
PENSION BOARD, 10.12.19

Present: H. Eifion Jones (Scheme Members' Representative) , Osian Richards (Members' Representative) – Chair, Huw Trainor (Employer's Representative) and Sharon Warnes (Members' Representative)

Officers:- Delyth Jones Thomas (Investment Manager), Meirion Jones (Pensions Manager) and Lowri Haf Evans (Member Support Officer).

1. APOLOGIES

Apologies were received from Councillor Aled Evans (Gwynedd Council) Councillor John Pughe Roberts, (Chair of the Pensions Committee) and Dafydd Edwards (Head of Finance)

Best wishes for a speedy recovery were sent to the Head of Finance.

2. DECLARATION OF PERSONAL INTEREST

None to note

3. URGENT ITEMS

None to note

4. MINUTES

The Chair signed the minutes of a meeting of this Board, held on 24 September 2019, as a true record.

In response to a request for an update on the process of recruiting and appointing a new employer representative for the Pension Board, it was highlighted, having corresponded with every employer, that applications had been submitted. It was added that the closing date was the 15th of January 2020, and it was proposed to hold interviews on the 23rd of January 2020.

5. PENSIONS COMMITTEE AND ANNUAL MEETING OF THE PENSION FUND MINUTES

The minutes of the Pensions Committee held on 27 July 2019, were received for information, together with the minutes of the annual Pension Fund meeting held on 24 October 2019.

Members had no further observations arising from the minutes.

6. EXCLUSION OF PRESS AND PUBLIC

RESOLVED to exclude the press and public from the meeting during the discussion on the following item due to the likely disclosure of exempt information as defined in

paragraph 12, Section 4, Schedule 12A, Local Government Act 1972. Although there is public interest in having an understanding of how the pension fund operates, this report regarding proposed rates is shared as a prior warning with the Employers of the Scheme. This information has not been shared within the managerial systems of each of these Employers, and its publication at this point may have an impact on the Employers' interests by undermining their reporting arrangements and financial preparations. On balance, the Monitoring Officer was satisfied that there was no public interest to support the publication of this report.

7. PENSION FUND VALUATION RESULTS

Submitted - the report of the Pensions Manager highlighting the Pension Fund valuation results. It was noted that there had been an improvement in the Fund's position with the budget level increasing from 91% on 31 March 2016 to 108% on 31 March 2019. It was noted that this was very good news.

In response to a question, it was noted that all employers who were part of the fund were aware of their individual results and discussions had taken place with them.

The information was ACCEPTED.

8. RE-OPEN THE MEETING TO THE PRESS AND PUBLIC

RESOLVED to re-open the meeting to the press and public

9. UPDATE ON PENSION FUND INVESTMENT PERFORMANCE 2019/2020

The Investment Manager submitted a report updating Members on the work of monitoring and the performance of Pension Fund investments. It was highlighted that the Fund stood fairly healthily and its value had increased gradually since 2010 and the performance of the fund's investments was above the benchmark in each of the periods measured.

It was reported that there were positive returns on bonds and equity together with fairly regular returns on property investments. It was explained that the main factor that had an impact on the funding position between 2016 and 2019 was the increase of £505 million from the investment returns. It was noted that a proportion of the increase was due to money exchange rates as the Fund had been valued in terms of pounds and the assets were listed in terms of foreign money e.g euros and dollars. However, it was added that the majority of the movement in the Fund's value was an actual increase in local money as a result of the favourable performance of the Fund's assets.

It was stated that the position of individual employers within the Fund was different, however, generally, the Fund's strength had allowed it to take a flexible approach to employer contribution rates, which would be in effect from April 2020.

The officer was thanked for the information. It was noted that the situation appeared to be very good.

The information was ACCEPTED.

10. COMMUNICATION WITH NEW AND OLD MEMBERS

In response to the Board's concerns that young members were opting out of the Pension Scheme, a report was submitted by the Pensions Manager detailing the communications work undertaken to engage with Members to try and encourage them to remain within the Scheme. The procedure to join and opt out was discussed as well as how the Scheme is promoted. It was explained that a request had been made to the Wages Departments at Gwynedd, Conwy and Anglesey Councils for information on the number of staff who have opted out of the Scheme. Although only one response had been received, from Gwynedd Council, it gave a fairly clear picture of the situation.

During the discussion, the following matters were noted as ones requiring attention:

- Include more information in the membership pack with full details of the benefits
- Hold a campaign to encourage staff under 40 years old to join the Pension Scheme
- It was suggested that a letter should be sent before the first pay-packet giving details about payment sums.
- Compare how other funds communicate with staff - request for examples of their handbooks / membership pack
- Ask staff who choose to opt out, about their reasons for their choice.

RESOLVED

- to accept the information.
- request a response to the above observations by the next meeting

11. McCLOUD UPDATE

A report was submitted by the Investment Manager updating the Board on the impact of the result of the McCloud judgement on fund administrators and employers who are members of the Local Government Pension Scheme

It was reported that since the decision of the Supreme Court (June 2019) to deny the Government's right to appeal the decision that uncorroborated defences were illegal due to discrimination on the grounds of age, no guidance had been presented as a result of the Appeal Court's judgement. It was added that discussions about the likely impact were taking place with the investment advisor, Hymans Robertson

The information was ACCEPTED.

12. SELECTING REPRESENTATIVES TO ATTEND EVENTS

Submitted - a report informing members about relevant conferences and events and seeking nominations for attendance on behalf of the Gwynedd Pension Fund.

The following was RESOLVED

Link and Russell Presentation
16 January 2020

Osian Richards, Hywel Eifion Jones and Sharon Warnes

'LGC Investment Seminar', Carden Park, Cheshire
27 – 28 February 2020
Hywel Eifion Jones, Huw Trainor and Sharon Warnes

13. THE PENSIONS REGULATOR: PUBLIC SERVICE GOVERNANCE PROCEDURE SURVEY 2019

A survey published by the Pensions Regulator for each Local Scheme Manager was submitted. It was highlighted that Gwynedd Council was the Local Scheme Manager for the Gwynedd Pension Fund and therefore had a responsibility to complete the survey jointly with the Chair of the Pensions Board. It was explained that the closing date for responses was 29 November 2019, however, the deadline had been extended by the Regulator in order to receive the Board's input.

In accordance with the Chair's decision to receive the input of Board Members on the survey, the on-line survey was completed and submitted to the Pensions Regulator's website during the meeting.

During the discussion, the following matters were noted as ones requiring attention:

- That a register was required of the interests of Pension Board Members (A2)
- That the Scheme's Manager or the Pension Board needed to hold an official evaluation of the information, understanding and the Board's skills in relation to running the Scheme (A6).
 - It was suggested that the Communication Policy should be discussed at the next meeting.
 - The Scheme's Administration Strategy - it was suggested that other examples should be looked at.
 - Need to update policies - some documents were historical
- It was necessary to include and recognise the cyber risk on the Scheme's risk register (B4)
- It was necessary to report to the Pensions Regulator the closing date that was missed to publish the statements of executive members (F2)
- It was necessary to record the reasoning for not reporting on any breaches of the law (F3). Accuracy was more important than reaching a target. Consider an item for the next meeting

The meeting commenced at 2.00pm and concluded at 4.00pm