to the OWG and JGC on a quarterly basis.

### **Training**

The WPP has its own training policy and develops an annual training plan which is designed to supplement existing Constituent Authority training plans. Local level training needs will continue to be addressed by Constituent Authorities while the WPP training plan will offer training that is relevant to the WPP's pooling activities. Induction training is also provided to all new JGC members.

## Pooling progress to date

The WPP aims to deliver investment solutions that allow the Constituent Authorities to implement their own investment strategies with material cost savings while continuing to deliver investment performance to their stakeholders. The WPP has a range of equity and fixed income sub funds, as well as a number of private markets investment programmes. Alongside the Constituent Authorities' existing passive investments, this means that that the WPP now has 75% of assets under pool management.

As of the 31<sup>st</sup> of March 2025, WPP has total assets worth £25.8bn, £19.4bn of which sits within the pool, see breakdown below:

Fund	Managed by	Launch Date	31 March 2025 £000	%
Global Growth Equity	Russell Investments	February 2019	3,541,082	13.7
Global Opportunities Equity	Russell Investments	February 2019	3,402,307	13.2
UK Opportunities Equity	Russell Investments	September 2019	765,495	3.0
Emerging Markets Equity	Russell Investments	October 2021	272,996	1.0
Sustainable Active Equity	Russell Investments	June 2023	1,524,322	5.9
Global Credit	Russell Investments	July 2020	1,026,469	4.0
Global Government Bond	Russell Investments	July 2020	503,406	2.0
UK Credit	Waystone Management (UK) Limited	July 2020	726,549	2.8
Multi-Asset Credit	Russell Investments	July 2020	848,802	3.3
Absolute Return Bond	Russell Investments	September 2020	532,806	2.1
Infrastructure	GCM Grosvenor, IFM, CBRE and Octopus, Capital Dynamics	Various	726,427	2.8
Private Credit	Russell Investments	April 2023	320,921	1.2
Private Equity	Schroders Capital	October 2023	124,883	0.5
Passive Investments	BlackRock	March 2016	5,065,251	19.6
Investment not pooled			6,424,700	24.9
<b>Total Investments across all 8 Pension Funds</b>			<b>25,806,416</b>	<b>100</b>

The investment assets split between Gwynedd Pension Fund and WPP are as follows:

<b>Fund</b>	<b>31 March 2025 £000</b>	<b>%</b>
Global Opportunities	460,613	14.4
Global Growth	418,895	13.1
Emerging Markets	63,023	2.0
Sustainable Active Equity	317,658	9.9
Global Credit	233,417	7.3
Multi Asset Credit	241,859	7.6
Absolute Return Bond	403,247	12.6
Private Markets	186,816	5.9
Passive Equity	464,960	14.6
Investment not pooled	401,755	12.6
<b>Total Investment Assets</b>	<b>3,192,243</b>	<b>100</b>

The above table provides additional details to note 14 from the financial statements and summarises Gwynedd Pension Fund's investment in the WPP, together with the assets that remain under the direct oversight of the Fund. During the year assets were transitioned and the table above shows the assets currently managed by the pool as of the 31<sup>st</sup> of March 2025.

### **Pooling costs**

Carmarthenshire County Council, as the Host Authority for the Wales Pension Partnership, is responsible for providing administrative and secretarial support and liaising day to day with the Operator on behalf of all the LGPS funds in Wales. The WPP budget is included in the WPP Business Plan and approved annually by all eight Constituent Authorities.

The Host Authority and External Advisor costs (the running costs) are funded equally (unless specific projects have been agreed for individual Funds) by all eight of the Constituent Authorities and recharged on an annual basis. The amount recharged to the Gwynedd Pension Fund for the financial year ending 31<sup>st</sup> of March 2025 was £241k and this is included in Note 12d in the financial statements.

In addition to the running costs, there are also transition costs associated with the transition of assets into the pool, these costs can be categorised in terms of direct and indirect costs. Direct costs include the costs of appointing a transition manager to undertake the transition, together with any additional oversight of this process undertaken from a research and reflection perspective. Indirect costs include both explicit and implicit costs, such as commissions, spread and impact, and opportunity costs known as implementation shortfall. Transition costs are directly attributable to the assets undergoing the transition and are therefore deducted from their net asset value as opposed to a direct charge to the Fund.

## **Investment Management Costs**

The table below discloses the investment management costs split between those held by the WPP (including the passive equities) and those held outside of the WPP for 2024/25.

		<b>Direct</b>	<b>Indirect</b>	<b>Total</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Management Fees</b>	Pool Assets	5,624	4,125	9,749
	Non-Pool Assets	8,608	455	9,063
<b>Transaction Costs</b>	Pool Assets	1,175	0	1,175
	Non-Pool Assets	0	2,705	2,705
<b>Custody Costs</b>	Pool Assets	331	0	331
	Non-Pool Assets	0	0	0
<b>Whole Fund Total</b>		<b>15,738</b>	<b>7,285</b>	<b>23,023</b>

## **2025/26 Objectives**

The WPP continues to evolve its private market offerings with the Real Estate Investment programme due to be launched in 2025/26. Through the Private Market programmes, the WPP has been able to facilitate investments in local investment opportunities in Wales and is keen to develop this further.

In November 2024, the WPP was delighted to be awarded the ESG innovation award at the LGC Investment Awards ceremony. This award reflects the critical importance that the WPP and its constituent authorities continues to place on sustainability issues and recognises the success of its Sustainable Active Equity Fund, which has grown to become one of the largest sustainable investment funds of its type in the UK. This area remains a focus for the WPP, with work now ongoing to improve the sustainability characteristics of existing investments, considering how to evolve the Passive and Fixed Income sub-funds to become more sustainable.

During 2024/25, the WPP submitted its fourth annual Stewardship Report and was successful in retaining its signatory status to the UK Stewardship Code. The WPP also completed its first Pool-level annual climate report, as well as an updated analysis of deforestation exposure within its listed-equity Sub-Funds. In 2025/26, the WPP will be publishing its next All Wales Climate Report.

The WPP have made a number of re-appointments during 2024/25, including Waystone as the operator, Hymans Robertson as the Oversight Advisor and Robeco UK as the Voting and Engagement provider. Russell Investments continue as WPP's Investment Management Solutions Provider. All appointments followed comprehensive procurement exercises. WPP's existing Legal Services provider contract comes to an end on 31 December 2025 and work is underway with this contract re-tender process.

The Government launched its Local Government Pension Scheme Fit for The Future Consultation on the 14<sup>th</sup> of November 2024, outlining a range of proposals to strengthen the management of LGPS investments. As part of the consultation, the government asked each pool to consider and provide submissions to demonstrate a clear path to meeting the requirements outlined in the consultation document. The WPP business case proposal was approved by the WPP Joint Governance Committee on 12 March 2025 and submitted to government. This proposal sets out the compelling business case for the WPP to retain a stand-alone investment pool for Wales and proceed with building the proposed new Government requirements for the pool operating model. We are delighted that the government has approved WPP's business case and work is now underway to deliver, within the required timescale.

## **Securities Lending**

Securities lending commenced in March 2020. Revenue is split on an 85:15 basis between WPP and Northern Trust with all costs for running the securities lending programme taken from Northern Trust's share of the fee split. A minimum of 5% of the nominal quantity of each individual equity holding is held back and a maximum of 25% of total AUM is on loan at any one time. Total revenue of during 2024/25 was £987,820 (gross) / £839,712 (net) with £382,587,801 out on loan as of the 31<sup>st</sup> of March 2025.

More detailed information can be found in WPP's Annual Return which is published on the WPP website - [Wales Pension Fund | Home \(walespensionpartnership.org\)](https://www.walespensionpartnership.org)

## **6.7 Responsible Investing**

The Fund recognises that environmental, social and corporate governance (ESG) issues can represent a material financial risk to its stakeholders and can influence the Fund's long-term returns and reputation. Given this, the Committee aims to be aware of, and monitor, financially material ESG factors and has agreed the following set of investment beliefs in relation to Responsible Investment:

- In accordance with the Committee's fiduciary duty, financial considerations should carry more weight than non-financial considerations when making investment decisions, even though ESG matters can materially affect risk and returns. Therefore, ESG factors should be embedded in the investment processes and in the decision-making processes of asset managers appointed by the Fund / Wales Pension Partnership.
- The Fund's Committee will seek to invest in sustainable assets, including investing within the Wales area when non-financial investments can derive from this, on condition that they satisfy the requirements of the fiduciary duty.
- The Committee accepts that it has a duty to be a responsible investor. It is expected that consulting with companies, rather than avoiding investing, will be more effective in changing corporate behaviour and reducing risk. Wherever possible, collaborative action (such as that taken via Local Authority Pension Fund Forum (LAPFF) membership and commissioned from Robeco alongside WPP partners) provides the most successful route to influence outputs.
- As a long-term investor, the Fund is vulnerable to systemic risks such as climate change and the expectation of a transfer to a low carbon economy. Financial outcomes can be improved through managing how open to such risks the Fund is.
- Shareholder comprehension and outcomes can be improved through providing transparency at each step of the value-adding chain.
- Training and education are likely to form a key element in developing the Fund and its Committee position on ESG related matters.

The Committee recognises that the Fund's assets are invested globally and across many sectors, which means reducing the Fund's carbon emissions is more challenging than it would be for an individual organisation. In March 2022, the Committee committed to set a goal for the Fund to be net zero by 2050, supported by an undertaking to assess the feasibility of the Fund **reaching net zero 5,10 or 20 years earlier.**

The Committee believes it is important for LGPS funds to take a leading role in shaping the future, both in terms of supporting the transition to a low carbon economy and achieving broader ESG goals. The Committee is able to exert influence in two ways: through the investment decisions it takes; and through ongoing engagement with the companies and projects the Fund invests in. Against this background, the Committee believes it is appropriate to set a realistic goal while also looking at the feasibility to achieve a more ambitious goal.

At the same time, the Committee believes that the reduction in the Fund's carbon emissions should be achieved in a measured way. The Fund must remain focused on its primary obligation to pay benefits to its members, including consideration of any associated risks. A measured approach allows the Fund to capture investment opportunities arising from the transition to a low carbon economy, as well as

mitigating the risks. Further, a measured approach supports active stewardship, giving the Committee more time and greater scope to effect change and achieve a just transition through ongoing engagement.

As a priority in 2025/26 the Fund will be re-assessing its net zero ambition and its responsible investment policy.

## 7. Management and Financial Performance

### 7.1 Managing Risk

The Gwynedd Pension Fund recognises the importance of effective risk management. Risk management is the process by which the Fund identifies and deals with the risks associated with the activities.

For the Gwynedd Pension Fund, the risks come from several sources including long-term investment strategy, funding position, investment performance, scheme administration, membership change, financial systems and communications.

The following documents explain these major risks and show how they are identified, avoided, managed and reviewed:

- Risk Register
- Investment Strategy Statement
- Funding Strategy Statement
- Gwynedd Pension Fund Accounts- reference to financial instrument risks

Expert advice is provided by Hymans Robertson, our advisers, and the Pensions Committee meets to review the performance of our investment managers on a quarterly basis.

The Risk Register is monitored and reviewed on a regular basis by both the Pensions Committee and Pension Board. Risks are assessed in terms of their potential impact and likelihood of occurring.

A summary of the Fund's most significant risks can be seen in the following table:

Risk areas	Mitigating factors
<b>Funding and Investments</b>	
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 poor financial performance, financial loss and increase in employer contributions.	<ul style="list-style-type: none"><li>• GPF Investment Strategy is set in accordance with LGPS investment regulations.</li><li>• The Investment Strategy takes the Fund's liabilities into account.</li><li>• The Investment Strategy is approved and reviewed by the Pensions Committee.</li><li>• GPF uses an external investment advisor who provides specialist guidance to the Investment Panel and Pensions Committee regarding the Investment Strategy</li><li>• Members and Officers are encouraged to challenge advice and guidance received.</li><li>• Members and Officers receive relevant training on a timely basis.</li></ul>
<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>	<ul style="list-style-type: none"><li>• Triennial actuarial valuations provide periodic indications of the growth in assets against liabilities.</li><li>• Employer contribution rates are set in response to this. The 2022 valuation showed that there is a funding provision of 120% in the Gwynedd Fund. However, the Fund continues to use prudent assumptions for the valuation.</li><li>• GPF investments are diversified across a range of different types of assets to minimise the impact of losses in individual markets and individual fund managers.</li></ul>

	<ul style="list-style-type: none"> <li>As a result of the 2022 Valuation, the Committee has re-allocated assets to lower risk asset types.</li> <li>Fund-specific benchmarks and targets are set.</li> <li>Fund assets are kept under regular review as part of the Fund's performance management process.</li> <li>Fund managers are thoroughly vetted prior to appointment and performance is reviewed regularly against the benchmark and performance objectives by the Investment Panel.</li> <li>The Fund/ WPP replaces underperforming investment managers.</li> </ul>
<p>Market risk - Market crash leading to failure to reduce the deficit resulting in:</p> <ul style="list-style-type: none"> <li>Financial loss</li> <li>Increased employer contribution costs.</li> </ul>	<ul style="list-style-type: none"> <li>The Fund is diversified across a range of asset classes to mitigate the impact of poor performance in an individual market segment.</li> <li>Investment performance and monitoring arrangements exist which provide the investment officers with the flexibility to rebalance the portfolio in a timely manner.</li> <li>The long term nature of the liabilities significantly reduces the impact.</li> </ul>
<p>The Fund fails to adequately account for climate change, climate risk and environmental, social and governance (ESG) factors.</p>	<ul style="list-style-type: none"> <li>The Fund has an active Responsible Investment policy and a net zero target of 2050 has been set.</li> <li>As part of the Wales Pension Partnership a number of active steps take place including: responsible investment executive group, engagement and voting provider, PPC a signatory to the UK Stewardship Code.</li> <li>The Investment Panel will also constantly engage and challenge managers on how they consider the risk of climate change and ESG factors.</li> <li>The Fund aims to invest in impact investments that make a difference locally and in the wider world.</li> </ul>
<b>Custodian Role</b>	
<p>Failure of custodian leading to losses which results in:</p> <ul style="list-style-type: none"> <li>Failure to reduce the deficit</li> <li>Financial loss</li> </ul>	<ul style="list-style-type: none"> <li>A highly reliable Custodian with high accreditation was appointed.</li> <li>Fund assets are protected in the event of insolvency of the custodian.</li> <li>The Custodian must follow FCA and TPR financial regulations.</li> </ul>
<b>Pension Administration</b>	
<p>Cyber Attack</p> <ul style="list-style-type: none"> <li>Loss of sensitive data.</li> <li>Systems damaged or destroyed.</li> <li>Reputation risk.</li> </ul> <p>Financial loss arising from legal action.</p>	<ul style="list-style-type: none"> <li>Firewall in operation.</li> <li>Software regularly updated with latest security features.</li> <li>The system is backed up daily.</li> <li>Password access is required.</li> </ul>
<b>Uncontrollable External Factors</b>	
<p>Normal operations disrupted by uncontrollable external factors.</p>	<ul style="list-style-type: none"> <li>Working from home is happening with many of the staff now working hybrid.</li> <li>Disaster Recovery Plan for pension system.</li> </ul>

<p>Service delivery threats from fire, bomb, extreme weather, electrical faults, sickness, epidemic, pandemic etc.</p> <p>Insufficient daily back up, disaster recovery, and IT cover to support systems.</p> <p>Temporary loss of ability to provide service to stakeholders.</p>	<ul style="list-style-type: none"> <li>• Business Continuity / Disaster.</li> <li>• Recovery Plan for the Authority with IT firewalls.</li> </ul>
<b>Response to 'Fit for the Future'</b>	
<p>Risk that the WPP IM Co fails to obtain FCA authorisation in time for April 2026 go-live.</p> <p>Without FCA authorisation, the WPP IM Co cannot legally operate, causing major operational disruption.</p>	<ul style="list-style-type: none"> <li>• Early and ongoing engagement with FCA.</li> <li>• Rigorous preparation of the FCA application and compliance documentation.</li> <li>• Engage external regulatory advisors to ensure application completeness.</li> <li>• Develop contingency plans for delayed authorisation scenarios.</li> </ul>

## 7.2 Investment Strategy Statement

The Pensions Committee approved the Investment Strategy Statement in March 2023 following the 2022 valuation. This strategy defines the types of investments that the fund may use in the long term.

There are no specific limits for types of investments. However, it is good practice to have some broad limits, and these are included in the Investment Strategy Statement. A copy of the Investment Strategy Statement is available on the Fund's website at:

<https://www.gwyneddpensionfund.wales/en/Investments/Gwynedd-Pension-Fund-Investment-Strategy-Statement-March-2023.pdf>

## 7.3 Funding Strategy Statement

Local Government Pension Scheme (LGPS) administering authorities are required to prepare and publish a Funding Strategy Statement. The Funding Strategy Statement sets out the fund-specific strategy which will identify how employers' pension liabilities are best met going forward.

LGPS benefits are guaranteed by statute and thereby the pensions promise is secure. The Funding Strategy Statement addresses the issue of managing the need to fund those benefits over the long term, whilst at the same time facilitating scrutiny and accountability through improved transparency and disclosure. It also provides LGPS administrative authorities with a statutory framework within which to manage their Funds' long-term pension liabilities going forward.

The Funding Strategy Statement was reviewed during 2022/23 to reflect the Actuarial Valuation on the 31<sup>st</sup> of March 2022. It includes all employer contribution rates from the 1<sup>st</sup> of April 2023 onwards.

A copy of the Funding Strategy is available on the Fund's website at:

<https://www.gwyneddpensionfund.wales/en/Investments/Gwynedd-FFS-2023-Saesneg.pdf>

Paper copies of the Investment Strategy Statement and Funding Strategy Statement can be obtained from Delyth Jones-Thomas, Cyngor Gwynedd, Council Offices, Shirehall Street, Caernarfon, LL55 1SH.

## 7.4 Financial Performance

### Income

	<b>Actual 2023/24 £000</b>	<b>Actual 2024/25 £000</b>
Employee/ Member contributions	23,500	24,831
Employer contributions	70,778	76,929
Transfer in	8,575	9,156
Investment Income	47,956	65,847
Other Income	3	3
<b>Total Income</b>	<b>150,812</b>	<b>176,766</b>

There was an increase across all categories of income but in particular, an increase in investment income. The equity investments have continued to perform strongly and therefore have generated significant income, but also as part of the new strategic asset allocation we have invested more in the fixed income funds, and these investments have generated significant interest income. These investments follow the pattern of interest rates and therefore it is reasonable that the income level has increased.

### Expenditure

	<b>Actual 2023/24 £000</b>	<b>Actual 2024/25 £000</b>
Benefits payable	(82,931)	(94,520)
Payments to leavers	(5,068)	(7,870)
Management expenses	(15,042)	(18,282)
<b>Total Expenditure</b>	<b>(103,041)</b>	<b>(120,672)</b>

There was an increase in the amount of benefits paid after the benefits increased with CPI, and there was an increase in management costs due to the introduction of different asset classes and therefore difference fee charges.

### Net Assets

	<b>Actual 2023/24 £'000</b>	<b>Actual 2024/25 £'000</b>
Profit and losses on disposal of investments and changes in the market value of investments	308,051	171,473
<b>Net Increase/ (Decrease) in the Net Assets available for benefits during the year</b>	<b>307,866</b>	<b>161,720</b>

The value of investments on the market has increased steadily during the year with modest returns across the asset classes.

Further information is included in the Statement of Accounts (Section 9).

## **7.5 International Accounting Standard 19 (IAS19) and Financial Reporting Standard 102 (FRS102)**

### **Definition of IAS19**

IAS19 effectively defines how pension scheme assets and liabilities are to be measured for financial reporting purposes and notes that any deficit or surplus should be recognised in full as a balance sheet item, with any movements being recognised in the annual profit and loss account. IAS19 is relevant to bodies required to report under International Financial Reporting Standards (IFRS). This includes the scheduled bodies in the Pension Fund, which are part of Government accounting, namely Cyngor Gwynedd, Isle of Anglesey County Council, Conwy County Borough Council and their foundation schools, Snowdonia National Park Authority, the Police and Crime Commissioner for North Wales and Careers Wales Northwest. Two of the smaller employers also requested IAS19 reports. All other employers are still subject to FRS102 reporting requirements.

### **Accounting for IAS19 and FRS102**

Adoption of IAS19 or FRS102 means that employers must recognise the net asset or liability, and a pensions reserve, in the balance sheet. They also must make entries in the Consolidated Revenue Account for movements in the asset or liability relating to defined benefit schemes.

### **IAS19 and FRS102 Reports as at 31/03/2025**

In March 2025 the necessary data was collected to enable the Actuary to calculate the individual IAS19 or FRS102 information for the Fund's employers.

### **IAS19 and FRS102 Results as at 31/03/2025**

The employer had the choice to base the results on expected returns or actual returns. Each employer's results reflect their own specific circumstances. Therefore, this update should be considered as an illustrative guide to the main issues affecting most employers, rather than a detailed explanation of each employer's experience.

## **7.6 Final Accounts 2024/25**

The Final Accounts were audited by Audit Wales, and the final version in Section 9 was presented to the Pensions Committee on 24<sup>th</sup> November 2025.

## **7.7 Governance**

The Fund is administered within the framework established by statute, which stipulates that Cyngor Gwynedd is the Administering Authority.

### **Governance Policies**

The Governance Policy Statement and the Governance Compliance Statement states the governance practices of the Pension Fund.

<https://www.gwyneddpensionfund.wales/en/Governance/Governance-Compliance-Statement-2023.pdf>

Paper copies can be obtained from Delyth Jones-Thomas, Cyngor Gwynedd, Council Offices, Shirehall Street, Caernarfon, LL55 1SH.

## **7.8 Knowledge and Skills Framework**

Gwynedd Pension Fund recognises the importance of ensuring that all staff and members charged with the financial administration and decision-making regarding the pension scheme are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.

Therefore, Gwynedd Pension Fund seeks to utilise individuals who are both capable and experienced and it will provide training for staff and members of the pension decision-making bodies to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills.

All current members of Pensions Committee have completed the LGA Fundamentals which is a bespoke LGPS training course aimed at members to enable them to carry out their duties effectively.

Training undertaken in the last 12 months as part of the Wales Pension Partnership has included:

Wales Pension Partnership	WPP Pooled Investments
Wales Pension Partnership	Overview of Cyber Security and considerations for WPP
Wales Pension Partnership	Policies: Responsible Investment, Climate and Stewardship
Wales Pension Partnership	Responsible Investment – Climate metrics
Wales Pension Partnership	Progress of other LGPS pools/ collaboration opportunities
Wales Pension Partnership	Any new regulatory/ guidance developments
Wales Pension Partnership	Project Snowdon

In addition, the committee members have attended numerous conferences and events which have enhanced their knowledge further.

**7.9 Investment Unit**

Collaboration continues to be very important theme again this year. I would like to thank the staff within the Investment Unit for their hard work during the year and the teams at Hymans Robertson and all the Wales funds for their willing co-operation throughout.

**Delyth Jones-Thomas**  
**Investment Manager**

## 8. Actuarial Report

### General

The Fund needs to be sufficient to meet its commitments, and therefore the Fund receives a valuation every three years to assess the situation. The most recent actuarial valuation of the Fund was undertaken as at 31<sup>st</sup> March 2022 (previously 31<sup>st</sup> March 2019), and the new rates were effective from 1 April 2023. The next valuation will be at 31 March 2025 and any changes to employers' contributions will be effective from 1 April 2026 onwards.

### Method and Assumptions Used

The actuarial methods used in the valuation were the "Projected Unit Method" for the Fund as a whole and employers who will continue to admit new entrants to the Fund and the "Attained Age Method" for employers who no longer admit new entrants to the Fund. The main financial assumptions were as follows:

	% per annum
Discount Rate	4.1%
Salary Increases	3.2%
Benefit increases and CARE revaluation (CPI)	2.7%

### 2022 Valuation Results

The triennial actuarial valuation as at 31 March 2022 was completed during 2022/23. The funding position for the whole Fund improved from 108% at 31 March 2019 to 120% at 31 March 2022, mainly due to strong investment performance over the period.

Valuation Date	31 March 2022	31 March 2019
<b>Past Service Liabilities</b>	<b>(£m)</b>	<b>(£m)</b>
Employees	1,042	855
Deferred Pensioners	392	321
Pensioners	874	750
<b>Total Liabilities</b>	<b>2,308</b>	<b>1,925</b>
<b>Assets</b>	<b>2,776</b>	<b>2,081</b>
<b>Surplus/(Deficit)</b>	<b>468</b>	<b>156</b>
<b>Funding Level</b>	<b>120%</b>	<b>108%</b>

The funding position has increased from a surplus of £156m to a surplus of £468m. See the movements in the table below:

Change in the surplus/deficit position	Assets (£m)	Liabilities (£m)	Surplus / (Deficit) (£m)
<b>Last valuation at 31 March 2019</b>	<b>2,081</b>	<b>1,925</b>	<b>156</b>
<b>Cashflows</b>			
Employer contributions paid in	179	0	179
Employee contributions paid in	56	0	56
Benefits paid out	(192)	(192)	0
Net transfers into / out of the Fund*			
Other cashflows (e.g. Fund expenses)	(5)	0	(5)
<b>Expected changes in membership</b>			
Interest on benefits already accrued	0	238	(238)
Accrual of new benefits	0	255	(255)
Expected investment returns	249	0	249
<b>Membership experience vs expectations</b>			

Salary increases greater than expected	0	17	(17)
Benefit increases greater than expected	0	(26)	26
Early retirement strain (and contributions)	0	4	(4)
Ill health retirement strain	0	(3)	3
Early leavers less than expected	0	(2)	2
Pensions ceasing less than expected	0	0	0
Commutation less than expected	0	0	0
McCloud remedy	0	7	(7)
Other membership experience	0	20	(20)
<b>Changes in market conditions</b>			
Investment returns on the Fund's assets	407	0	407
Changes in future inflation expectations	0	175	(175)
<b>Changes in actuarial assumptions</b>			
Change in demographic assumptions (excl. longevity)	0	(30)	30
Change in longevity assumptions	0	6	(6)
Change in salary increase assumption	0	7	(7)
Change in discount rate	0	(92)	92
<b>This valuation at 31 March 2022</b>	<b>2,775</b>	<b>2,309</b>	<b>468</b>

The actuary produced a provisional report for each individual employer. A forum was held for all employers in October 2022, where the Actuary presented the results and answered questions. This was a very useful session and a number of employers attended.

The final Gwynedd Pension Fund 2022 Actuarial Valuation Report was produced in March 2023 and is available on the Fund's website at:

<https://www.cronfabensiwnngwynedd.cymru/cy/Buddsoddiadau/230328-Gwynedd-Pension-Fund-Final-Valuation-Report.pdf>

### Employer Contribution Rate

The Contribution Objective is achieved by setting employer contributions which are likely to be sufficient to meet both the cost of new benefits accruing and to address any funding deficit relative to the funding target over the agreed time horizon. A secondary objective is to maintain where possible relatively stable employer contribution rates.

For each employer in the Fund to meet the Contribution Objective, a primary rate has been calculated in order to fund the cost of new benefits accruing in the Fund. Additionally, if required, a secondary contribution rate has also been calculated to target a fully funded position within each individual employer's set time horizon.

The table below summarises the whole fund Primary and Secondary Contribution rates at this valuation.

Primary Rate (% of pay)	Secondary Rate £		
	2023/24	2024/25	2025/26
1 April 2023 – 31 March 2026			
21.8%	-£8,746,000	-£9,021,000	-£9,303,000

The next triennial valuation will be at 31 March 2025.

## **9. Statement of Accounts 2024/2025**



MEETING	<b>PENSION BOARD</b>
DATE	<b>3 NOVEMBER 2025</b>
TITLE	<b>LGC INVESTMENT AND PENSIONS CONFERENCE</b>
PURPOSE	<b>To receive relevant feedback and information from the conference</b>
RECOMMENDATION	<b>Receive the information</b>
AUTHOR	<b>Anthony Deakin</b>

---

## **1. INTRODUCTION**

The LGC Investment and Pensions Conference was held recently and Anthony Deakin attended by on behalf of the Board.

## **2. LGC INVESTMENT AND PENSIONS CONFERENCE**

The conference agenda can be viewed here:  
[LGC Investment & Pensions Summit 2025 - Programme](#)

Anthony Deakin will provide verbal feedback and share relevant information from the conference.

## **3. RECOMMENDATION**

The Board is requested to receive the information.

<b>Meeting:</b>	Pension Board
<b>Date:</b>	03/11/2025
<b>Title:</b>	Pension Administration
<b>Author:</b>	Meirion Jones, Pensions Manager
<b>Purpose:</b>	For information only

## Purpose

To provide the Pension Board with a summary of current developments in the Local Government Pension Scheme (LGPS) administration landscape and their implications for the Gwynedd Pension Fund.

### 1. McCloud Remedy

The Gwynedd Pension Fund has made **significant progress** in implementing the McCloud remedy, following the Supreme Court judgment which requires LGPS funds to rectify age discrimination in transitional protections.

To date, the Fund has **recalculated the majority of affected members' benefits**, ensuring that the corrected pension entitlements reflect the removal of discriminatory elements. This recalculation work has involved complex data analysis and benefit modelling, demonstrating the Fund's commitment to fairness and compliance.

Work is now ongoing to **update all member records with historic hours, breaks in service, and other relevant employment details** that impact benefit calculations. This is critical to ensuring the accuracy of revised benefits, particularly for members with variable working patterns or interrupted service histories.

The Fund continues to prioritise this project and aims to complete the remaining updates in a timely manner, ensuring all members receive the full benefits they are entitled to under the McCloud remedy.

### 2. 2025 Actuarial Valuation

The Gwynedd Pension Fund recently held its **Employer Forum** on **24th October 2025**, where the Fund's Actuary provided an overview of the triennial valuation process. During this session, individual employer results were shared, allowing employers to understand their specific funding positions and contribution rates.

Prior to the Employer Forum, individual meetings were conducted with the Fund's stabilised employers — namely the three councils, Parc Cenedlaethol Eryri, and North Wales Police — to discuss their valuation outcomes in detail.

The funding position at 'Whole Fund' level has improved to 166% (from 120% at 2022). Thanks to this well-funded position, all employers saw a **reduction in their contribution rates** compared to the rates they currently pay. This decrease was welcomed by employers, many of whom face ongoing financial pressures and challenges balancing their budgets.

The new contribution rates will be formally confirmed by the end of March 2026, with the revised rates coming into effect from **1 April 2026**.

### 3. Pensions Dashboard Programme

The government's Pension Dashboard initiative aims to provide members with a single, secure online platform to view all their pension savings across different schemes in one place. This is designed to improve transparency and help members better plan for their retirement.

Under the current regulations, all Local Government Pension Scheme (LGPS) funds were required to **connect to the national Pension Dashboard ecosystem by 31 October 2025**. This involves setting up secure data sharing links and ensuring the fund's pension data is accurate, complete, and ready for digital exchange.

We are pleased to confirm that the **Gwynedd Pension Fund has met this connection deadline** and is now actively **testing the data link with the Dashboard platform**. This testing phase is critical to ensure smooth and secure data transmission once the Dashboard is fully operational.

At present, the exact date when the public will be able to access the Dashboard to view their combined pension pots across various schemes remains **uncertain**. The government and relevant industry bodies continue to work towards a phased public launch, but no firm timetable has yet been announced.

Gwynedd Pension Fund remains committed to ensuring full compliance with Dashboard requirements and will keep members and stakeholders informed as further details about public access and functionality become available.

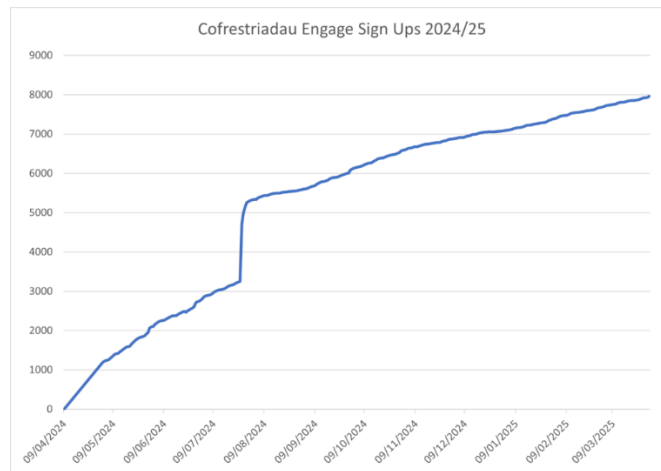
### 4. Access Reforms for Elected Members

The UK Government is currently consulting on a series of proposed improvements to the Local Government Pension Scheme (LGPS) in England and Wales, focusing on **access and protections** for members. The proposals include reinstating scheme access for councillors and elected mayors in England, aligning the scheme's **Normal Minimum Pension Age** with national changes (rising from 55 to 57 in 2028), simplifying participation for multi-academy trusts, and introducing a **new Fair Deal** to safeguard pension rights for staff compulsorily transferred to private providers. These changes aim to modernise the scheme, enhance fairness, and strengthen long-term member protections.

The Gwynedd Pension Fund will be responding to this consultation on an **All-Wales basis**, in collaboration with other Welsh LGPS funds. Further information is available on the [UK Government website](#).

### 5. My Pension Online

Since April 2024, the Fund has successfully transitioned to the new **My Pension Online** portal, offering members improved access to their pension information and self-service features. Membership on the portal continues to grow steadily **month by month**, reflecting increased engagement and awareness among scheme members.



The Fund played a key role in supporting **Heywood** with the development of the **Welsh-language version** of the portal. This version is scheduled to be rolled out to **all Welsh LGPS funds by the end of the year**, ensuring bilingual accessibility across the region.

More recently, the Fund has been invited to assist Heywood with the **Welsh translation and development of online forms**, which will form part of future enhancements to the portal. These developments will ultimately enable members to **complete retirement processes online**, streamlining administration and improving the member experience.

## 6. Member Satisfaction Survey April 2025 – September 2025

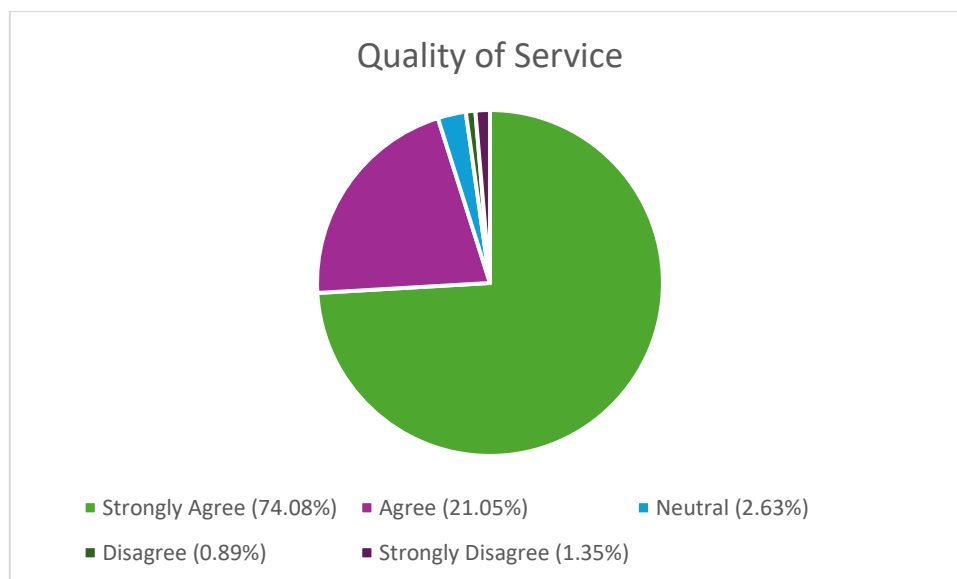
To ensure we continue delivering the highest standard of service to our members, the Fund issues a **Member Satisfaction Survey** at the conclusion of key processes—such as retirements and refund payments. This allows members to share their views on both the **quality of service received** and their **experience with Fund staff**.

A total of **58 members** participated in the survey between 01/04/2025 and 30/09/2025.

### Quality of Service

The chart below illustrates member satisfaction across four key service areas:

- Overall service experience
- Clarity of information provided
- Quality of service delivery
- Timeliness in handling enquiries

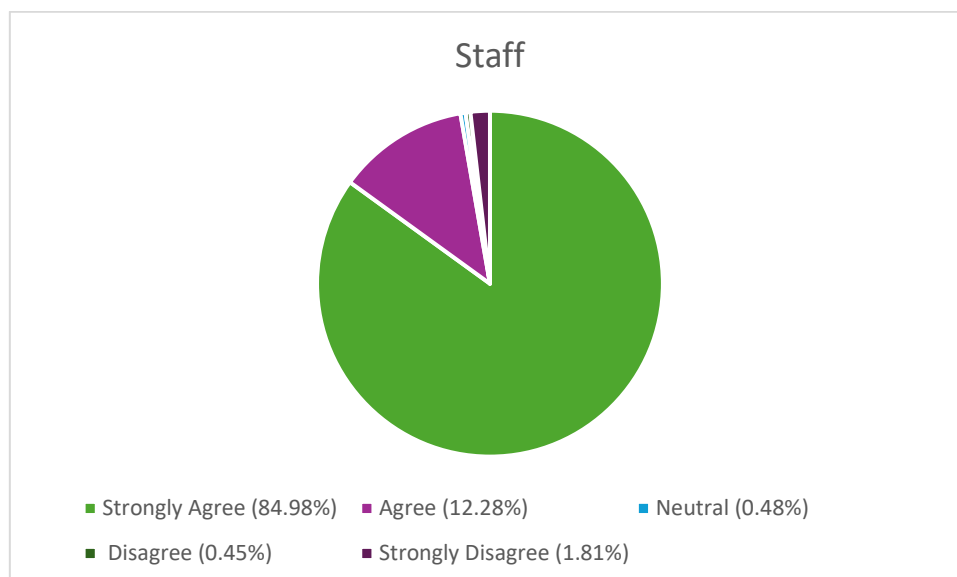


**95.13% of respondents** either *strongly agreed* or *agreed* that the quality of service was of a high Standard.

### Staff Performance

The second chart reflects member feedback on staff performance, measured across:

- Courtesy and professionalism
- Timeliness of response
- Helpfulness and support
- Knowledge and expertise



Again, **97.26% of respondents** *strongly agreed* or *agreed* that staff performance met a high Standard.

## 7. Annual Benefit Statements

Under the Local Government Pension Scheme (LGPS) regulations, administering authorities are required to issue Annual Benefit Statements (ABS) to active and deferred members by **31 August each year**. These statements provide members with a clear summary of their pension benefits, including accrued rights, projected retirement benefits, and any other relevant information such as the impact of recent regulatory changes (e.g., McCloud remedy).

The purpose of the ABS is to help members understand their pension position, assist with retirement planning, and meet the transparency and governance standards expected of LGPS funds.

We are pleased to confirm that the **Gwynedd Pension Fund fully met these statutory requirements for the 2025 ABS cycle**. Statements were issued towards the **end of July 2025**, ahead of the deadline, ensuring members had ample time to review their benefits.

The majority of statements were published **online via the secure member portal**, reflecting the Fund's ongoing commitment to digital access and environmental sustainability. To support members in understanding their statements, the Fund also produced an **informative video guide** that explains how to interpret the figures and what they mean for retirement planning.

For members who preferred or required it, a **small number of paper copies** were printed and posted, ensuring accessibility for all members regardless of their digital preferences.

## 8. Data Quality

The Local Government Pension Scheme (LGPS) is required by The Pensions Regulator (TPR) to maintain and report two key categories of data: common data and scheme-specific data. Common data includes essential personal details such as members' full names, dates of birth, National Insurance numbers, and current address information. This data is fundamental for effective communication with members, accurate benefit processing, and safeguarding against fraud or erroneous payments.

Scheme-specific data, on the other hand, relates directly to each member's LGPS membership and benefits. This includes information such as employment history, pensionable earnings, contributions paid, and details required to calculate pension entitlements accurately. Together, these data sets ensure that members receive the correct benefits in a timely manner and that the administering authority complies with regulatory standards.

The Gwynedd Pension Fund performs well in TPR's data quality assessments, reflecting its commitment to high standards of data management and record keeping. However, the Fund's main challenge affecting the common data score arises from 'gone away addresses' — cases where members have moved but have not informed the Fund of their new address. This issue hampers effective communication and poses a risk of unclaimed benefits or pensions being paid to deceased members.

To address this, Gwynedd Pension Fund has partnered with a professional tracing service to locate updated contact details for these members. This collaboration has already been successful in recovering many new addresses, allowing the Fund to reconnect with members

and ensure their pension payments reach the rightful recipients. Additionally, this process helps detect and prevent payments being made to members who have passed away, safeguarding fund assets.

The Fund continues to work closely with the tracing service and regularly reviews its internal data management processes to improve data accuracy and completeness further. These efforts not only help Gwynedd Pension Fund meet regulatory requirements but also enhance member engagement and protect the interests of both members and the Fund.

A data improvement plan has also been developed to further enhance the quality of our data. This plan will be discussed as a separate item at today's meeting, outlining the steps the Fund will take to continue improving data accuracy and completeness.

## **9. Member Communication**

Over the past six months, the Gwynedd Pension Fund has actively engaged with its members through a range of communication initiatives designed to enhance understanding and awareness of pension benefits.

Fund officers regularly conduct **one-to-one meetings** with members, either via Microsoft Teams or face-to-face, providing personalised support to help members better understand their individual pension benefits and answer any questions they may have. These meetings have proven valuable in improving member confidence and satisfaction.

In addition, the Fund produced a **newsletter** which was distributed alongside the 2025 Annual Benefit Statements. This newsletter provided important updates for both active and deferred members, covering key topics such as regulatory changes, benefit improvements, and upcoming initiatives.

The Fund also took part in this year's **National Eisteddfod in Wrexham**, sharing a stall with the Clwyd Pension Fund. This event provided an excellent opportunity to engage directly with members, raise awareness of the LGPS, and foster collaboration by sharing working practices and experiences with officers from Clwyd Pension Fund.

Meanwhile, work continues behind the scenes to **redesign the Fund's website**. The planned re-launch in the new year aims to deliver a refreshed, user-friendly site with improved navigation and expanded content about the scheme and its benefits. This will further support members in accessing clear and comprehensive information about their pensions.

## **10. Performance Monitoring**

The Fund recognises the importance of robust performance monitoring to ensure the efficient delivery of pension administration services. At present, a number of internal **changes are being implemented** to tasks, workflows, and procedures as part of a wider programme of service improvement and modernisation.

As a result of these ongoing changes, **comprehensive performance data is not currently available** for reporting. However, the Fund wishes to provide assurance that there is **no indication that service performance has declined** during this transitional period. Core processes continue to be delivered in line with statutory requirements and

member expectations.

Once the revised procedures are fully embedded, the Fund will resume detailed performance reporting, including key performance indicators (KPIs), benchmarking, and trend analysis. This will support transparency, accountability, and continuous improvement going forward.

## **11. Governance Compliance**

The Gwynedd Pension Fund is currently undertaking a comprehensive **gap analysis** of its governance policies and procedures to ensure full readiness for the **Good Governance requirements** expected to be introduced by the Department for Levelling Up, Housing and Communities (DLUHC).

This proactive review aims to identify and address any areas where existing arrangements may fall short of the anticipated standards. The Fund is assessing its internal controls, decision-making structures, risk management frameworks, and reporting mechanisms to ensure alignment with best practice and regulatory expectations.

### **What Are the Good Governance Requirements?**

The Good Governance project, led by the Scheme Advisory Board (SAB), seeks to strengthen the governance standards across all LGPS funds. Key elements of the proposed requirements include:

- **Senior LGPS Officer Role:** Each fund must designate a named individual with overall responsibility for LGPS operations.
- **Annual Governance Statement:** Funds will be required to produce a detailed statement outlining governance arrangements, compliance, and improvement plans.
- **Improved Oversight and Transparency:** Enhanced reporting to local pension boards and committees, with clearer lines of accountability.
- **Robust Risk Management:** Demonstration of effective risk identification, mitigation, and monitoring processes.
- **Training and Competency:** Ensuring decision-makers and officers have appropriate knowledge and skills to fulfil their roles.

By conducting this gap analysis, the Fund is positioning itself to meet these requirements confidently and transparently. The outcomes will inform future policy updates and training plans, ensuring the Fund continues to uphold the highest standards of governance and member service.

<b>Meeting:</b>	Pension Board
<b>Date:</b>	03/11/2025
<b>Title:</b>	Data Improvement Plan
<b>Author:</b>	Meirion Jones, Pensions Manager
<b>Purpose:</b>	For information and discussion

## 1. Purpose of the Report

This report provides an overview of the proposed Data Improvement Plan for the pension fund. It outlines key objectives, current data challenges, planned actions, and expected outcomes. The aim is to ensure the Board is informed of the approach and can provide feedback or endorsement where appropriate.

## 2. Background

Accurate and complete data is critical to the effective administration of the pension scheme, compliance with regulatory requirements, and delivery of high-quality member services. Recent reviews and audits have identified areas where data quality requires improvement, particularly in relation to common and scheme-specific data.

## 3. Objectives of the Data Improvement Plan

- Improve the accuracy, completeness, and timeliness of member data
- Ensure compliance with The Pensions Regulator's expectations
- Support effective decision-making and risk management
- Enhance member experience and reduce administrative errors
- Prepare for future projects such as dashboard readiness and scheme valuations

## 4. Recommendation

The Board is asked to:

- Note the contents of the Data Improvement Plan
- Provide feedback on the proposed approach
- Endorse the plan's implementation and monitoring framework



# Cronfa Bensiwn **GWYNEDD** Pension Fund

## **Data Improvement Plan**

### **1. Executive Summary**

Accurate and complete data is critical to the effective administration of the Gwynedd Pension Fund. It ensures members receive the correct benefits promptly, supports compliance with regulatory requirements, and facilitates clear communication with employers and members.

This Data Improvement Plan outlines the Fund's strategic approach to identifying and addressing data quality issues, focusing on improving both Common and Scheme-Specific data in line with standards set by The Pensions Regulator (TPR).

Key priorities include cleansing inaccurate records, enhancing employer data submissions, reconnecting with deferred members, and preparing for the Pensions Dashboard Programme. Progress will be tracked against clear milestones and deadlines, with oversight provided by the Local Pension Board and Pension Committee to ensure accountability.

The Fund is committed to maintaining high data standards to support long-term scheme efficiency, regulatory compliance, and member confidence.

### **2. Introduction**

Accurate, complete, and timely data is the foundation of effective pension administration. High-quality data is essential not only for meeting regulatory requirements but also for providing reliable services to scheme members and employers. Maintaining excellent data reduces manual interventions, minimises the risk of errors, protects against fraud, and builds trust among all stakeholders.

This Data Improvement Plan details the key data types maintained by the Fund, highlights the importance of data accuracy, and outlines a clear, structured approach to enhancing data quality. Maintaining high data standards supports:

- The accurate and timely payment of member benefits.
- Compliance with regulatory requirements, including The Pensions Regulator's standards and the McCloud remedy.
- Preparation for the Pension Dashboard Programme, which will enable members to view all their pension entitlements in one place.
- Precise actuarial valuations and funding calculations.
- Building and sustaining confidence with employers and members.

This plan represents an ongoing commitment to data excellence and effective pension fund governance, rather than a one-off exercise.

### 3. Objectives

The Fund's data improvement objectives are to:

- Proactively identify and correct errors affecting member records.
- Achieve and maintain full compliance with The Pensions Regulator's record-keeping requirements.
- Support the implementation of regulatory changes, including the McCloud remedy and Pension Dashboard connection.
- Foster a culture of continuous data improvement within the Fund and across all employers.
- Enhance data accuracy and auditability through process redesign and system improvements.

### 4. Data Types and Their Importance

High-quality data across the following categories is essential to the accurate administration of the Gwynedd Pension Fund:

- **Member Personal Details:** Includes name, date of birth, and National Insurance number. Accurate personal data prevents duplicate records, ensures correct member identification, and supports precise pension calculations.
- **Contact Information:** Current addresses, emails, and phone numbers enable timely delivery of benefit statements, newsletters, and other communications, enhancing member engagement and compliance.
- **Employment and Service Records:** Information on employers, employment start and end dates, and employment status ensures correct pension accrual and contribution tracking.
- **Contributions and Payroll Data:** Accurate recording of pensionable pay, contribution rates, and employer payments protects members' entitlements and ensures correct benefit levels.
- **Bank and Payment Details:** Up-to-date bank information ensures pension payments are made promptly and securely.
- **Dependents and Beneficiary Information:** Current records of nominated beneficiaries guarantee death-in-service and survivor benefits are paid to the correct individuals.
- **Compliance and Audit Trails:** Comprehensive logging of data changes, authorisations, and access supports governance, regulatory compliance, and risk management.

Maintaining data quality across all these areas safeguards member rights, supports operational efficiency, and reinforces trust in the Fund's governance.

### 5. The Pension Regulator Requirements

The Pensions Regulator (TPR) requires pension schemes to report annual data quality scores for both common and scheme-specific data.

- **Common Data** includes core member identifiers such as National Insurance number, full name, gender, date of birth, address (including postcode), and member status.
- **Scheme-Specific Data** covers LGPS-specific information such as employer details, salary, service history, CARE pay, AVCs, GMP data, and benefit crystallisation events.

This plan outlines the steps the Gwynedd Pension Fund will take to improve data quality,

focusing on meeting and exceeding TPR's data score standards. High-quality data is essential for accurate benefit calculations, effective communication, and regulatory compliance.

## **6. Current Data Quality Assessment**

The Gwynedd Pension Fund conducts regular data quality assessments to ensure ongoing compliance with TPR's record-keeping standards and to monitor data integrity.

To support this, the Fund uses Heywood's Insights tool—a specialist analytics solution designed to assess both Common and Scheme-Specific data. This tool identifies gaps, inconsistencies, and errors in member records with a high degree of accuracy and tracks improvements over time.

### **Data Categories Assessed**

As defined by TPR, the data is categorised as:

- **Common Data:** Key identifiers such as name, date of birth, National Insurance number, gender, address, and status.
- **Scheme-Specific Data:** LGPS-specific details including employer information, salary, service history, CARE pay, AVCs, GMP data, and benefit crystallisation events.

### **Most Recent Assessment**

The latest data quality assessment, completed using Heywood's Insights tool in October 2025, shows the Fund's current data scores as follows:

- **Common Data Score:** 97.3%
- **Scheme-Specific Data Score:** 96.95%

These scores represent the percentage of member records that are complete and accurate, based on the validation rules within the Insights tool.

The results have informed the targeted actions detailed in Section 7, focusing on data items with the greatest impact on benefit calculations, member communications, and regulatory reporting.

The Fund will continue to use Heywood's Insights tool to monitor progress and ensure measurable improvements year on year.

## **7. Targeted Actions**

Based on the latest assessment conducted via Heywood's Insights tool, the Fund has prioritised several key areas for targeted data improvement. These actions focus on enhancing the accuracy of benefit calculations, member communications, and readiness for regulatory changes such as the McCloud remedy and Pension Dashboard Programme.

### **Key Priorities**

- Correcting missing or invalid data entries (e.g., temporary National Insurance numbers, incomplete addresses).
- Addressing scheme-specific data issues related to service history, transfers, GMP data, and benefit tranches.

- Reconnecting with deferred members whose contact details are no longer valid.
- Collaborating closely with employers to improve the accuracy and timeliness of monthly data submissions.
- Develop and monitor exception reports that highlight common data entry errors in the system.
- Undertake regular mortality screening for deferred and pensioner members to ensure records remain accurate.

## Approach

Each identified data issue has been assessed and assigned corrective actions, timelines, and responsibilities. The Fund prioritises issues with direct impact on member benefit calculations and payments.

Progress will be monitored through internal reviews, ongoing employer engagement, and follow-up data validation using Heywood's Insights tool. Where necessary, professional tracing services and third-party support will be used to resolve complex cases.

The areas that we will focus on in 2025-26 are:

## Common Data

Data Issue	Number of cases	Action	Due to be completed	Status
Member has Temporary NI Number	22	Contact members to request NI Number	31-12-2025	On-going
Gone away indicator on members record	867	Trace member's address	31-12-2025	On-going

**Note:** The Fund relies on members to update their contact details, which can be challenging, especially for deferred members. The introduction of the Pensions Dashboard is expected to improve member reconnection. Meanwhile, professional tracing services are employed to locate members with outdated contact information.

## Scheme Specific

Data Issue	Number of cases	Action	Due to be completed	Status
<b>Divorce Details</b> Payment date or Pension Debit is missing	1	Update Divorce details	31/03/2026	On-going
<b>Transfer in details</b> Date received is blank or Transfer value is blank (only for Actives/ undecided leavers and deferred missing)	107	Update transfer details	31/03/2026	On-going
<b>Tranches of Original Deferred Benefit</b> Initial Pension for Deferred member is less than £1	108	Check records to ensure pension amounts are correct	31/03/2026	On-going
<b>Tranches of Pension</b> CARE Pension less than £1 and Pension Increase date earlier than PI Calculation date	25	Check records to ensure CARE pension is correct and check Pension Increase dates	31/03/2026	On-going

<b>Total Original deferred Benefits</b> Value missing in Initial Pension	5	Update Deferred Benefit data view	31/03/2026	On-going
<b>CARE Data</b> CARE Data missing for certain years	22	Check records. Some may be genuine cases, where the member is casual and has not had CARE Data for certain years.	31/03/2026	On-going
<b>BCE2</b> Crystallisation date is not a valid date or is earlier than date left	2	Update Crystallisation date	31/03/2026	On-going
<b>BCE6</b> Crystallisation date is not a valid date or is earlier than date left	661	Update Crystallisation date	31/03/2026	On-going
<b>NI Contributions/ Earnings History</b> Missing NI Contributions/ Earnings History	6,237	Update NI Contributions/ Earnings History	31/03/2026	On-going
<b>Pre88 GMP</b> Pre88 GMP Missing	80	Update Pre88 GMP	31/03/2026	On-going
<b>Post88 GMP</b> Post88 GMP Missing	393	Update Post88 GMP	31/03/2026	On-going

## 8. Governance and Oversight

Successful implementation of this Data Improvement Plan depends on clear governance and accountability:

- **Pensions Manager:** Provides strategic oversight of data improvement activities.
- **Systems Team Leader:** Leads day-to-day delivery of corrective actions.
- **Employers:** Responsible for submitting accurate and timely data via monthly returns.
- **Local Pension Board and Pension Committee:** Provide independent oversight, challenge, and monitor data quality performance.

Regular progress updates will be presented to the Local Pension Board and incorporated into annual governance reporting to ensure transparency and accountability.

## 9. Employer Engagement

Employers are vital partners in maintaining high-quality data, as they provide the primary source of member information.

The Fund's Employer Engagement Strategy focuses on collaboration through:

- Monthly data submissions via online platform (i-Connect).
- Regular error reporting and annual data quality scorecards.
- Tailored training sessions and one-to-one support.
- Monitoring employer data performance and escalating persistent issues when necessary.

This approach ensures employers are supported in meeting their responsibilities while reinforcing the importance of accurate, timely member records.

## **10. Review and Continuous Improvement**

The Fund is committed to continuous review and enhancement of data quality processes:

- The Data Improvement Plan will be reviewed annually to ensure effectiveness.
- Updates will be made to address emerging challenges and leverage new opportunities.
- Feedback will be actively sought from stakeholders to refine data management practices.

## **11. Conclusion**

By following this plan, the Gwynedd Pension Fund aims to significantly enhance data quality, ensuring compliance with regulatory requirements and improving the overall experience for members and employers.

## **12. Contact Information**

For any questions or further information about the data improvement plan, please contact:

- Pension Fund Manager: Meirion Jones - [MeirionJones2@gwynedd.llyw.cymru](mailto:MeirionJones2@gwynedd.llyw.cymru)
- Systems Team Leader: Owain Pritchard – [OwainHughPritchard@gwynedd.llyw.cymru](mailto:OwainHughPritchard@gwynedd.llyw.cymru)