

APPENDIX A

3. Annual Report of the Gwynedd Pension Board for the year to 30th June 2017

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 (who include staff who contribute towards their pension and those who are retired and receiving a pension).

Over the period between 1 July 2016 and 31 July 2017, 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.

During the year Ms Victoria Hallaron resigned as a Board member and Mr H. Eifion Jones was appointed as a new member. We want to thank Victoria for her contribution to the Board and welcome Eifion. As a former member of the Pension Committee, we are sure Eifion will be a valuable asset to the Board.

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 (Gwynedd Council) to:

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

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 5th 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.

3.3 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 triennial actuarial valuation taking priority, along 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.

3.4 Work Plan

In accordance with the work plan agreed in the previous year, reports on the following issues were received:

- The triennial actuarial valuation
- Security measures in place to protect data members
- New Investment Strategy Statement
- New Funding Strategy Statement
- Fund allocation and investment performance
- Investment Pooling of the Welsh Funds
- The procedure for processing retirement benefits
- Risk register for the Fund

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 review of some public statements, such as the Investment Strategy Statement and Funding Strategy Statement, before they were approved by the Pensions Committee.

A presentation explaining the valuation process was held on the 10th of November 2016 by Richard Warden of Hymans Robertson, the Fund's actuary. The session was attended by members of the board and it was noted that it was a very positive meeting.

In addition, Board members attended the annual meeting of the Fund in September 2016 and noted that the fund has performed very well, compared with other LGPS funds.

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 exercise highlighted the need for further training on risk assessments and the 2016 Regulations.

The work plan for 2017/18 include:

- Ethical investments
- The Board's governance procedure for the future
- Update on the pooling of investments
- Treasury Management Strategy

3.5 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").

3.6 Thanks

At the end of her term in the role, the Chair wishes to thank her fellow members on the Board, who have volunteered their time to the roles, and the relevant officers for their support.

Sharon Warnes
Chair