

3. Annual Report of the Gwynedd Pension Board for the year to 30th June 2016

3.1 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 representing scheme members, including one retired member.

Over the period between 13th July 2015 and 30th June 2016 the Board has met four times with individual attendances available. 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 in an observer capacity. The Board has asked for its views and recommendations to be presented formally to the Committee as necessary.

3.2 Function of the Board

In terms of legislation the two primary functions of the Local Pension Board are to assist the Administering Authority to:

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

It is therefore not a decision making body but there to monitor, assist and review. The Board operates under Terms of Reference agreed by Gwynedd Council on 5th March 2015. It is supported by the Council's member support and scrutiny officer and reports are prepared and presented by officers including Head of Finance, Investment Manager, Pensions Manager and Communications Manager.

3.3 The Work of the Board

The establishment of the Board has coincided with a period of greater pressure on the Administering Authority's senior staff with the Authority having to respond by February 2016 to the DCLG on the consultation documents on the proposed pooling of LGPS investments and a revised Investment and Management of Funds regulations. The Board was aware, therefore, of not over commissioning reports from senior staff at this period. The Board recognised the need to prioritise.

Work Plan

The agendas for the first meetings emerged as the Board took on information, scanned statutory documents, the reports of the Pensions Committee and compliance requirements.

The work plan agreed in the first meeting included:

- The Gwynedd Pension Fund Annual Report
- Pension Committee reports
- Wales Audit Office and Internal Audit recommendations
- Administration of the Pension Fund and the Role of the Administration Unit
- The Investment Portfolio
- Communication with members and employers
- Pooling Investments

A number of key points were suggested regarding the Investment Portfolio and it was agreed that the Pension Board would receive:

- Quarterly Performance Data
- An overview report of performance to monitor 3-5 year trends

It was also recommended that the Pension Committee set a specific time period for reviewing the performance of investment managers.

Whilst looking at communication with employers and the role of the administration unit some issues were raised regarding communication with some parties and the ability to receive data for some organisations on time to be able to prepare the annual pension statements. This seems to now be resolved.

The work plan for 2016/2017 will also include:-

- Developments in pooling
- Investments
- The Triennial Valuation
- Audit and Risk Management
- Further Training

There will be a need to have a degree of flexibility to allow for any reviews by the SAB or the Pensions Regulator and in particular the role of the Boards in pooling arrangements.

3.4 Training

Each Board Member was provided with the details of the Fund and its administration with presentations made by the Investment Manager and Communications Manager.

At the first meeting in July 2015, a preliminary session was held with Mr Stephen Lee of Investec focussing on the role and responsibility of the Board. In September 2015, Board members were invited to the Fund's Annual General Meeting and some of the members went to the presentation on the Triennial Valuation methodology.

In the Autumn of 2015, 4 members of the Board completed the 3 day LGPS Trustee Fundamentals training course and the remaining members will take part in 2016. All members now have access to the Pensions Toolkit on line.

The Chair and a member representative joined two members of the Committee and the Pensions Manager at the Annual Local Government Association LGPS Trustees Conference which provided a high level perspective on the issues facing Pension Authorities in the future.

3.5 Thanks

The Chair wishes to thank fellow Board members who have volunteered their time to the new roles and particular thanks also to the officers for their openness.