



Meeting:	<b>Pension Board</b>
Date:	<b>16 July 2018</b>
Title:	<b>Pension Board Chair draft report for 2017/18 for Gwynedd Pension Fund's annual general report</b>
Purpose:	<b>Assist the Chair to complete the annual report</b>

### **Introduction**

1. It is required that the Chair of the Pension Board produces an annual report, as part of the annual report of the Pension Fund, to be presented to the annual meeting of the Fund in September 2018.
2. This draft report (see Appendix A) has been prepared on behalf of the Chair, who invites Board members to contribute additions or improvements to the annual report.

### **Timetable**

3. In practice, the final report is required by the end of July.
4. Gwynedd Pension Fund's annual meeting will take place at 1 pm on the 10th October 2018, in the Dafydd Orwig Chamber, Caernarfon, and **all** Board members are invited to attend.

### **Content of the draft report**

5. The draft report is written in accordance with corresponding layout for the 2016/17 report, with several statements of fact unchanged for the 2017/18 report.
6. However, the content reflects the topics discussed during the 2017/18 year.

### **Conclusion**

7. Board members are asked to consider the contents of the draft report, discuss its contents, and propose amendments at the meeting on the 16<sup>th</sup> July.

## **Appendix A**

### **Annual Report of the Gwynedd Pension Board for 2017/18 (the year to 31 July 2018)**

#### **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 (which include staff who contribute towards the pension and those who are retired and receiving a pension).

Over the period between 1 August 2017 and 31 July 2018, the Board has met 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.

#### **Function of the Board**

In terms of legislation the two primary functions of the Local Pension Board are to assist the administering authority (Gwynedd Council) 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 Gwynedd Council (in a meeting of the full Council on the 5<sup>th</sup> 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, Pensions Manager and the fund's Senior Communication Officer.

## **The work of the Board**

Once again, the past year has been a busy year for the senior staff of the Administering Authority with the continuation of the pooling of investments project. Therefore, Board members were aware of the need to prioritise requests in order for officers to prepare reports for the Board.

### **Work Plan**

In accordance with the work plan, as determined and amended by Board members, in consultation with Fund officers, reports on the following issues were received:

- Markets in Financial Instruments Directive II (MiFID II)
- Gwynedd Pension Fund Accounts for 2016/17
- Dealing with complaints
- The Risk Register
- Treasury Management Strategy
- Communicating with Employers – Presenting data timely and correctly
- Wales Pension Partnership
- Gwynedd Pension Fund investment performance
- Pension Fund Statement of Accounts

During the discussions, a number of comments were made by Board members, which have assisted administrative authority officials to complete their work.

In addition, input was given by the Board to thorough reviews of some public statements, such as the Risk Register and Treasury Management Strategy, before they were approved by the Pensions Committee.

Board members attended the annual meeting of the Fund in September 2017 and noted that the fund has performed highly satisfactory, compared with other LGPS funds.

A presentation on Responsible Investment was held on the 18<sup>th</sup> January 2018 by Simon Jones and Paul Potter of Hymans Robertson, the Fund's actuary. The session was attended by members of the board and committee. Following the session the Board gave an input into developing appropriately amended responsible investment principles, and support for their inclusion in the revised Investment strategy Statement to be produced later in 2018.

The Board completed the Pensions Regulator's survey on public service governance. The survey was a mixture of factual questions and an opinion poll. Following a discussion between members of the Board, the survey was presented to the Regulator within the specified time limit.

The work plan for 2018/19 include:

- Update on the Wales Pension Partnership
- Update on Pension Administration
- Update on the Fund's Investment Performance
- Update to the Risk Register
- Pension Fund 2017/18 Statement of Accounts
- Communicating with Scheme Members
- Governance Update / Matters from the Scheme Advisory Board

## **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, the Investment Manager, the Pensions Manager and Senior Communication Officer.

It is a pleasure to report that all members of the Board have now completed their basic training ("LGPS Fundamentals"), organised by the Local Government Association ("LGA"). Board members have also attended a number of meetings/presentations. These include:

- **CIPFA Pensions Network Workshop - October 2017**
- **Barnett Waddingham & CIPFA LGPS Local Pension Board Autumn Seminar - November 2017**
- **Barnett Waddingham & CIPFA LGPS Local Pension Board Spring Seminar - February 2018**
- **Barnett Waddingham & CIPFA LGPS Local Pension Board Annual General Meeting – June 2018**

**Need to add more here** about the training / meetings / conferences Board members have attended.

## **Thanks**

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