

MEETING: PENSION BOARD

DATE: 23 OCTOBER 2017

TITLE: CIPFA PENSIONS NETWORK WORKSHOP -
GOVERNANCE IN A CHANGING ENVIRONMENT
CARDIFF – 3 OCTOBER 2017

PURPOSE: TO INFORM BOARD MEMBERS OF INFORMATION GAINED
FROM ATTENDING THE EVENT

RECOMMENDATION: TO NOTE THE INFORMATION

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Following my attendance at this workshop in Cardiff recently, with three members of the Pensions Committee, I present a brief report with the main focus on Pension Board issues. Hymans Robertson have also provided notes from the workshop and they are attached here as **Appendix A** - 'Conference highlights'.

LGPS Regulatory situation

Bob Holloway (LGA) provided an overview. Brexit dominates with decisions delayed. Funding valuations largely good news. Option of locking in gains?

Private Credit

Natasha Sahi (BlackRock). Possible alternative allocation. High net returns but an element of risk.

Good Governance in new investment structures

Michael Ferguson (Aon Hewitt) focused on new pooled investment where good governance principles are required. Checklist provided of changes required at Gwynedd by April 2018. From then on some changes were also suggested in investment committee agendas.

Legal Update

Gary Delderfield (Eversheds Sutherland) provided a presentation on data protection changes required by May 2018 and MiFID II.

Review of the 2016 Actuarial Valuations

Douglas Green (Hymans Robertson) reported that all Welsh funds are in sound and improved positions, although with a slight variation in performance.

National LGPS Frameworks

Nigel Keogh (National Framework) provided a presentation (sales pitch?) on new services available for procurement. May have some future benefits for Gwynedd?

Local Pension Boards 2 years on

Gerard Moore (CIPFA) provided an overview on general progress and survey results, although a few board members had been concerned how survey results were collected. However, broadly working well but with mixed results and some boards evolving at a slower pace. Average weighting of 7.2 of Pension Boards abilities. Employee data is a significant concern but again with mixed results. Variety of ways how Pension Boards work with some getting up to speed. Generally internal controls of LGPS a strong feature. Some focus required on reporting significant breaches of law. Member communication in both quality and speed has mixed results. Since establishing the Pension Boards, the number of meetings held (up to July 2017) has ranged between 4 and 13, with some now getting up to speed. Remuneration paid to about 20% of members, together with about a third of Chairs. Low level of recorded complaints to the Pension Ombudsman was a welcome feature.

I hope this brief overview will be of interest to Pension Board Members and officers and I can provide more information if required at the meeting.

Pension Board Members are asked to note the information, and comment accordingly.

Appendix A – ‘Conference Highlights’ (document by Hymans Robertson LLP)