PENSION BOARD 17/07/26

Present:

Anthony Deakin and Eifion Jones (Members' Representatives)

Sioned Parry and Roland Thomas (Employer Representatives)

Officers: Delyth Jones Thomas (Investment Manager), Meirion Jones (Pensions Manager) and Lowri Haf Evans (Democracy Services Officer)

1. ELECT CHAIR

RESOLVED to elect Osian Richards as Chair of the Board for 2026/27

2. ELECT VICE CHAIR

RESOLVED to elect Roland Thomas as Vice-Chair of the Board for 2026/27

Sioned Parry, the Former Chair, took the opportunity to congratulate the new appointments and to thank her fellow members and officers for their support during her time as Chair.

Sioned Parry was thanked for her conscientious attitude in representing the Board and for the work she did regarding the meetings of the Pension Board Chairpersons' Engagement meetings by the Wales Pension Partnership.

3. APOLOGIES

Apologies were received from Osian Richards and Ned Michael, Cllr Elin Hywel (Chair of the Pensions Committee) and Dewi Morgan (Head of Finance Department).

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 20 April 2026 as a true record.

7. GWYNEDD PENSION FUND'S DRAFT STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2026.

Submitted, for information, a report by the Investment Manager providing details of the Pension Fund's financial activities during the year which ended 31 March 2026

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 draft accounts were subject to audit by Audit Wales with a view to submitting the final version to the Committee in October 2026. It was noted that this had been a busy year for the Fund as it continued to invest more widely with the Wales Pension Partnership (PPC).

She drew attention to the Fund Account, noting that there were slight variations in the contributions and benefits. It was reiterated that management expenses had reduced when introducing different types of investments into the portfolio and reducing investments with the Partners group, which historically had higher management fees. It was reiterated that the investment income had increased and the Fund had received regular income from the new investments such as infrastructure and private equity within WPP. It was noted that the market value of the Fund had increased by approximately £280 million which was in line with the annual gradual increase.

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

The members thanked the officer for the report.

Observations arising from the ensuing discussion:

- The financial position remained strong
- Thanks to the team for their conscientious work - it was a very healthy position
- That the work of responding to the demand increased each year, and the team completed this effectively and in a timely manner

In response to a question about the background of Note 7: Contributions Received and a reference to 'Other' (exit credit transactions) £5,129, it was noted that the amount was a total transferred following the winding-up of the GwE education service. It was reported that the six Authorities across North Wales had received a sum relating to the amount remaining, implemented in accordance with the additional credit policy.

In response to a question about Note 15b Reconciliation of Fair Value Measurements Within Level 3 (Total Market Value 31-03-26 = £636,228) and, if the value of the investments was an estimate, how could there be assurance around the value, it was noted that properties were valued by receiving prices from the Investment Manager, and the situation and any movements were monitored on a daily basis. It was reiterated that due to the high percentage in equities, they intended to reduce investments in equity to less vulnerable areas – being more stable areas that would face less risk in the open market.

In relation to Note 21 – Current Liabilities and what had led to the change between £4,012,000 in March 2025 and £8,387,000 in March 2026, it was again noted that this was a payment relating to GwE – one that had not been paid until the year it was due - GwE had ended on 31 May 2025.

RESOLVED to accept and note the Pension Fund's Statement of Accounts (subject to audit) for 2025/26.

8. LGPS POOLING SYMPOSIUM

Feedback was provided by Mr Anthony Deakin who had attended the LGPS Pooling Symposium in May on behalf of the Board. The conference programme reflected the pace and scale of change across the LGPS landscape and had been carefully curated to provide practical insight, strategic context and forward-looking perspectives on the evolving role of pooling. The conference offered extensive networking opportunities, enabling delegates to connect with peers, exchange experiences and build valuable relationships at a crucial time for the sector.

He referred to two issues that caused him concern;

a) That the UK Government did not involve the LGPS in discussions regarding the Fiduciary Duty
b) There was a need to build in contract management oversight for Pension Committees regarding the pools and dispute resolution arrangements for when things go wrong – he was concerned that the Pensions Committees would shoulder this responsibility.

The members expressed their gratitude for the information.

In response to the comments, the Investment Manager noted that the situation where the LGPS was not included in Fiduciary Duty discussions was being monitored, adding that it would be easy to lose sight of issues amid all the changes. It was noted that IMCo had received the comment and that discussions were taking place regarding setting the balance between the Fiduciary Duty and other movements.

Regarding the concern about the role of the Committee, it was noted that the role was changing in light of the IMCo starting, but one of the Committee's main priorities would certainly be to ensure that the investment firms performed at a governance level. She added that the Board of Trustees would serve as a link between the Committee and IMCo and therefore offered a useful and important resource for sharing and receiving information. It was noted that a training session would be held to highlight the Committee's responsibilities in due course.

In accepting the response, concern was expressed that the UK Government and Welsh Government appeared to have their eye on the money in Local Authority Funds, seemingly because of a shortage of money in their budget to invest money in services, e.g., in housing. As a result, the Gwynedd Fund would need to ensure that it made sensible investments on their behalf, and while accepting that spending was needed locally, there was also a need to ensure value for the Fund's members.

The information was accepted

9. PENSION BOARD CHAIR'S DRAFT REPORT FOR THE FUND'S ANNUAL REPORT

The Investment Manager presented a (draft) report detailing the activities of the Pension Fund during the year ending 31 March 2026. She pointed out that the report had been set out the same as the 2024 report, taking into consideration the topics that had been discussed during the year.

It was proposed to submit the final report to the Investment Manager by 31/07/2026 to be included as part of the Fund's annual report and as part of the Fund's annual meeting which would be held on 23 November 2026.

The Former Chair thanked her fellow members for volunteering their time to their roles and for reviewing the document, and to the relevant officers involved in preparing the work.

Sioned Parry, the Former Chair was thanked for her work.

It was noted that information on the relevant training needed to be completed and included in the final version.

RESOLVED to accept the contents of the draft report.

10. PENSION ADMINISTRATION

A comprehensive report was presented by the Pensions Manager providing a general overview of the administration of the Local Government Pension Scheme over the past year along with the activities that are undertaken by the Gwynedd Pension Fund to respond to current developments, maintain service standards and information about the work carried out over the period, and updates on various projects:

- Regulatory Update – Fit for the Future – emphasis on accountability, professional standards and effective decision-making. Each LPGS Fund will be required to appoint a designated Senior LGPS Officer to manage and administer the Pension Fund effectively, and appoint an Independent Person to be included on the Pensions Committee to provide an external challenge, support robust decision-making and strengthen governance oversight – appointments to be in place by 31 December 2026
- Undertake a Governance Review to assess the effectiveness of existing governance structures – this work to be completed by 31 December 2026
- LGPS Access and Fairness reforms to improve equality, accessibility and fairness across the LGPS. The work highlighted the challenge of reconciling and identifying cases where the reforms applied
- Impact on administration – a request for the Fund to review procedures, assess historical cases, update Members' administration and communication processes, and prepare for new reporting requirements
- Staffing update - welcome the appointment of an Apprentice and Trainee Pensions Officer
- Additional Voluntary Contributions – due to challenges arising from the Fund's existing arrangements, Hymans Robertson had been commissioned to review the market to identify a better provider. Legal & General, who had good experience and benefits, were appointed to provide voluntary contribution arrangements for the Fund's members, and discussions were taking place to set a timetable for transfers.
- New Payroll System – current plans for testing the new system to begin during

Autumn 2026, with the new system expected to be operational in early 2027
- McCloud Remedy – progress remained positive and work was on track to complete the remaining project work (as per the agreed timetable).

Reference was made to the continued success of 'My Pension Online' noting that the portal's membership continued to grow steadily with 8,200 Members having registered to the new portal. It was reported that the Gwynedd Pension Fund was exploring opportunities to further expand the portal's functionality, including the introduction of digital forms. It was reiterated that following the success of AI videos, they planned to make greater use of videos so that Members could access specific pension topics.

Attention was drawn to the Service Satisfaction Survey which was sent to Members at the end of key processes, such as retirements and the payment of reimbursements, to gather views on the quality of the service received. It was reported that 89 members had taken part in the survey with the result being very encouraging (95% of users strongly agreed or agreed that the quality was of a high standard and 97% strongly agreed or agreed that the service provided by staff met a high standard).

The members expressed their thanks for the report.

During the ensuing discussion, the following observations were made by the Board Members:

- Thanks for the information.
- A lot of work was being done in response to changes and the service remained very satisfactory
- Particular thanks for the McCloud work and for sticking to the timetable

In the context of appointing an independent person for the Pensions Committee, who would need to "fit in", and what the process of selecting that person would be, it was noted that the framework included details of individuals who had competencies for carrying out the task – they intended to appoint from this pool. It was added that Hymans Robertson led on investment advice, but the aspect of governance also needed to be considered. The successful person would need to have extensive LGPS experience and have specialist knowledge in the areas of investment and governance.

In response to a comment regarding the new payroll system and the challenges the Unit would face of not printing and posting payslips or replicating the existing arrangement whereby a paper payslip is only issued when there is a pension payment change of more than £10 compared to the previous month, it was noted that although they accepted there would be more telephone calls, the paperwork would reduce because of My Pension Online. It was reiterated that most queries related to a new tax code.

In the context of historic cases of Fairness Reforms and the need to look back over 15 years to ensure that the correct benefits were being paid, and whether the Unit had adequate resources to complete the work within the timeframe, it was noted that a systems company was looking at how to identify cases but that system was not able to calculate the benefits – the work had to be completed manually. Once the numbers have been identified, they planned to hold discussions with the systems company to try to figure out a way of reconciling the information.

In response to a question about adequate resources to cope with the additional work, it was noted that the appointment of a Trainee Pensions Officer was welcome news and that this role would be used specifically for supporting the governance element. It was reiterated that it was challenging to meet governance requirements and once the Senior LGPS Officer had been appointed, there would be an opportunity to review the structure to ensure that the additional work was being addressed.

In response to a comment that 8,200 Members had signed up to the new portal and whether the number was a fair representation of all Members, it was noted that there was a good representation from all groups but the 30-40 age group had the smallest percentage which may be because a pension was not a priority for them at the moment.

In response to a question about risks arising from transferring Members' Additional Voluntary Contributions from Clerical Medical to Legal & General, it was noted that the greatest risk would be to stay with Clerical Medical. It was reiterated that Legal & General offered a better experience, a wider range of investment options, lower fees and better online functionality.

In the context of the Satisfaction Survey and whether 89 responses out of all the Fund's Members gave a reliable picture of the situation, it was accepted that the figure was low, but Members were willing to complain directly if they were not happy with the experience. The intention was to introduce an on-line questionnaire rather than on paper, therefore it was hoped that they would get a better response in future.

RESOLVED to accept and note the information.

11. PENSION FUND ADMINISTRATION POLICIES

The Pensions Manager presented a report which set out two 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 were also a significant step towards good governance. He added that following the Board's review, the policies would be approved by the Pensions Committee in September 2026.

The policies were discussed individually, providing the background and context of the policies for the Members.

- Provision of Retirement Estimates
- Benchmarking and Fairness

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

Observations arising from the ensuing discussion:

- Provision of Retirement Estimates – although accepting the need to change, and supporting the proposal, there was a need to exercise caution and not to cut too much on the services of Fund Members. It was reiterated that there was a need to ensure a good service and to not give Members the opportunity to complain about the service – need to ensure a balance in expenditure.

In response to a question on whether an equality impact assessment had been implemented in line with the Council's management of policies to ensure that no one is disadvantaged, and to be mindful of the requirements, they had identified that a low percentage of the Members would be affected by these policies, but in certain cases, officers would be very willing to look at specific situations. It was reiterated that carrying out an equality impact assessment would be an acceptable proposal.

RESOLVED:
- **To accept and note the information.**
- **To undertake an Equality Impact Assessment of the Fund's future policies.**

12. ADMINISTRATION DISCRETIONS POLICY

The Pensions Manager presented an Administrative Discretions Policy for the Board to review. He noted that the proposed policy needed to demonstrate compliance with the requirements of the Local Government Pension Scheme Regulations, ensuring that the arrangements supported effective, consistent and transparent administration. He explained that the Fund's Administration Discretions Policies had not been comprehensively reviewed or updated for several years, with the previous policy having been approved in 2009. It was reported that a number of LGPS changes and guidance had introduced additional discretions since 2009, therefore the administrative authorities were required to update their policies. It was proposed to review the document annually to ensure that the policy remained up to date, reflected any legislative or operational changes and met regulatory requirements.

He referred to seven proposed changes to the discretions and gave the Members some background to the changes and how they were being formalised.

The members thanked him for the report

Observations arising from the ensuing discussion:
- Welcome the bulk of work that had been done to update the changes
- Accepted the proposal to remove the option of pension abatement (where a member was in receipt of a Tier 1 or Tier 2 ill-health pension or had been awarded additional years by the employer) because additional years had not been awarded and Tier 1 and Tier 2 ill-health retirements were exceptional sickness cases. The change aligned with the administration of other funds.

In response to a comment that the policies had not been reviewed since 2009 and whether new arrangements / resources had been incorporated to review and update more promptly from now on, it was noted that new regulations required the Fund to conduct an independent review of its governance arrangements, including a review of its policies every three years, therefore a new arrangement would need to be sought. It was reiterated that one of the responsibilities of the newly appointed officer would be to ensure compliance and accuracy to the policies to avoid slippage in the work in the future.

RESOLVED
- **To accept that the policy provides sufficient clarity, consistency and governance controls in relation to the exercise of discretionary powers under the LGPS Regulations.**

- **To note the information and the proposed changes to the Fund's approach to pension abatement.**
- **To recommend that the Pensions Committee approves the policy.**

The meeting commenced at 10.00 am and concluded at 11.45 am

CHAIRMAN