



Cronfa Bensiwn
GWYNEDD
Pension Fund

ANNUAL **REPORT** **2024/25**

Contents

	Page
1. Foreword	3
2. Management Structure	4
3. Annual Report of the Gwynedd Pensions Committee and Gwynedd Pension Board	5-11
4. Membership Summary	12
5. Pensions Administration	
5.1 Review of the Year	13- 23
5.2 Local Government Pension Scheme Regulations	24-26
6. Investments	
6.1 End of Year Position	27-29
6.2 Investment Performance	29-30
6.3 Administrative and Custody Arrangements	30-31
6.4 Investment Powers	31
6.5 Investment Management	31
6.6 Wales Pension Partnership Collaboration	31-38
6.7 Responsible Investing	38-39
7. Management and Financial Performance	
7.1 Managing Risk	40-42
7.2 Investment Strategy Statement	42
7.3 Funding Strategy Statement	42
7.4 Financial Performance	43
7.5 International Accounting Standard 19 (IAS19) and Financial Reporting Standard 102 (FRS102)	44
7.6 Final Accounts 2024/25	44
7.7 Governance	44
7.8 Knowledge and Skills Framework	44-45
7.9 Investment Unit	45
8. Actuarial Report	46-47
9. The Accounts	o/s
10. Communication Policy Statement	o/s
11. Glossary	o/s

I. Foreword

Welcome to the Gwynedd Pension Fund's annual report for the financial year that ended 31st of March 2025.

This Annual Report has been produced to provide employers, scheme members, elected members and other interested parties with information concerning the administration and performance of the fund for financial year 2024/2025 and we hope you find its content useful.

During the year, the value of the Pension Fund increased from £3.1 billion to £3.2 billion. The Fund saw positive returns of 5.1% over the year, against a benchmark of 6.9%. The average LGPS fund delivered a return of 3.4% for the year, and therefore the Fund return was significantly above the average for the year and ranked in the 7th percentile of the LGPS funds in Wales.

The Fund's target strategic allocation was updated at the end of 2023 to partially de- risk the Fund by reducing its equity allocation and invest in income generating assets. This has been actioned during the year and investments in infrastructure, private credit and equity will increase further as the investment capital is called.

The Fund continues to work as a committed member of the Wales Pension Partnership (WPP) to achieve efficiencies through pooling assets by combining assets in our investment management arrangements. Since October 2023, the Government has been reviewing the investment arrangements of LGPS funds in England and Wales under the 'LGPS Fit for the Future' consultation. Three key areas have been addressed: reforming the pool's operating model, promoting LGPS investment in their local areas and regions within the UK, and strengthening governance. The Government has expressed strong support for the WPP's proposal to advance to the next phase of investment pooling, and the goal is to ensure the long- term sustainability and effectiveness of the partnership.

Regular requests are received to set an ambitious timetable for total disinvestment of fossil fuels but as a pension fund, it is more responsible to us to plan properly, take real action, and influence where possible for the benefit of our environment. We continue to support our commitment to be net zero by 2050, supported by a commitment to assess the feasibility of the Fund reaching net zero 5, 10 or 20 years earlier. We ensure that we invest responsibly and consider the impact our actions will have on future generations and will continue to develop our responsible investment practices in the coming years.

From the point of view of administration, the Fund's staff have continued to ensure that we provide a high level of service in 2024/25. There have been great strides in developing electronic ways of working, with employers increasingly using the i-Connect system interface to provide data to the fund and a brand-new member self-service portal being developed to allow members to take control of their pension in an interactive way. We would also like to thank the Gwynedd pension administration staff and their colleagues in the investment team for their hard work over the past year.

We hope the following report will provide you with useful information about our Pension Fund. For more information, or to give your opinion on this report, the contact details of the relevant officers are provided on the next page of the report. Many thanks for your support during 2024/25, and we look forward to the fund's developments in 2025/26.



**Councillor
R Medwyn Hughes**
Pensions Committee
Chair 2024/25



**Dewi Morgan
s151**
Head of Finance

2. Management Structure

Administering Authority

Cyngor Gwynedd

Pensions Committee

Councillor R Medwyn Hughes (Chair)
Councillor Elin Hywel (Vice Chair)
Councillor Stephen Churchman
Councillor Ioan Thomas
Councillor John Pughe Roberts
Councillor John Brynmor Hughes
Councillor Iwan Huws
Councillor Robin Wyn Williams (Co-opted Member)
Councillor Goronwy Edwards (Co-opted Member)

Pension Board

Employer Representatives

Mr Ned Michael (Isle of Anglesey County Council)
Mrs Sioned Parry (Conwy County Borough Council)
Councillor Beca Roberts (Cyngor Gwynedd) until October 2024

Member Representatives

Mr Osian Richards
Mr H. Eifion Jones
Mr Anthony Deakin

Head of Finance (“Section 151 Officer”)

Mr Dewi Morgan

Advisor

Hymans Robertson

Fund Managers

BlackRock
Lothbury
Partners Group
Threadneedle
UBS Global Asset Management Limited
Russell Investments (WPP)
Schroders Capital (WPP)
GCM Grosvenor (WPP)
Octopus Renewables (WPP)
Capital Dynamics (WPP)
IFM Investors (WPP)
CBRE Investment Management (WPP)

Fund Website

www.gwyneddpensionfund.wales

AVC Providers

Clerical Medical, Utmost Life and Standard Life

Pool

Wales Pension Partnership (WPP)

Pool Operator

Waystone Management (UK) Limited

Custodian

Northern Trust

Actuary

Hymans Robertson

Bank

Barclays Bank plc

Auditor

Audit Wales

Contact Details

Enquiries and more detailed information regarding:

- administration of the Fund can be obtained by contacting:

Mr Meirion Jones,
Pensions Manager,
Cyngor Gwynedd,
Council Offices,
Caernarfon,
Gwynedd. LL55 1SH
☎ 01286 679643

✉ meirionjones2@gwynedd.llyw.cymru

- The Fund’s investment and accounting activities should be made to:

Mrs Delyth Jones-Thomas,
Investment Manager,
Cyngor Gwynedd,
Council Offices,
Caernarfon,
Gwynedd. LL55 1SH
☎ 01286 679128

✉ delythwynjonesthomas@gwynedd.llyw.cymru

3. Annual Reports of the Gwynedd Pensions Committee and Gwynedd Pension Board for 2024/25 (the year to 31 March 2025)

3(a) Annual Report of the Gwynedd Pensions Committee for 2024/25 (the year to 31 March 2025)

1. Background and Constitution of the Committee

The Gwynedd Pension Fund is part of the national Local Government Pension Scheme (LGPS), providing retirement and related benefits for employees of Cyngor Gwynedd and a range of other employers within Northwest Wales.

The governance of the Fund is overseen by the **Pensions Committee**, which operates under powers delegated by Cyngor Gwynedd as the administering authority. The Committee is constituted in accordance with the Local Government Act 1972 and complies with LGPS governance regulations and guidance issued by The Pensions Regulator (TPR) and the Scheme Advisory Board (SAB).

The Committee plays a vital role in safeguarding the interests of the Fund's members and employers by ensuring sound financial management, strong governance, and compliance with all legislative responsibilities.

2. Functions of the Pensions Committee

The key responsibilities of the Pensions Committee include:

- **Strategy and Oversight**
 - Approving and regularly reviewing the Fund's Investment Strategy Statement (ISS) and Funding Strategy Statement (FSS).
 - Ensuring the long-term sustainability and financial health of the Fund.
- **Governance and Risk Management**
 - Overseeing Fund governance in line with regulatory requirements and best practice.
 - Maintaining oversight of the Fund's risk register and internal Controls.
- **Investment Management**
 - Monitoring investment performance and engaging with the Fund's investment managers.
 - Making strategic decisions regarding asset allocation and the use of pooled investment vehicles via the Wales Pension Partnership (WPP).
- **Administration and Compliance**
 - Overseeing the administration of benefits and member services.
 - Ensuring compliance with TPR guidance and LGPS regulations.

The Committee works alongside the **Local Pension Board**, which has an oversight and scrutiny role, ensuring that the Fund is managed effectively and in line with legislation.

3. Work of the Committee in 2024/25

During 2024/25, the Pensions Committee met five times. Its work was shaped by both routine governance matters and evolving regulatory requirements. Key areas of focus included:

- **Investment Oversight**
 - Reviewed quarterly investment performance reports and received presentations from key fund managers.
 - Approved adjustments to asset allocations in line with market conditions and investment beliefs.
 - Continued transition of assets to the Wales Pension Partnership's pooled funds, including responsible investing-aligned equity and fixed income portfolios.
 - Challenge, encourage change, and seek assurance of quality in respect of investments to ensure alignment with strategic objectives and responsible stewardship.
- **Funding and Valuation**
 - Engaged in preparatory work for the 2025 actuarial valuation, including interim funding level monitoring and employer covenant assessments.
 - Approved updates to the Funding Strategy Statement reflecting changes in employer participation.
- **Governance and Risk Management**
 - Reviewed the Fund's Risk Register regularly, including specific attention to McCloud remedy implementation, cyber risk, and employer insolvency risk.
 - Ensured continued compliance with governance best practice and TPR expectations.
- **Responsible Investment**
 - Received updates on climate risk exposure, carbon intensity metrics, and TCFD alignment.
 - Approved ongoing collaboration with WPP to integrate responsible investing considerations into all asset classes.
- **McCloud and Regulatory Compliance**
 - Oversaw the Fund's compliance preparations for McCloud remedy implementation, including data processing and member communication.
 - Monitored progress toward the Fund's Pensions Dashboard Programme readiness.

4. Membership of the Committee (2024/25)

The Pensions Committee is composed of 7 elected members from Cyngor Gwynedd together with one co-opted member each (with a vote) from the Isle of Anglesey County Council and Conwy County Borough Council. Membership during the 2024/25 year was as follows:

Member Name	Representing	Role
Cllr Medwyn Hughes	Cyngor Gwynedd	Chair
Cllr Elin Hywel	Cyngor Gwynedd	Vice Chair

Member Name	Representing	Role
Cllr Stephen Churchman	Cyngor Gwynedd	Member
Cllr Iwan Huws	Cyngor Gwynedd	Member
Cllr Ioan Thomas	Cyngor Gwynedd	Member
Cllr John Pughe Roberts	Cyngor Gwynedd	Member
Cllr John Brynmor Hughes	Cyngor Gwynedd	Member
Cllr Robin Williams	Anglesey CC	Co-opted Member
Cllr Goronwy Edwards	Conwy CBC	Co-opted Member

5. Attendance

	17/06/2024	16/09/2024	25/11/2024	27/01/2025	17/03/2025
Cllr Medwyn Hughes	✓	✓	✓	✓	
Cllr Elin Hywel	✓	✓	✓	✓	✓
Cllr Stephen Churchman	✓	✓	✓	✓	✓
Cllr Iwan Huws	✓		✓	✓	✓
Cllr Ioan Thomas	✓	✓	✓	✓	✓
Cllr John Pughe Roberts	✓	✓		✓	
Cllr John Brynmor Hughes	✓	✓	✓	✓	✓
Cllr Robin Williams	✓	✓	✓	✓	
Cllr Goronwy Edwards	✓		✓	✓	✓

6. Work Plan and Priorities for 2025/26

The Committee has adopted a forward-looking work plan for 2025/26, focusing on:

- Completion of the **2025 Triennial Actuarial Valuation**
- Further transition and monitoring of pooled investments with WPP
- Oversight of the **McCloud remedy implementation**
- Continued development of **climate risk reporting** and compliance with TCFD
- Preparation for compliance with the **Pensions Dashboard**
- Ongoing review of the **Fund's governance framework** and policies

Regular reporting from the Fund's actuaries, investment consultants and officers will support effective oversight throughout the year.

7. Training and Development

In line with CIPFA's Knowledge and Skills Framework, the Committee maintained a structured training programme to ensure members possess the knowledge and understanding required to discharge their duties effectively.

Key training activities in 2024/25 included:

- ESG and Responsible Investment Training
- Actuarial funding principles and employer covenant assessment
- The McCloud judgment and legislative reform updates
- Investment performance and risk management workshops
- Induction sessions for new members and refresher sessions for existing members

All members are expected to undertake a minimum level of annual training and to maintain a personal development log. The training plan is reviewed annually and tailored to individual and collective needs.

7. Conclusion

The Pensions Committee is satisfied that it has fulfilled its governance responsibilities during 2024/25. The Committee has provided robust oversight of the Fund's investments, funding position, and administration services while responding effectively to the challenges and changes within the LGPS environment.

The Committee remains committed to acting in the best interests of all stakeholders and ensuring that the Gwynedd Pension Fund continues to deliver long-term security and value for its members and employers.

Cllr Medwyn Hughes
Pensions Committee Chair 2024/25

3(b) Annual Report of the Gwynedd Pension Board for 2024/25 (the year to 31 March 2025)

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 members representing scheme members (which include staff who contribute to the pension scheme and those who are retired and receiving a pension).

Over the period between 1st April 2024 and 31st March 2025, the Board has met virtually 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.

2. Function of the Board

In accordance with legislation, the two primary functions of the Local Pension Board are to assist the administering authority (Cyngor Gwynedd) 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 Cyngor Gwynedd (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, and the Fund's Pensions Manager.

3. The work of the Board

Once again, the last year has been a busy year for the senior staff of the Administration Authority. Therefore, Board members were aware of the need to prioritise requests for officers to prepare reports for the Board.

4. Attendance

Councillor Beca Roberts decided to step down from the Pension Board during 2024/25, and we would like to thank Beca for her contributions during her time on the Board.

	23/04/2024	08/07/2024	14/10/2024	04/02/2025
Anthony Deakin		✓	✓	✓
H. Eifion Jones	✓	✓	✓	✓
Ned Michael	✓	✓	✓	✓
Sioned Evans Parry	✓	✓	✓	✓
Osian Richards	✓	✓	✓	
CLlr Beca Roberts		✓		

5. Work Plan

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

- Pension Fund Budget
- Investment Consultant Objectives
- Pension Fund Investment Performance
- Pension Administration
- Pension Fund Annual Report
- Wales Pension Partnership
- Fund Accounts
- Audit Wales Report
- The Pensions Regulator's General Code of Practice
- Hymans Robertson National Knowledge Assessment
- Administrative Policies

During discussions, input and comments were provided by Board members, which supported the administering authority's officers in completing their work.

The work plan for 2025/26 includes:

- General Update on Pension Administration
- Pension Fund Discretionary Policies
- The Pensions Regulator's General Code of Practice
- Update on the Wales Pension Partnership
- Gwynedd Pension Fund Annual Report
- Gwynedd Pension Fund Investment Performance Update
- Final Accounts for the year ended 31 March 2025
- Risk Register
- 2026/27 Budget
- 2026/27 Business Plan
- 2026/27 Training Plan
- 2026/27 Work Programme
- 2025 Valuation

6. 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, Investment Manager and Pensions Manager.

Members of the Board have also attended a number of virtual meetings and presentations. These include:

LGC: Investment and Pensions Summit

LGC: Investment Seminar

WPP: Pooled Investments

WPP: Overview of cyber security and consideration for WPP

WPP: Policies – Responsible Investment Policy

WPP: Policies - Climate

WPP: Policies - Stewardship

WPP: Responsible Investment - Net Zero journey planning

WPP: Responsible Investment - Climate Metrics

WPP: Progress of other LGPS pools / collaboration opportunities

WPP: Any new regulatory / guidance developments

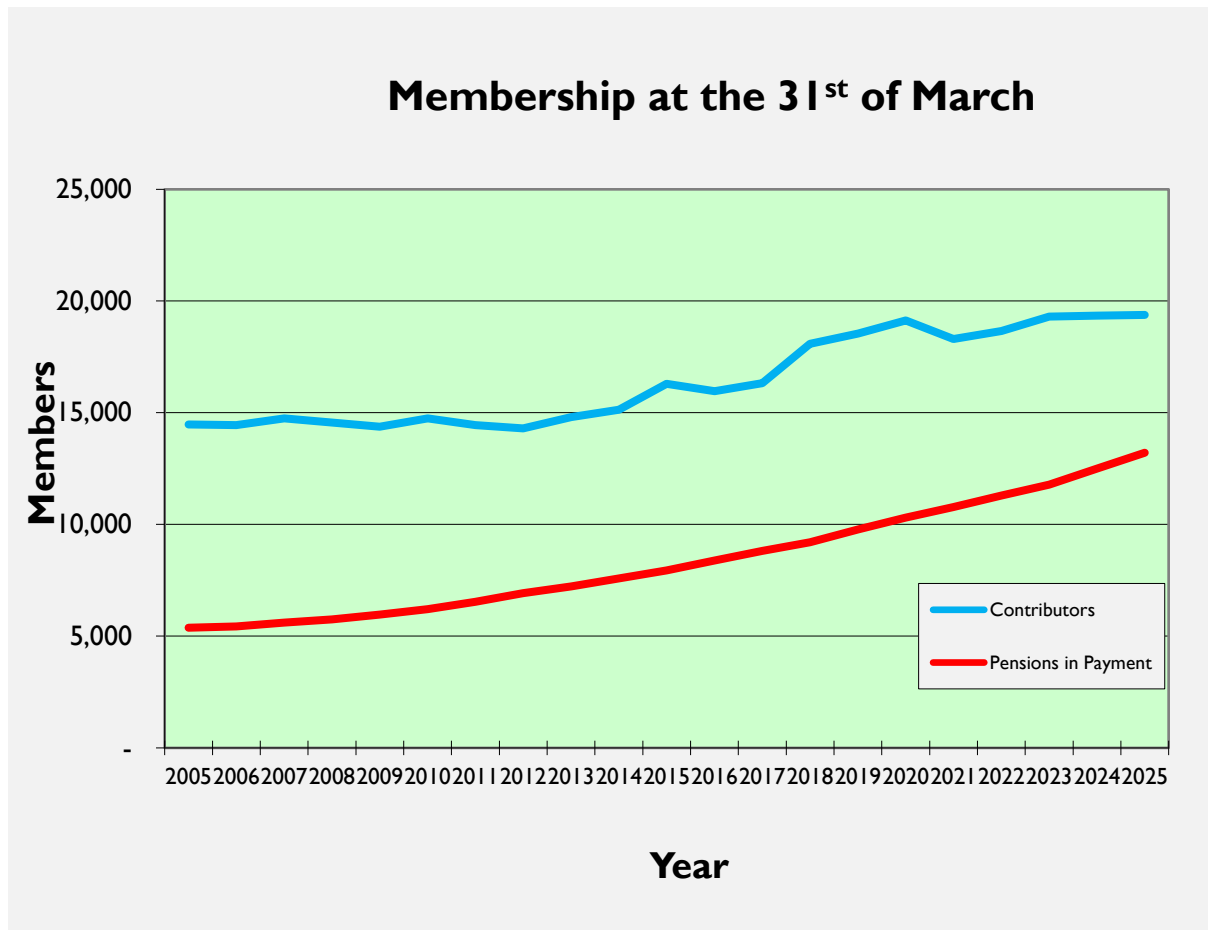
7. Thanks

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.

Sioned Parry
Chair

4. Membership Summary

The graph below shows the changes in the Fund's membership over the last 20 years. It shows that the number of pensioners has slowly increased from 5,379 in 2005 to 13,211 in 2025 and the number of active contributors has also increased from 14,481 in 2005 to 19,380 in 2025.



The table below shows further details on the Fund's membership:

31 March 2024	Description	31 March 2025
19,348	Contributors	19,380
12,504	Pensions in Payment	13,211
14,419	Deferred Pensioners	14,826
4,006	Unclaimed Benefits	4,683
3,038	Undecided Leavers*	1,792
53,315	Total Membership	53,892

*An undecided leaver is someone who has left their employment but is undecided as to the action that they now want to take with regard to their pension benefits. These records are closely monitored and are ultimately removed from the system once the individual member has decided upon the action they wish to take with regard to their pension benefits. Some records are also undecided leaver as the fund is awaiting termination details from the scheme employer or because there is a delay in processing the records to the correct status due to staff shortage as a result of struggling to recruit new staff.

5. Pensions Administration

5.1 Review of the Year

Introduction

2024/25 has been another busy year for the Pension Fund. This report provides a general overview of pension administration over the past year. It contains information on the work carried out over the period and an update on various previously mentioned projects.

Performance Management

Administration KPI table A – Total number of casework

	Casework KPI	Total number of cases open as at 31 March (starting position)	Total number of new cases created in the year (1 April to 30 March)	Total number of cases completed in year	Total number of cases completed in previous year
A1	Deaths recorded of active, deferred, pensioner and survivor members	10	488	498	402
A2	New survivor benefits	0	38	38	24
A3	Deferred member retirements	7	462	469	467
A4	Active member retirements	33	560	593	490
A5	Deferred benefits	2,493	966	3,459	4,978
A6	Transfers in (including interfunds in, club transfers)	88	319	407	441
A7	Transfers out (including interfunds out, club transfers)	11	129	140	116
A8	Refunds	5	283	288	402
A9	Divorce quotations issued	0	90	90	99
A10	Actual divorce cases	0	0	0	2
A11	Member estimates requested either by scheme member or employer	35	2,749	2,784	2,714
A12	New joiner notifications	483	3,303	3,786	3,907
A13	Aggregation cases	1,100	2,066	3,166	1,488
A14	Optants out received after 3 months membership	Not recorded	Not recorded	Not recorded	Not recorded

During the reporting year, the administration team handled a wide range of casework activity. Death notifications rose slightly, with 498 cases completed compared to 402 the previous year. New survivor benefits remained steady at 38, up from 24. Retirement processing was consistent, with 469 deferred member retirements and 593 active member retirements completed — both showing a modest increase from the previous year.

Deferred benefit cases saw a notable decrease, with 3,459 completed compared to 4,978 previously, despite starting the year with a high volume of 2,493 open cases. Transfers in and out were relatively stable, with 407 and 140 cases completed respectively. Refunds dropped significantly to 288 from 402, while divorce quotations remained similar at 90, and no actual divorce cases were processed this year.

Member estimate requests continued at a high level, with 2,784 completed, slightly up from 2,714. New joiner notifications remained consistent at 3,786, and aggregation cases saw a sharp increase to 3,166 from 1,488 the previous year. Data for opt-outs after three months of membership was not recorded.

Overall, the team maintained strong throughput across most categories, with some areas showing increased demand and others reflecting reduced volumes year-on-year.

Administration KPI table B – Time taken to process casework

	Casework KPI	Suggested fund target	% completed within fund target in year	% completed in previous year	Legal requirement	% completed within legal target in year	% completed within legal target in previous year
B1	Communication issued with acknowledgement of death of active, deferred, pensioner and survivor member	5 working day	18.7%	19.5%	2 months	69.3%	75.6%
B2	Communication issued confirming the amount of dependents pension	10 working day	81.6%	50%	2 months	97.4%	75%
B3	Communication issued to deferred member with pension and lump sum options (quotation)	15 working day	98.9%	99.4%	2 months	99.9%	99.9%
B4	Communication issued to active member with pension and lump sum options (quotation)	15 working day	95.9%	97.1%	2 months	97.7%	99.7%
B5	Communication issued to deferred member with confirmation of pension and lump sum options (actual)	15 working day	98.1%	99.6%	2 months	99.4%	100%

B6	Communication issued to active member with confirmation of pension and lump sum options (actual)	15 working day	60.6%	85.1%	2 months	95.7%	98.5%
B7	Payment of lump sum (both actives and deferreds)	15 working day	Not recorded	Not recorded	Not recorded	Not recorded	Not recorded
B8	Communication issued with deferred benefit options	30 working day	5.0%	4.9%	2 months	36.2%	21.7%
B9	Communication issued to scheme member with completion of transfer in	10 working day	2.2%	4.8%	2 months	67.4%	65.2%
B10	Communication issued to scheme member with completion of transfer out	10 working day	87.3%	64.8%	2 months	94%	93.3%
B11	Payment of refund	10 working day	96.4%	98.5%	2 months	99.6%	99.2%
B12	Divorce quotation	45 working day	95.5%	81.8%	3 months	100%	99%
B13	Communication issued following actual divorce proceedings i.e application of a Pension Sharing Order	15 working day	None	0%	3 months	None	100%
B14	Communication issued to new starters	40 working day	0.8%	8.3%	2 months	90.5%	94.5%
B15	Individual member estimates provided to scheme member or employer	10 working day	95.0%	97.1%	2 months	99.7%	97.7%

This year, we have transitioned to a new method of reporting performance. We are still in the process of adjusting our tasks to comply with this new approach, and work is ongoing to improve the quality of the data. Further adjustments may be required as the process evolves.

Some areas have shown poor performance, but it is likely that the task itself needs further refinement, and actual performance may be better than reported. However, the statistics presented here reflect the current position as recorded in our system.

Communications acknowledging a member's death remain below the fund target, with only 18.7% completed within five working days, though 69.3% met the legal requirement of two months — a

slight decline from the previous year. Communications confirming dependent pension amounts showed significant improvement, with 81.6% meeting the fund target and 97.4% meeting the legal requirement, up from 50% and 75% respectively.

Retirement quotations and confirmations for deferred members performed consistently well, with nearly all cases meeting both fund and legal targets. Active member quotations also remained strong, though actual confirmations dropped to 60.6% against the fund target, despite maintaining 95.7% compliance with the legal requirement. Deferred benefit option communications continued to underperform, with only 5% meeting the fund target and 36.2% meeting the legal requirement — though both figures improved slightly year-on-year.

Transfer-in communications were particularly low, with just 2.2% meeting the fund target, although 67.4% met the legal requirement. Transfer-out communications showed marked improvement, with 87.3% meeting the fund target and 94% meeting the legal requirement. Refund payments and divorce quotations were processed efficiently, with over 95% meeting both fund and legal targets. However, no communications were issued following actual divorce proceedings, a drop from 100% compliance the previous year.

Communications to new starters remained very low at 0.8% against the fund target, though legal compliance stayed relatively high at 90.5%. Member estimate requests were handled well, with 95% meeting the fund target and 99.7% meeting the legal requirement. Data for lump sum payments was not recorded.

Note: The Fund does not operate to fixed performance targets. Instead, we are committed to continuous improvement, focusing on enhancing service quality and responsiveness over time. However, for the purposes of this report, performance has been assessed against suggested targets. These targets reflect nationally recommended benchmarks and are used here to provide context and comparison.

Administration KPI table C – Communications and engagement

Digital engagement KPI																																																		
C1	% of active members registered for self-service	55.11% as at 31 March																																																
C2	% of deferred members registered for self-service	43.46% as at 31 March																																																
C3	% of pensioner and survivor members registered for self-service	39.80% as at 31 March																																																
C4	% total of all scheme members registered for self-service	46.95% as at 31 March																																																
C5	Top 5 most frequently visited functions	- Document and Uploads - Benefit Calculators - Latest Valuation - Annual Benefit Statement Video Overview - Manage Beneficiaries																																																
C6	Number of registered users by age	<table border="1"> <thead> <tr> <th>Age Group</th> <th>Orange Series (Count, %)</th> <th>Green Series (Count, %)</th> </tr> </thead> <tbody> <tr><td>21-25</td><td>1,137 (83.8%)</td><td>1,356 (83.8%)</td></tr> <tr><td>26-30</td><td>2,570 (75.7%)</td><td>3,395 (75.7%)</td></tr> <tr><td>31-35</td><td>3,188 (62.3%)</td><td>1,926 (37.7%)</td></tr> <tr><td>36-40</td><td>3,739 (53.6%)</td><td>3,233 (46.4%)</td></tr> <tr><td>41-45</td><td>3,657 (50.6%)</td><td>3,573 (49.4%)</td></tr> <tr><td>46-50</td><td>3,506 (47.4%)</td><td>3,884 (52.6%)</td></tr> <tr><td>51-55</td><td>3,216 (45.3%)</td><td>3,723 (53.7%)</td></tr> <tr><td>56-60</td><td>3,814 (43.9%)</td><td>4,875 (56.1%)</td></tr> <tr><td>61-65</td><td>3,923 (42.2%)</td><td>5,372 (57.8%)</td></tr> <tr><td>66-70</td><td>3,415 (41.2%)</td><td>4,869 (58.8%)</td></tr> <tr><td>71-75</td><td>3,208 (50.3%)</td><td>3,166 (49.7%)</td></tr> <tr><td>76-80</td><td>3,402 (75.6%)</td><td>1,185 (24.4%)</td></tr> <tr><td>81-85</td><td>3,099 (85.8%)</td><td>5,507 (85.8%)</td></tr> <tr><td>86-90</td><td>2,260 (97.5%)</td><td>2,407 (97.5%)</td></tr> <tr><td>Over 90</td><td>1,729 (97.5%)</td><td>1,774 (97.5%)</td></tr> </tbody> </table>	Age Group	Orange Series (Count, %)	Green Series (Count, %)	21-25	1,137 (83.8%)	1,356 (83.8%)	26-30	2,570 (75.7%)	3,395 (75.7%)	31-35	3,188 (62.3%)	1,926 (37.7%)	36-40	3,739 (53.6%)	3,233 (46.4%)	41-45	3,657 (50.6%)	3,573 (49.4%)	46-50	3,506 (47.4%)	3,884 (52.6%)	51-55	3,216 (45.3%)	3,723 (53.7%)	56-60	3,814 (43.9%)	4,875 (56.1%)	61-65	3,923 (42.2%)	5,372 (57.8%)	66-70	3,415 (41.2%)	4,869 (58.8%)	71-75	3,208 (50.3%)	3,166 (49.7%)	76-80	3,402 (75.6%)	1,185 (24.4%)	81-85	3,099 (85.8%)	5,507 (85.8%)	86-90	2,260 (97.5%)	2,407 (97.5%)	Over 90	1,729 (97.5%)	1,774 (97.5%)
Age Group	Orange Series (Count, %)	Green Series (Count, %)																																																
21-25	1,137 (83.8%)	1,356 (83.8%)																																																
26-30	2,570 (75.7%)	3,395 (75.7%)																																																
31-35	3,188 (62.3%)	1,926 (37.7%)																																																
36-40	3,739 (53.6%)	3,233 (46.4%)																																																
41-45	3,657 (50.6%)	3,573 (49.4%)																																																
46-50	3,506 (47.4%)	3,884 (52.6%)																																																
51-55	3,216 (45.3%)	3,723 (53.7%)																																																
56-60	3,814 (43.9%)	4,875 (56.1%)																																																
61-65	3,923 (42.2%)	5,372 (57.8%)																																																
66-70	3,415 (41.2%)	4,869 (58.8%)																																																
71-75	3,208 (50.3%)	3,166 (49.7%)																																																
76-80	3,402 (75.6%)	1,185 (24.4%)																																																
81-85	3,099 (85.8%)	5,507 (85.8%)																																																
86-90	2,260 (97.5%)	2,407 (97.5%)																																																
Over 90	1,729 (97.5%)	1,774 (97.5%)																																																

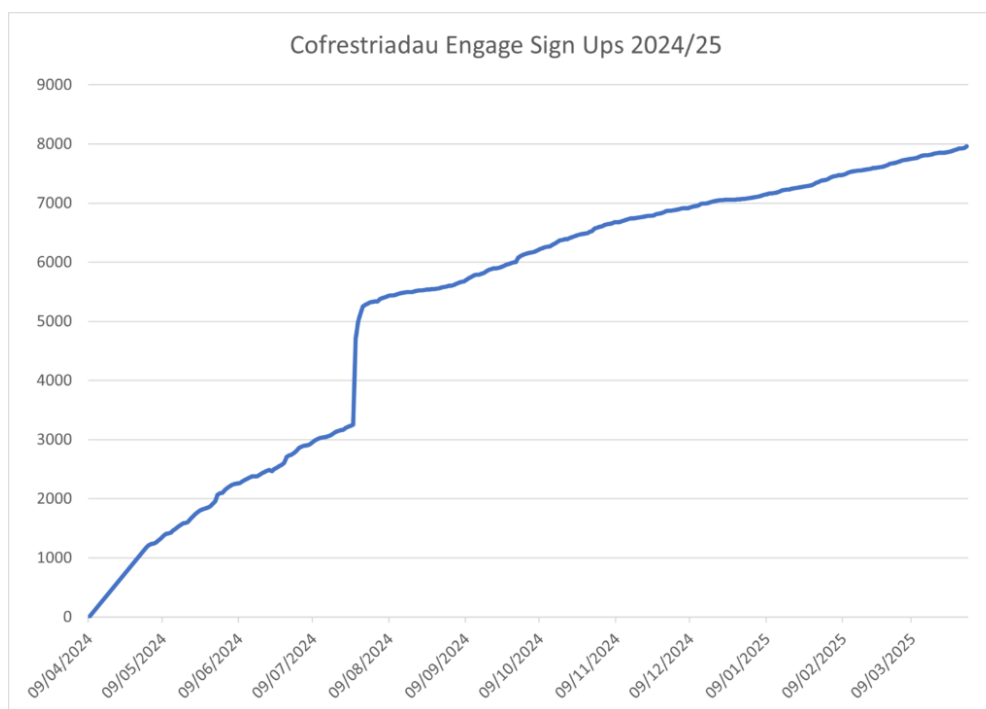
C7	% of all registered users that have logged onto the service in the last 12 months	39.64%
Communication KPI		
C8	Total number of telephone calls received in year	Information not available
C9	% of calls answered at first point of contact	Information not available
C10	Total number of email and online channel queries received	Information not available
C11	Average wait time to speak to a member of the administration team	Information not available
C12	Number of scheme member events held in year (total of in-person and online)	12
C13	Number of employer engagement events held in year (in-person and online)	22
C14	Number of active members who received a one-to-one (in-person and online)	180
C15	Number of times a communication (i.e a newsletter) issued to:	
	a) Active members	1
	b) Deferred members	1
	c) Pensioners	1

Digital Engagement KPI (C1 – C7)

This section highlights how effectively members are engaging with the self-service portal and the features they find most valuable.

The 'My Pension Online' system continues to be a widely used and trusted resource, with high daily traffic from members seeking to manage their pension information. On 10 April 2024, a major upgrade to the portal was launched, requiring all existing users to re-register. The new platform introduced a modernised design and significantly enhanced functionality, underpinned by advanced technology. These improvements reflect an ongoing commitment to member-centric service, with further enhancements in development to deepen engagement and improve usability.

During the 2024–25 period, approximately 8,000 members successfully registered on the new portal, with numbers increasing steadily each month. The graph below illustrates the upward trend in member adoption over the past 12 months.



The upgraded system offers a wide range of features designed to support members in managing their pension benefits. These include the ability to view and update personal details and addresses, access benefit projections and retirement lump sum calculations, review service history, update nominated beneficiaries, and view Annual Benefit Statements and payslips (for pensioners). New features introduced with the upgrade include simplified login using email and password, enhanced security through two-factor authentication, improved navigation, a retirement planner tool, personalised explanatory videos for complex topics, and an electronic ID authentication system.

As of 31 March, registration rates across member categories show encouraging levels of participation. Active members lead with a registration rate of 55.11%, followed by deferred members at 43.46%, and pensioner and survivor members at 39.80%. Overall, 46.95% of all scheme members have registered, reflecting strong uptake and growing digital engagement.

Usage data reveals the most frequently accessed functions are document uploads, benefit calculators, latest valuation views, the Annual Benefit Statement video overview, and beneficiary management. These features align closely with members' practical needs in planning for retirement and maintaining accurate records.

Further analysis of user activity shows that 39.64% of registered users have logged into the portal within the past 12 months, indicating consistent and meaningful engagement. Age distribution data has also been collected to better understand usage patterns across different demographics.

Efforts are ongoing to increase member participation and ensure the portal continues to meet evolving user needs.

Communication KPI (C8-C15)

During the reporting year, member and employer engagement activities continued to play a vital role in supporting communication across the scheme. A total of 22 employer engagement events were held, both in-person and online, alongside dedicated scheme member sessions delivered by our Communication team. In addition, 180 active members received personalised one-to-one support, reflecting a strong commitment to direct and meaningful interaction. It is important to note, however, that a number of pensioners, deferred members, and family members of deceased members also received one-to-one support during the year. While these groups fall outside the scope of formal reporting, their inclusion would significantly increase the total number of individuals

supported.

Unfortunately, it was not possible to report on several key communication metrics this year due to changes in the telephone system, which affected data collection. As a result, figures relating to call volumes, first contact resolution rates, email and online queries, and average wait times were unavailable. Work is underway to address these limitations, and we aim to include comprehensive data for these areas in future reporting cycles.

Administration KPI table D – Administration staff as at 31 March

Staff KPI		
D1	Total number of all administration staff (FTE)	23.6
D2	Average service length of all administration staff	10 years 229 days
D3	Number of administration staff vacancies occurred in the year	3
D4	Number of the vacancies filled as at 31 March	3
D5	Ratio of all administration staff to total number of scheme members (all staff including management)	1:2278
D6	Ratio of administration staff (all processing staff and excluding management) to total number of scheme members	1:2610
D7	Average number of all cases (open and closed) completed per member of staff involved in administration duties.	666

The administration team consists of 23.6 full-time equivalent staff, with an average service length of 10 years and 229 days. During the year, three vacancies arose, all of which were successfully filled by 31 March. The ratio of total administration staff (including management) to scheme members stands at 1:2278, while the ratio for processing staff only (excluding management) is 1:2610. Based on the tasks listed in Table A above, the average number of cases completed per member of staff involved in administrative duties is 666.

Administration KPI table E – Data Quality

Annual Benefit Statements KPI		Previous year %	Current year %
E1	% of Annual Benefit Statements issued as at 31 August	100%	100%
E2	Explain with Short commentary if less than 100%	N/A	N/A
E3	% number of annual benefit statements reissued	N/A	N/A
Data category KPI		Previous year data quality score %	Current year data quality score %
E4	Common data	97.5%	98%
E5	Scheme specific data	99.1%	99.33%

Address and email data KPI		Previous year %	Current year %
E6	% of active, deferred and pensioner members recorded as 'gone away' with no home address held or address is known to be out of date	Not recorded	1.59%
E7	% of active, deferred and pensioner members with an email address held on file (with and without a record home address)	Not recorded	61.91%

Annual Benefit Statements KPI (E1–E3)

We must produce an Annual Benefit Statement for each member of the scheme by the end of August each year. This statement provides members with details of the benefits accrued up to the end of the previous financial year and predicts the benefits payable at their Normal Pension Age. The statement also includes pay details and explanatory notes about how the benefits are calculated.

Since 2018, these statements have been available electronically on our website's Member Self Service section. 2023/24 statements were uploaded to the system for active and deferred members on 25/07/2024.

1,070 members have written in to confirm that they want to continue receiving a paper copy of their statements. These statements were sent at the end of August 2024.

Data Category KPI (E4-E5)

In 2015, the Pensions Regulator (tPR) took over responsibility for Public Sector Pension Schemes. Before that, in June 2010, the tPR published guidance on what they consider to be good practice to measure the presence of members' data.

Over the last few years we have been commissioning our software provider, Heywood Pension Technologies to produce a Data Quality Report for our Fund every September. We now have software to run this report internally.

The report is divided into two sections:

Common Data: e.g. name, address, NI number, gender, date of birth, status and start date

Scheme Specific Data: e.g. benefits in the scheme, transfer details, AVC, salary details, contributions, service, lifetime allowance, annual allowance and GMP.

Member Satisfaction Survey

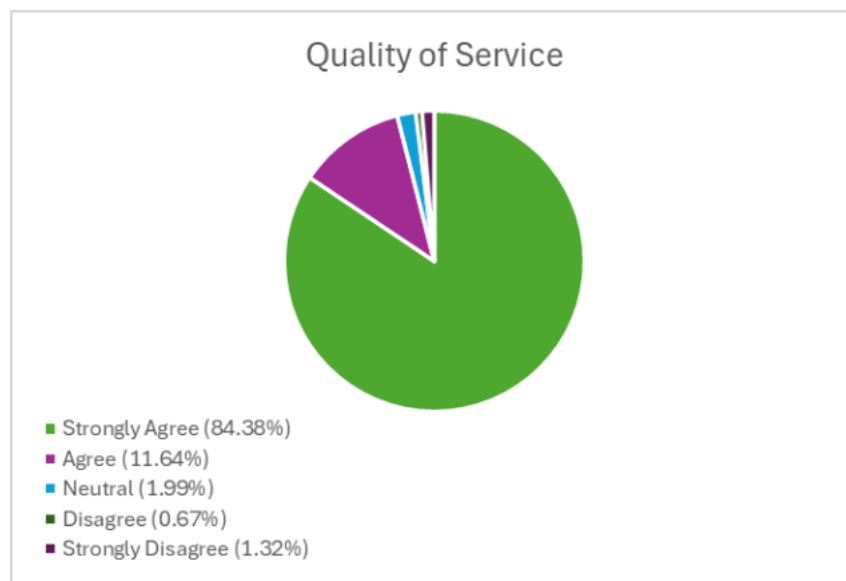
To ensure that we offer the best possible service to our members, a Member Satisfaction Survey is sent at the end of each process, e.g. retirements and payment of refunds for the members to give their opinion on the quality of the service received and their opinion about the service provided by the staff.

76 Members took part in this survey.

Here is a summary of the 2024/25 results:

Quality of Service

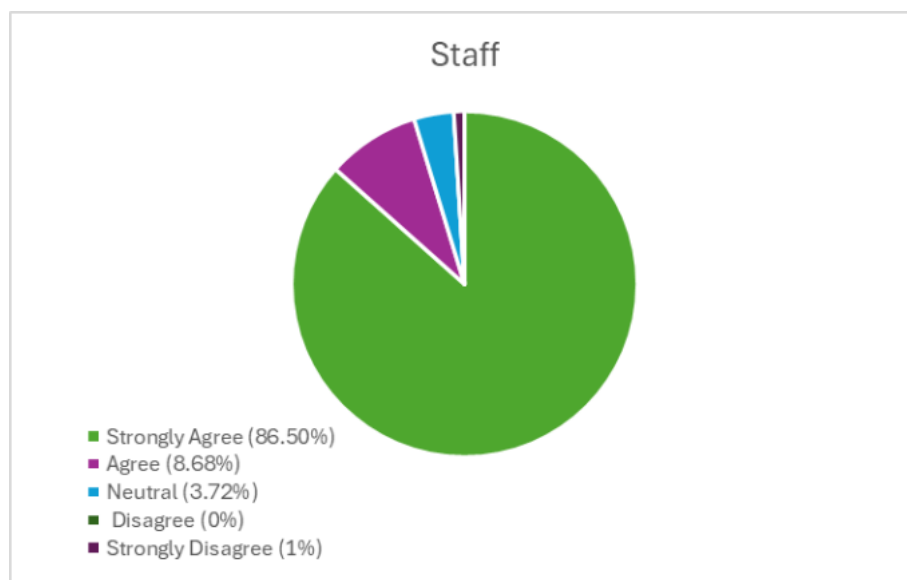
The chart below shows the percentage of users who are satisfied with four aspects of the service's performance based on: i) Service as a whole; ii) Clear information; iii) Quality of service; iv) Time to deal with the enquiry.



As can be seen, **96%** of the users strongly agree or agree that the quality of the service provided is of a high standard. The percentage for 2023/24 was **99%**.

Staff

The chart below shows the percentage of users who are satisfied with four aspects of staff performance based on: i) Courtesy; ii) Punctuality; iii) Assistance given; iv) Level of knowledge.



As can be seen, a high percentage once again (**95%**) of the users strongly agree or agree that the quality of the service provided is of a high standard in relation to the staff. The percentage for 2023/24 was **99%**.

Although the score is slightly lower than in 2023/24, we remain confident that our performance in 2024/25 has been consistent. The minor dip reflects feedback from a single dissatisfied member whose concerns related to an issue beyond our control.

Work to do

There are a number of tasks and projects requiring attention during the next year. These include:

- Website: Continue to update and expand the website.
- Continue to develop process automation and improve our correspondence.
- Scanning the paper files in the office in order to be a paperless office.
- McCloud: Update records for undertaking the McCloud project.
- Reduce the number of 'undecided leavers' records, which are members who have left the scheme but their record has not been closed.

i-Connect

i-Connect updates member data in our pension administration system on a monthly basis, avoiding the need for employers to send information at the end of the year.

Data is taken directly from a payroll system by i-Connect which then automatically identifies and submits details of new members, opt-outs and leavers to us.

By now all the employers use i-Connect, with the information being submitted promptly by all the employers overall.

Scheme Administration Statistics

Number of Employers

This table provides a summary of the number of employers in the Fund with active members and ceased (no active members but some outstanding liabilities).

	Active	Ceased
Scheduled bodies:	29	5
Admitted bodies:	18	26
Total:	47	31

Scheme membership

	31/03/2020	31/03/2021	31/03/2022	31/03/2023	31/03/2024	31/03/2025
Active	18,582	18,295	18,657	19,304	19,348	19,380
Deferred	12,605	12,431	12,540	13,160	14,419	14,826
Pensioners	10,329	10,780	11,298	11,780	12,504	13,211
Undecided	6,441	8,133	8,617	7,966	7,044	6,475
Total:	47,957	49,639	51,112	52,210	53,315	53,892

Retirements during 2024/25

This table provides a summary of the number of retirements within the Fund during 2024/2025.

Reason for leaver	Number of pensioners
Early/Normal Retirement	533
Redundancy/ Efficiency	69
Ill Health	43

Late Retirement	132
Flexible Retirement	57
Total	834

Staffing indicators

The table below shows the number of staff in the Pensions Administration Team working exclusively on Local Government Pension Scheme benefits.

	2020/21	2021/22	2022/23	2023/24	2024/25
Number of full-time equivalent Pension Fund staff	18.10	19.16	20.16	22.6	23.6
Total fund membership (Does not include undecided members)	41,506	42,495	44,244	46,271	47,417
Number of fund members to one member of administration staff	2,293	2,218	2,195	2,047	2,009

Unit cost per member

Investment Management Expenses	2022/23	2023/24	2024/25
Total Costs	£10,593,000	£12,866,000	£15,738,000
Total Membership Numbers (Does not include unclaimed benefits and undecided members)	44,244	46,271	47,417
Cost per member	£239.42	£278.06	£331.91
Administration Expenses			
Total Costs	£1,588,000	£1,720,000	£1,988,000
Total Membership Numbers (Does not include unclaimed benefits and undecided members)	44,244	46,271	47,417
Cost per member	£35.89	£37.17	£41.93
Oversight and Governance Expenses			
Total Costs	£548,000	£456,000	£556,000
Total Membership Numbers (Does not include unclaimed benefits and undecided members)	44,244	46,271	47,417
Cost per member	£12.39	£9.85	£11.73
Total cost	£287.70	£325.08	£385.57

Acknowledgments

Overall, 2024/25 has been a successful year for the Pension Fund I would like to thank all the staff for their hard work and support over the year, the employers for providing timely information and our actuary Hymans Robertson for their work and advice over the year.

Meirion Jones
Pensions Manager

5.2 Local Government Pension Scheme Regulations

General

The Public Service Pensions Act 2013 governs the Fund. The Fund is administered in accordance with the following secondary laws:

- Local Government Pension Scheme Regulations 2013 (as amended)
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 (also as amended)
- The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2016.

Cyngor Gwynedd administers the Gwynedd Pension Fund for its own employees and those of 46 other bodies (including 2 Local Authorities). The Fund does not cover teachers, for whom separate arrangements exist. The Fund is financed by contributions from employers and employees, together with income earned from investments.

From April 2014 employee contribution rates are determined in bands according to their actual pay indexed annually in line with inflation. Employees may opt to pay half rate contributions to accrue half rate personal benefits in what is called the 50/50 scheme, death and dependent benefits remain at full rate. The bandings for April 2024– March 2025 are shown in the table below:

Pay Bands	Contribution Rates main scheme	Contribution Rates 50/50 scheme
Up to £17,600	5.5%	2.75%
£17,601 - £27,600	5.8%	2.9%
£27,601 - £44,900	6.5%	3.25%
£44,901 - £56,800	6.8%	3.4%
£56,801 - £79,700	8.5%	4.25%
£79,701 - £112,900	9.9%	4.95%
£112,901 - £133,100	10.5%	5.25%
£133,101 - £199,700	11.4%	5.7%
More than £199,701	12.5%	6.25%

Employers contribute to the fund at a rate assessed triennially by the Fund's Actuary, or in the event of any significant change in an employer's membership or profile. Employers continue to pay the full rate in respect of members who opt for the 50/50 option or are on reduced pay due to illness.

Benefits

The LGPS provides significant benefits to members based on two separate schemes. There is a final salary arrangement, itself consisting of two accrual rates, and a CARE (Career Average Revalued Earnings) arrangement that came into force from 1 April 2014. Below are brief details of how the pensions accrue in both arrangements.

For the final salary element benefits will normally be based on two factors: service or membership during which contributions have been paid to the scheme, known as "Total Membership", and the wage or salary on which those contributions were paid (normally the last 12 months of service), known as "Final Pay".

The CARE part will be in the form of 1/49ths pension calculated on individual years' actual pensionable earnings revalued annually.

- **Annual Pension**

The calculation of the annual standard pension is based on the following formula:

***Final Pay x 1/80 x Total Membership to 31 March 2008; plus
Final Pay x 1/60 x Total Membership from 1 April 2008 to 31 March 2014; plus***

The accrued and revalued CARE pension on years from 1 April 2014 onwards

Once the pension is in payment it will rise each April in line with the increase in the Consumer Price Index.

- **Lump Sum**

There is also an entitlement to a standard tax-free lump sum on membership to 31 March 2008, based on the following formula:

Final Pay x 3/80 x Total Membership to 31 March 2008 only

- **Conversion of Benefits**

There is an option to convert part of the pension into an additional lump sum in excess of the formula shown above, but subject to HMRC limits.

Councillor Pensions

The scheme also provides access for Councillors. The benefit package is based on the pre April 2008 formula for pension and lump sum shown above but using Career Average Salary instead of Final Pay. This remains the position for councillor members even after the introduction of the new main scheme from April 2014. No new Councillors are eligible to join the LGPS in England and current Councillor Members must leave the scheme when their term of office comes to an end.

III-Health Retirement

If the membership period is 2 years or more, and an administering authority approved independent registered medical practitioner certifies that the member has become permanently unable to do their job or any comparable job with their employer, they will receive a pension, and if choosing to convert their pension, a tax free lump sum immediately.

The benefit payable depends on the ill health retirement awarded:

Tier 1

If the member is unlikely to be capable of gainful employment before their Normal Pension Age (NPA), ill health benefits are based on the pension they have already built up in their pension account at the date of leaving the scheme plus the pension they would have built up, calculated on assumed pensionable pay, had they been in the main section of the scheme until they reached their NPA.

Tier 2

If the member is unlikely to be capable of gainful employment within 3 years of leaving, but are likely to be capable of undertaking such employment before their NPA, ill health benefits are based on the pension they have already built up in their pension account at the date of leaving the scheme plus 25% of the pension they would have built up calculated on assumed pensionable pay, had they been in the main section of the scheme until they reached their NPA.

Tier 3

If the member is likely to be capable of gainful employment within 3 years of leaving, or before their NPA if earlier, ill health benefits are based on the pension they have already built up in their pension account at leaving. Payment of these benefits will be stopped after 3 years, or earlier if the member is in gainful employment or become capable of such employment, provided they have not reached their NPA by then. If the payment is stopped it will normally become payable again from their NPA.

Gainful employment means paid employment for not less than 30 hours in each week for a period of not less than 12 months.

Early Retirement

If membership period is 2 years or more, a member may elect to retire and receive their LGPS benefits at any time from age 55 onwards; however payment before normal pension age may result in an actuarial reduction for early release, and if after normal pension age benefits may be actuarially increased due to late payment.

Preserved Benefits

Leavers with 2 years of membership are awarded preserved benefits, calculated in the same way as described in the paragraph 'Benefits', but with payment being deferred and index linked until payment is made any time after age 55 (age 60 if termination before 1/04/2014). Alternatively, it may be possible to transfer the equivalent value of benefits to another pension scheme.

Leavers with less than 2 years' membership, and with no further LGPS rights, may reclaim their contributions, less tax and any contracted out premiums that may apply.

Death in Service

A death grant of three times Final Pay is payable, regardless of the length of membership. For part-time employees, the Final Pay is not increased to its whole-time equivalent rate.

In addition, survivor benefits may be payable to spouses, or partners, with dependent children benefits also payable subject to certain criteria, mainly based on age and whether in full time education.

Death after Retirement

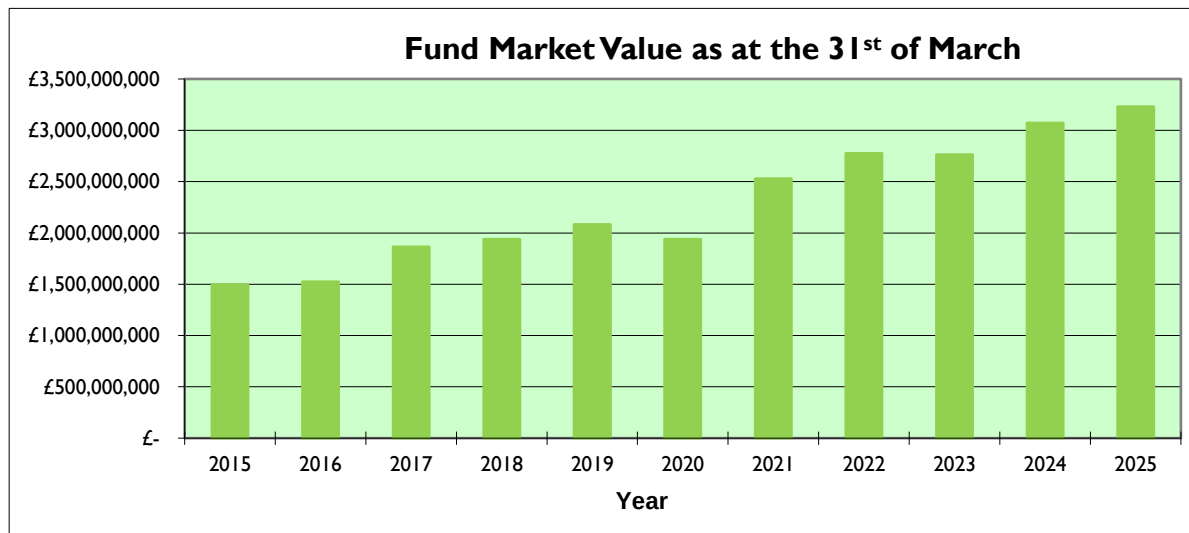
If a member dies after drawing their LGPS pension and before reaching age 75, a death grant may be payable. Generally speaking, the death grant is equal to 10 times (or 5 times if they left the LGPS before 1 April 2008) the pension less the amount already paid. If the member left after 31/03/2014 then the amount of additional lump sum the member received on retirement as a result of giving up pension for lump sum is also deducted from the sum payable.

Like for death in service, spouses and partners' pensions are payable for life whilst dependant eligible children's pensions are payable subject to the same conditions as for Death in Service.

6. Investments

6.1 End of Year Position

The Gwynedd Pension Fund is in a relatively healthy position with the value of the fund gradually increasing for some time now. By the 31st of March 2025, the Pension Fund's value has increased to £3.2 billion.



Asset Allocation

The main determinant of the Fund's long-term performance is the strategic allocation of assets. The following table shows the Fund's actual asset allocation against its target strategic allocation at 31.03.25.

Type of asset	Actual %	Target %	Difference %
UK Equity	9.2	8.0	+1.2
Global Equity	42.5	34.5	+8.0
Emerging Markets Equity	2.0	2.5	-0.5
Private Equity	5.1	5.0	+0.1
Total Growth	58.8	50.0	+8.8
Property	5.6	10.0	-4.4
Infrastructure	5.8	7.5	-1.7
Multi Asset Credit	7.5	7.5	0.0
Private Credit	1.6	5.0	-3.4
Total Income	20.5	30.0	-9.5
Absolute Return Bond	12.5	12.5	0.0
Corporate Bonds	7.2	7.5	-0.3
Total Defensive	19.7	20.0	-0.3
Cash	1.0	0.0	+1.0
Total	100.0	100.0	+0.0

The target strategic allocations were updated at the end of 2023 following an improvement in the Fund's funding position. It was agreed by the Pensions Committee to partially de-risk the Fund by reducing its equity allocation and invest in income generating assets. This has been actioned during the year and investments in infrastructure and private credit will increase further as capital is called. The Fund is underweight to property as we await the launch of the WPP property funds.

Investments by investment manager

Over the period of this report, there were 3 Investment Managers as follows: Wales Pension Partnership, BlackRock and Partners. The fund also made direct investments to property with the Lothbury, Threadneedle and UBS funds.

Manager	Fund	Asset Class	31 March 2024 £000	31 March 2025 £000
Pooled				
Wales Pension Partnership	Global Opportunities	Global Equity	434,566	460,613
Wales Pension Partnership	Global Growth	Global Equity	415,429	418,895
Wales Pension Partnership	Emerging Markets	Global Equity	59,884	63,023
Wales Pension Partnership	Sustainable Active Equity	Global Equity	317,063	317,658
Wales Pension Partnership	Absolute Return Bond	Bonds	412,216	403,247
Wales Pension Partnership	Multi Asset Credit	Multi-Credit Asset	226,013	241,859
Wales Pension Partnership	Global Credit	Bonds	223,004	233,417
Wales Pension Partnership	Russell Investments Global Private Credit	Private Credit	10,235	50,748
Wales Pension Partnership	GCM WPP Global Infrastructure	Infrastructure	3,621	8,048
Wales Pension Partnership	Capital Dynamics CEI	Infrastructure	2,977	4,131
Wales Pension Partnership	Octopus Renewables Infrastructure	Infrastructure	9,868	35,101
Wales Pension Partnership	IFM Global Infrastructure	Infrastructure	0	60,918
Wales Pension Partnership	CBRE Global Infrastructure	Infrastructure	0	14,683
Wales Pension Partnership	Schroders Capital WPP Global Private Equity I	Private Equity	3,865	6,022
Wales Pension Partnership	Schroders Capital WPP Global Private Equity II	Private Equity	0	7,165
Total Pooled			2,118,741	2,325,528
Under pool management				
Black Rock	Aquila Life UK Equity Index	UK Equity	267,131	294,958
Black Rock	ACS World Low Carbon Equity	Global Equity	203,363	170,002
Total Under pool management			470,494	464,960
Not pooled				
Black Rock	Property	Property	53,144	56,246
Lothbury	Property	Property	50,779	6,263
UBS	Property Global Ast Triton	Property	72,160	76,742
Threadneedle	Property TPEN	Property	32,217	34,116
Threadneedle	Property TPUT	Property	2,050	2,221
Partners	Private Equity	Private Equity	163,163	149,330
Partners	Infrastructure	Infrastructure	73,516	76,836
Total Not pooled			447,029	401,754
Total			3,036,264	3,192,242

Assets within the UK

The following table provides additional information on investments in the UK:

£m Asset values as at 31 March 2025	Pooled	Under Pool Management	Not pooled	Total
UK Listed Equities	53.4	273.3	0	326.7
UK Government Bonds	30.4	0	0	30.4
UK Infrastructure	8.7	0	10.2	18.9
UK Private Equity	1.8	0	13.3	15.1

6.2 Investment Performance

Quarterly Meetings

The performance of the Investment Managers is monitored on a quarterly basis. A quarterly meeting with the Investment Managers is rotated. The Investment Managers submit quarterly reports to the Pensions Committee, relevant officers and the Fund's adviser.

Performance Monitoring

Gwynedd subscribes to a service provided by Pensions & Investment Research Consultants Ltd (PIRC), who calculate the rate of return for Gwynedd and for other pension funds and provides comparisons.

Targets

Individual performance benchmarks for the Investment Managers are shown in the table below.

Fund/ Asset Class	Benchmark	Performance target (% p.a)
WPP Global Opportunities	MSCI All Country World Index	Outperform the index +2%
WPP Global Growth	MSCI All Country World Index	Outperform the index +2%
WPP Emerging Markets	MSCI Emerging Markets Index	Outperform the index +1.5%
WPP Sustainable Active Equity	MSCI All Country World Index	Outperform the index +2%
WPP Absolute Return Bond	3mth SONIA	3mth SONIA + 2%
WPP Multi Asset Credit	3mth SONIA	3mth SONIA + 4%
WPP Global Credit	Barclays Global Aggregate Credit Index	Outperform the index
WPP Private Credit	8% p.a.	7%- 9% net IRR
WPP Global Infrastructure	8% p.a.	8%-10% net IRR
WPP Wales Renewable Infrastructure	8% p.a.	8% p.a.
WPP Open Ended Infrastructure	8% p.a.	8%-10% net IRR
WPP Private Equity	15% net IRR	15% net IRR
Black Rock Aquila Life UK Equity Index	FTSE All- Share Index	Track the benchmark
Black Rock ACS World Low Carbon Equity Tracker	MSCI World Low Carbon Index	Track the benchmark
All Property	UK All Balanced Property Fund Index	Outperform the index
Partners Private Equity	MSCI AC World (net)	MSCI AC World (net)
Partners Infrastructure	8% p.a.	8% p.a.

The fund has made direct investments with Lothbury, UBS and Threadneedle, so therefore have not given them a benchmark. However, for indicative purposes we monitor them against the 'IPD Balanced Property Unit Trust Index'.

The Fund's Performance

	1 Year Return	1 Year Benchmark	3 Year Return	3 Year Benchmark	Since Inception Return	Since Inception Benchmark
	%	%	%	%	%	%
Wales Pension Partnership Funds						

WPP Global Opportunities	6.0	4.9	8.2	7.6	11.8	11.0
WPP Global Growth	0.9	4.9	5.0	7.6	9.0	11.0
WPP Emerging Markets	5.2	5.8	4.3	2.5	(0.9)	(0.4)
WPP Sustainable Active Equity	0.2	4.9	n/a	n/a	8.3	13.4
WPP Absolute Return Bond	7.6	7.2	5.5	6.2	4.2	4.8
WPP Multi Asset Credit	7.1	9.3	3.4	8.3	3.2	6.8
WPP Global Credit	4.7	4.8	n/a	n/a	(1.0)	(0.8)
WPP Private Credit	n/a	n/a	n/a	n/a	n/a	n/a
WPP Global Infrastructure	5.1	8.0	n/a	n/a	6.3	8.0
WPP Wales Renewable Infrastructure	6.9	8.0	n/a	n/a	3.5	8.0
WPP Open Ended Infrastructure	n/a	n/a	n/a	n/a	1.4	8.0
WPP Private Equity	7.8	15.0	n/a	n/a	17.4	15.0
Local Funds						
Black Rock Aquila Life UK Equity Index	10.4	10.5	7.2	7.2	7.4	7.4
Black Rock ACS World Low Carbon Equity Tracker	4.4	4.6	7.6	7.4	10.4	10.1
BlackRock Property	5.3	6.3	(4.9)	(3.3)	4.8	5.5
Lothbury Property	n/a	n/a	n/a	n/a	n/a	n/a
Threadneedle TPEN Property	5.9	6.3	(2.8)	(3.3)	3.2	3.1
Threadneedle TPUT Property	8.7	6.3	(2.0)	(3.3)	2.6	2.2
UBS Property	6.4	6.4	(4.0)	(3.3)	2.2	3.3
Partners Group Private Equity	3.8	20.1	2.0	8.7	9.1	11.1
Partners Group Infrastructure	12.5	8.0	12.2	8.0	11.8	8.0
Whole Fund	5.1	6.9	4.8	5.8	7.6	7.4

The Fund saw positive returns over 1 year, 3 years and since inception. The average LGPS fund delivered a return of 3.4% for the year, and therefore, even though Gwynedd Pension Fund did not achieve its benchmark, this was common within the LGPS funds, and the fund did achieve returns that were better than the LGPS average during the year. This has been largely due to the failure of active equity managers to add value in the LGPS sector as a whole.

It is generally accepted that investment performance over a longer period of time is a more valid indicator than over a single year as investment strategies designed to bring good performance in the longer run may from time to time suffer from short-term setbacks.

The Fund's performance over three years was behind benchmark, but the performance was in the upper quartile of all LGPS and was ranked 10th out of all LGPS funds. The benchmarks given are very challenging and the fund is performing well in comparison to other LGPS funds. The fund was ranked 5th (5 years return) and 7th (10 years return) and therefore the recent strategy has had a very positive impact on the Fund's position and the longer-term results remain well ahead of inflation and the funds' actuarial assumptions.

6.3 Administrative and Custody Arrangements

Specialist Advice

The Local Government Pension Scheme Regulations oblige the Council to take specialist advice on investment. This advice is provided by an independent advisor from Hymans Robertson (the Fund's advisors), who joins the Pensions Committee in monitoring the Investment Managers. An advisor from Hymans Robertson is always present at the quarterly meetings with the Investment Managers.

Custodians

Some of the investment managers have an associated custodian who holds the assets of their part of the portfolio. The managers and their associated custodians are as follows:

- BlackRock's custodian is JP Morgan Chase Bank
- WPP's custodian is Northern Trust.

Lothbury, Threadneedle and UBS, with whom the Fund has direct investments, have Northern Trust as their custodians.

Partners Group is not included in the Fund's custody arrangements.

Administrative Procedures

Administrative procedures ensure that those transfers which do take place, between the Council and the Investment Managers, must be authorised by the signatories of two named officers who are on the Pension Fund's authorised signature list.

6.4 Investment Powers

Investment Powers

The regulations require that the Fund has an Investment Strategy Statement (ISS).

This enables pension funds to be flexible in their strategy and invest a larger percentage of their fund in individual pooling arrangements. There are no specific limits in the legislation and therefore no need to formally increase the amounts. However, it is good practice to have some broad limits, and these are included in the ISS.

6.5 Investment Management

General

The main objective of an investment policy is to maximise the return on the money entrusted to the Council, consistent with acceptable levels of risk, and for the annual return in the longer run to exceed the level of wage inflation. It must be borne in mind that the Fund's liabilities (pensions) are very long-term, extending to the middle of the century. These liabilities will increase with inflation, both because of the index-linking of pensions and due to the rising level of employees' salaries and wages to the time of retirement. There is a relationship between the level of returns achieved and the contribution rate which employers are expected to pay. The Pensions Committee considers that in the long run equity returns will exceed bond returns and it is for this reason that the majority of the Fund is invested in equities.

Investment Manager Briefs

As a result of a deliberate policy to diversify assets and investment styles, the Fund has Investment Managers with varying briefs:

Investment Manager	Brief
BlackRock	Passive
WPP	Active
Partners	Active

BlackRock is briefed to be a "passive" manager. The manager will allocate their mandate's asset allocation in line with that of the benchmark and in each market, they aim to track stock exchange indices. As a result, their mandates' performance should be in line with their respective benchmarks. Appointing a passive manager reduces the risk of underperformance relative to benchmark; however, it also reduces the possibility of out-performance relative to the benchmark.

All the others are "active" managers. They are given the discretion to invest in their best investment ideas. Whilst they have a great deal of flexibility in terms of which stocks, regions and sectors they can invest in, there are a number of restrictions in place which prevents the managers deviating too far from the benchmark and taking excessive risk. Appointing active managers increases the possibility of out-performance, relative to the benchmark; however, it also increases the risk of underperformance relative to benchmark.

6.6 Wales Pension Partnership

The WPP was established in 2017 with the objective to deliver:

- economies of scale
- strong governance and decision making
- reduced costs and excellent value for money, and
- an improved capacity and capability to invest in infrastructure

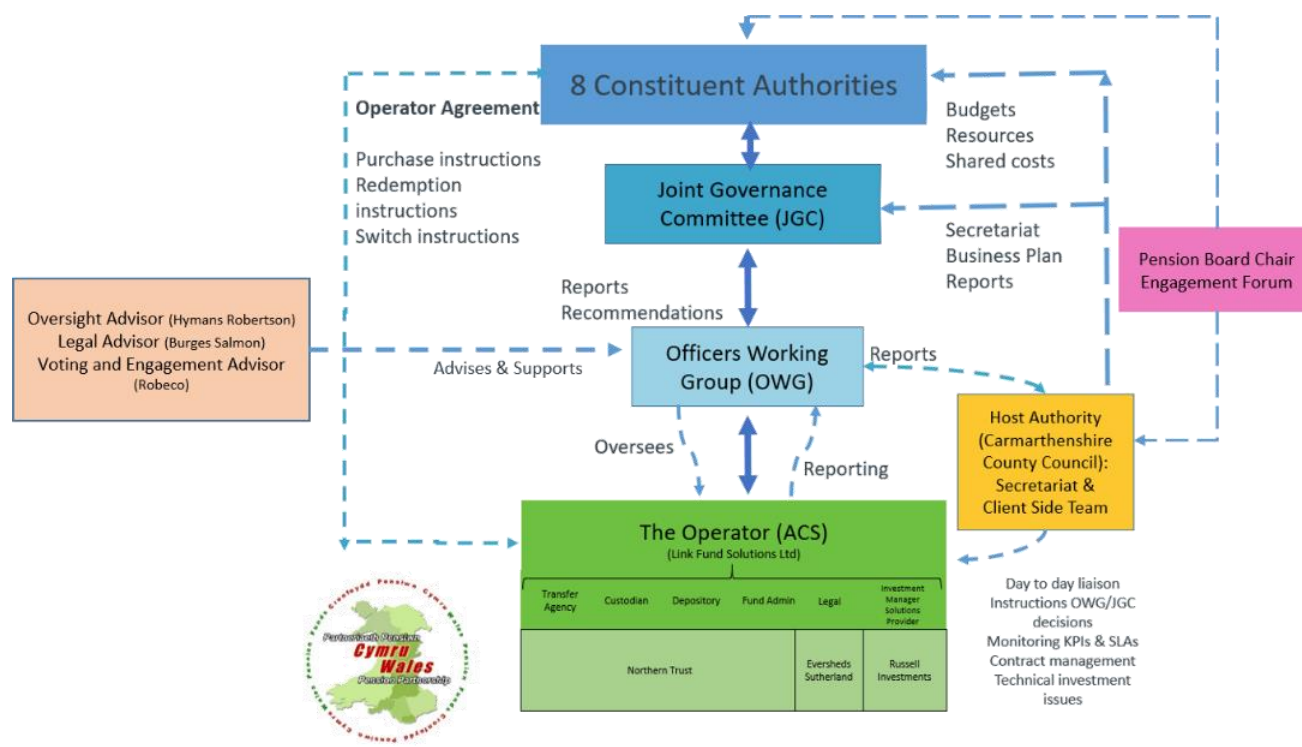
The WPP is one of the eight Local Government Pension pools nationally and is a collaboration of the eight LGPS funds in Wales. The eight funds have a long, successful history of collaboration including a collaborative tender for a single passive equity provider for the Welsh funds pre-dating the Government's pooling initiative.

Collective investment management offers the potential for investment fee savings, opportunities to broaden investment portfolios, enhanced voting and engagement activity as well as access to shared knowledge and best practice. Whilst the WPP is responsible for providing collaborative investment solutions, each constituent authority remains responsible for setting their own investment strategy.

WPP's operating model is designed to be flexible and deliver value for money. WPP appointed an external fund Operator and makes use of external advisers to bring best of breed expertise to support the running of the Pool. The Operator Waystone Management (UK) Limited (Waystone) and they have partnered with Russell Investments to deliver effective investment management solutions and provide strong net of fee performance for all the Constituent Authorities.

Governance

The WPP details how it deals with all aspects of Governance through its Inter Authority Agreement (IAA) which was approved by all eight Constituent Authorities in March 2017. The IAA defines the standards, roles and responsibilities of the Constituent Authorities, its Members, Committees and Officers and includes a Scheme of Delegation outlining the decision-making process. In line with its belief that good governance should lead to superior outcomes for stakeholders, the WPP has put in place a robust governance structure:



The eight Constituent Authorities of the WPP are:

- Carmarthenshire County Council (Host)
- City and County of Swansea Council

- City of Cardiff Council
- Flintshire County Council
- Cyngor Gwynedd
- Powys County Council
- Rhondda Cynon Taff County Borough Council
- Torfaen County Borough Council

The Constituent Authorities sit at the top of the WPP's governance structure. They retain control of all activity carried out by the WPP and remain responsible for approving the WPP's Business Plan, which outlines the WPP's budget and work plan, as well as its Beliefs and Objectives.

The Joint Governance Committee (JGC) oversees and reports on the WPP and is comprised of one elected member from each of the eight Constituent Authorities, and a co-opted (no-voting) scheme member representative.

The Officer Working Group (OWG) provides support and advice to the Joint Governance Committee and is comprised of practitioners and Section 151 officers from all eight Constituent Authorities.

Carmarthenshire County Council is the Host Authority for the WPP and is responsible for providing administrative and secretarial support to the JGC and the OWG, and liaising day to day with the Operator on behalf of all the Welsh LGPS funds.

Waystone (Operator) carries out a broad range of services for the WPP, which includes facilitating investment vehicles and sub-funds, performance reporting, transition implementation, manager monitoring and fee negotiations. There is an Operator Agreement in place which sets out the contractual duties of the Operator and governs the relationship between the Operator and the WPP. The JGC and OWG, with the support of Hymans Robertson, oversee the work that Waystone carries out on behalf of the WPP. Waystone engages with the Constituent Authorities by:

- Direct engagement – attendance at one committee meeting annually
- Indirect engagement – with all Constituent Authorities through the JGC and OWG

In collaboration with Waystone, Russell Investments provide investment management solution services to the WPP and they work in consultation with WPP's eight Constituent Authorities to establish investment vehicles.

Northern Trust is the Depository for the WPP ACS vehicle and provides numerous services including securities lending, fund administration, compliance monitoring and reporting.

Hymans Robertson are WPP's Oversight Advisor and their role spans oversight and advice on governance arrangements, operator services, strategic investment aspects and project management support.

Burges Salmon are WPP's legal advisors, and they provide legal advice in relation to FCA regulated funds, tax and governance arrangements, including assisting with complex procurement processes.

Robeco UK are the WPP's Voting and Engagement provider and are responsible for implementing the Voting Policy across WPP's portfolio and undertaking engagement activity on behalf of the WPP.

The WPP's beliefs are the foundation for WPP's governance framework and have been used to guide all the WPP's activities and decision making, including its objectives and policies. The WPP, in consultation with the Constituent Authorities, has developed a set of governing policies. In all instances, the WPP's policies and procedures have been developed to either complement or supplement the existing procedures and policies of the Constituent Authorities. The WPP's key policies, registers and plans are listed below and can be found on the WPP website.



Responsible Investment has been a key priority for the WPP since it was established in 2017. Various activities have been undertaken to work towards WPP's ambition of becoming a leader in Responsible Investment. Initially the focus was on formulating a Responsible Investment Policy and since then the WPP has formulated its own Climate Risk Policy and has worked with its Voting and Engagement Provider, Robeco, to agree a Voting Policy. A WPP Responsible Investment Sub-Group has been established to take ownership of Responsible Investment related work streams and actions that are required to achieve the commitments made in the WPP's Responsible Investment and Climate Risk Policies.

The WPP's Business Plan, Governance Manual and all other policies detailed in the chart above can be found on the WPP website:

<https://www.walespensionpartnership.org/>

Risk

Risk management is a critical element of WPP's commitment to good governance. The WPP has developed a structured, extensive and robust risk strategy which seeks to identify and measure key risks and ensure that suitable controls and governance procedures are in place to manage these risks. The WPP's Risk Policy has been developed in such a way that risks can be anticipated and dealt with in a swift, effective manner to minimize potential loss or harm to the WPP and its stakeholders.

WPP maintains a Risk Register which is reviewed regularly by a dedicated Risk Sub-Group which reports back to the OWG and JGC on a quarterly basis.

Training

The WPP has its own training policy and develops an annual training plan which is designed to supplement existing Constituent Authority training plans. Local level training needs will continue to be addressed by Constituent Authorities while the WPP training plan will offer training that is relevant to the WPP's pooling activities. Induction training is also provided to all new JGC members.

Pooling progress to date

The WPP aims to deliver investment solutions that allow the Constituent Authorities to implement their own investment strategies with material cost savings while continuing to deliver investment performance to their stakeholders. The WPP has a range of equity and fixed income sub funds, as well as a number of private markets investment programmes. Alongside the Constituent Authorities' existing passive investments, this means that that the WPP now has 75% of assets under pool management.

As of the 31st of March 2025, WPP has total assets worth £25.8bn, £19.4bn of which sits within the pool, see breakdown below:

Fund	Managed by	Launch Date	31 March 2025 £000	%
Global Growth Equity	Russell Investments	February 2019	3,541,082	13.7
Global Opportunities Equity	Russell Investments	February 2019	3,402,307	13.2
UK Opportunities Equity	Russell Investments	September 2019	765,495	3.0
Emerging Markets Equity	Russell Investments	October 2021	272,996	1.0
Sustainable Active Equity	Russell Investments	June 2023	1,524,322	5.9
Global Credit	Russell Investments	July 2020	1,026,469	4.0
Global Government Bond	Russell Investments	July 2020	503,406	2.0
UK Credit	Waystone Management (UK) Limited	July 2020	726,549	2.8
Multi-Asset Credit	Russell Investments	July 2020	848,802	3.3
Absolute Return Bond	Russell Investments	September 2020	532,806	2.1
Infrastructure	GCM Grosvenor, IFM, CBRE and Octopus, Capital Dynamics	Various	726,427	2.8
Private Credit	Russell Investments	April 2023	320,921	1.2
Private Equity	Schroders Capital	October 2023	124,883	0.5
Passive Investments	BlackRock	March 2016	5,065,251	19.6
Investment not pooled			6,424,700	24.9
Total Investments across all 8 Pension Funds			25,806,416	100

The investment assets split between Gwynedd Pension Fund and WPP are as follows:

Fund	31 March 2025 £000	%
Global Opportunities	460,613	14.4
Global Growth	418,895	13.1
Emerging Markets	63,023	2.0
Sustainable Active Equity	317,658	9.9
Global Credit	233,417	7.3
Multi Asset Credit	241,859	7.6
Absolute Return Bond	403,247	12.6
Private Markets	186,816	5.9
Passive Equity	464,960	14.6
Investment not pooled	401,755	12.6
Total Investment Assets	3,192,243	100

The above table provides additional details to note 14 from the financial statements and summarises Gwynedd Pension Fund's investment in the WPP, together with the assets that remain under the direct oversight of the Fund. During the year assets were transitioned and the table above shows the assets currently managed by the pool as of the 31st of March 2025.

Pooling costs

Carmarthenshire County Council, as the Host Authority for the Wales Pension Partnership, is responsible for providing administrative and secretarial support and liaising day to day with the Operator on behalf of all the LGPS funds in Wales. The WPP budget is included in the WPP Business Plan and approved annually by all eight Constituent Authorities.

The Host Authority and External Advisor costs (the running costs) are funded equally (unless specific projects have been agreed for individual Funds) by all eight of the Constituent Authorities and recharged on an annual basis. The amount recharged to the Gwynedd Pension Fund for the financial year ending 31st of March 2025 was £241k and this is included in Note 12d in the financial statements.

In addition to the running costs, there are also transition costs associated with the transition of assets into the pool, these costs can be categorised in terms of direct and indirect costs. Direct costs include the costs of appointing a transition manager to undertake the transition, together with any additional oversight of this process undertaken from a research and reflection perspective. Indirect costs include both explicit and implicit costs, such as commissions, spread and impact, and opportunity costs known as implementation shortfall. Transition costs are directly attributable to the assets undergoing the transition and are therefore deducted from their net asset value as opposed to a direct charge to the Fund.

Investment Management Costs

The table below discloses the investment management costs split between those held by the WPP (including the passive equities) and those held outside of the WPP for 2024/25.

		Direct	Indirect	Total
		£000	£000	£000
Management Fees	Pool Assets	5,624	4,125	9,749
	Non-Pool Assets	8,608	455	9,063
Transaction Costs	Pool Assets	1,175	0	1,175
	Non-Pool Assets	0	2,705	2,705
Custody Costs	Pool Assets	331	0	331
	Non-Pool Assets	0	0	0
Whole Fund Total		15,738	7,285	23,023

2025/26 Objectives

The WPP continues to evolve its private market offerings with the Real Estate Investment programme due to be launched in 2025/26. Through the Private Market programmes, the WPP has been able to facilitate investments in local investment opportunities in Wales and is keen to develop this further.

In November 2024, the WPP was delighted to be awarded the ESG innovation award at the LGC Investment Awards ceremony. This award reflects the critical importance that the WPP and its constituent authorities continues to place on sustainability issues and recognises the success of its Sustainable Active Equity Fund, which has grown to become one of the largest sustainable investment funds of its type in the UK. This area remains a focus for the WPP, with work now ongoing to improve the sustainability characteristics of existing investments, considering how to evolve the Passive and Fixed Income sub-funds to become more sustainable.

During 2024/25, the WPP submitted its fourth annual Stewardship Report and was successful in retaining its signatory status to the UK Stewardship Code. The WPP also completed its first Pool-level annual climate report, as well as an updated analysis of deforestation exposure within its listed-equity Sub-Funds. In 2025/26, the WPP will be publishing its next All Wales Climate Report.

The WPP have made a number of re-appointments during 2024/25, including Waystone as the operator, Hymans Robertson as the Oversight Advisor and Robeco UK as the Voting and Engagement provider. Russell Investments continue as WPP's Investment Management Solutions Provider. All appointments followed comprehensive procurement exercises. WPP's existing Legal Services provider contract comes to an end on 31 December 2025 and work is underway with this contract re-tender process.

The Government launched its Local Government Pension Scheme Fit for The Future Consultation on the 14th of November 2024, outlining a range of proposals to strengthen the management of LGPS investments. As part of the consultation, the government asked each pool to consider and provide submissions to demonstrate a clear path to meeting the requirements outlined in the consultation document. The WPP business case proposal was approved by the WPP Joint Governance Committee on 12 March 2025 and submitted to government. This proposal sets out the compelling business case for the WPP to retain a stand-alone investment pool for Wales and proceed with building the proposed new Government requirements for the pool operating model. We are delighted that the government has approved WPP's business case and work is now underway to deliver, within the required timescale.

Securities Lending

Securities lending commenced in March 2020. Revenue is split on an 85:15 basis between WPP and Northern Trust with all costs for running the securities lending programme taken from Northern Trust's share of the fee split. A minimum of 5% of the nominal quantity of each individual equity holding is held back and a maximum of 25% of total AUM is on loan at any one time. Total revenue of during 2024/25 was £987,820 (gross) / £839,712 (net) with £382,587,801 out on loan as of the 31st of March 2025.

More detailed information can be found in WPP's Annual Return which is published on the WPP website - [Wales Pension Fund | Home \(walespensionpartnership.org\)](https://www.walespensionpartnership.org)

6.7 Responsible Investing

The Fund recognises that environmental, social and corporate governance (ESG) issues can represent a material financial risk to its stakeholders and can influence the Fund's long-term returns and reputation. Given this, the Committee aims to be aware of, and monitor, financially material ESG factors and has agreed the following set of investment beliefs in relation to Responsible Investment:

- In accordance with the Committee's fiduciary duty, financial considerations should carry more weight than non-financial considerations when making investment decisions, even though ESG matters can materially affect risk and returns. Therefore, ESG factors should be embedded in the investment processes and in the decision-making processes of asset managers appointed by the Fund / Wales Pension Partnership.
- The Fund's Committee will seek to invest in sustainable assets, including investing within the Wales area when non-financial investments can derive from this, on condition that they satisfy the requirements of the fiduciary duty.
- The Committee accepts that it has a duty to be a responsible investor. It is expected that consulting with companies, rather than avoiding investing, will be more effective in changing corporate behaviour and reducing risk. Wherever possible, collaborative action (such as that taken via Local Authority Pension Fund Forum (LAPFF) membership and commissioned from Robeco alongside WPP partners) provides the most successful route to influence outputs.
- As a long-term investor, the Fund is vulnerable to systemic risks such as climate change and the expectation of a transfer to a low carbon economy. Financial outcomes can be improved through managing how open to such risks the Fund is.
- Shareholder comprehension and outcomes can be improved through providing transparency at each step of the value-adding chain.
- Training and education are likely to form a key element in developing the Fund and its Committee position on ESG related matters.

The Committee recognises that the Fund's assets are invested globally and across many sectors, which means reducing the Fund's carbon emissions is more challenging than it would be for an individual organisation. In March 2022, the Committee committed to set a goal for the Fund to be net zero by 2050, supported by an undertaking to assess the feasibility of the Fund **reaching net zero 5,10 or 20 years earlier.**

The Committee believes it is important for LGPS funds to take a leading role in shaping the future, both in terms of supporting the transition to a low carbon economy and achieving broader ESG goals. The Committee is able to exert influence in two ways: through the investment decisions it takes; and through ongoing engagement with the companies and projects the Fund invests in. Against this background, the Committee believes it is appropriate to set a realistic goal while also looking at the feasibility to achieve a more ambitious goal.

At the same time, the Committee believes that the reduction in the Fund's carbon emissions should be achieved in a measured way. The Fund must remain focused on its primary obligation to pay benefits to its members, including consideration of any associated risks. A measured approach allows the Fund to capture investment opportunities arising from the transition to a low carbon economy, as well as

mitigating the risks. Further, a measured approach supports active stewardship, giving the Committee more time and greater scope to effect change and achieve a just transition through ongoing engagement.

As a priority in 2025/26 the Fund will be re-assessing its net zero ambition and its responsible investment policy.

7. Management and Financial Performance

7.1 Managing Risk

The Gwynedd Pension Fund recognises the importance of effective risk management. Risk management is the process by which the Fund identifies and deals with the risks associated with the activities.

For the Gwynedd Pension Fund, the risks come from several sources including long-term investment strategy, funding position, investment performance, scheme administration, membership change, financial systems and communications.

The following documents explain these major risks and show how they are identified, avoided, managed and reviewed:

- Risk Register
- Investment Strategy Statement
- Funding Strategy Statement
- Gwynedd Pension Fund Accounts- reference to financial instrument risks

Expert advice is provided by Hymans Robertson, our advisers, and the Pensions Committee meets to review the performance of our investment managers on a quarterly basis.

The Risk Register is monitored and reviewed on a regular basis by both the Pensions Committee and Pension Board. Risks are assessed in terms of their potential impact and likelihood of occurring.

A summary of the Fund's most significant risks can be seen in the following table:

Risk areas	Mitigating factors
Funding and Investments	
The Committee Members and Investment Officers make inappropriate decisions as a result of insufficient knowledge of financial markets and inadequate investment and actuarial advice received resulting in poor financial performance, financial loss and increase in employer contributions.	• GPF Investment Strategy is set in accordance with LGPS investment regulations. • The Investment Strategy takes the Fund's liabilities into account. • The Investment Strategy is approved and reviewed by the Pensions Committee. • GPF uses an external investment advisor who provides specialist guidance to the Investment Panel and Pensions Committee regarding the Investment Strategy • Members and Officers are encouraged to challenge advice and guidance received. • Members and Officers receive relevant training on a timely basis.
The Pension Fund has insufficient assets to meet its long term liabilities. The Pension Fund's investment strategy fails to produce the required returns.	• Triennial actuarial valuations provide periodic indications of the growth in assets against liabilities. • Employer contribution rates are set in response to this. The 2022 valuation showed that there is a funding provision of 120% in the Gwynedd Fund. However, the Fund continues to use prudent assumptions for the valuation. • GPF investments are diversified across a range of different types of assets to minimise the impact of losses in individual markets and individual fund managers.

	• As a result of the 2022 Valuation, the Committee has re-allocated assets to lower risk asset types. • Fund-specific benchmarks and targets are set. • Fund assets are kept under regular review as part of the Fund's performance management process. • Fund managers are thoroughly vetted prior to appointment and performance is reviewed regularly against the benchmark and performance objectives by the Investment Panel. • The Fund/ WPP replaces underperforming investment managers.
Market risk - Market crash leading to failure to reduce the deficit resulting in: • Financial loss • Increased employer contribution costs.	• The Fund is diversified across a range of asset classes to mitigate the impact of poor performance in an individual market segment. • Investment performance and monitoring arrangements exist which provide the investment officers with the flexibility to rebalance the portfolio in a timely manner. • The long term nature of the liabilities significantly reduces the impact.
The Fund fails to adequately account for climate change, climate risk and environmental, social and governance (ESG) factors.	• The Fund has an active Responsible Investment policy and a net zero target of 2050 has been set. • As part of the Wales Pension Partnership a number of active steps take place including: responsible investment executive group, engagement and voting provider, PPC a signatory to the UK Stewardship Code. • The Investment Panel will also constantly engage and challenge managers on how they consider the risk of climate change and ESG factors. • The Fund aims to invest in impact investments that make a difference locally and in the wider world.
Custodian Role	
Failure of custodian leading to losses which results in: • Failure to reduce the deficit • Financial loss	• A highly reliable Custodian with high accreditation was appointed. • Fund assets are protected in the event of insolvency of the custodian. • The Custodian must follow FCA and TPR financial regulations.
Pension Administration	
Cyber Attack • Loss of sensitive data. • Systems damaged or destroyed. • Reputation risk. Financial loss arising from legal action.	• Firewall in operation. • Software regularly updated with latest security features. • The system is backed up daily. • Password access is required.
Uncontrollable External Factors	
Normal operations disrupted by uncontrollable external factors.	• Working from home is happening with many of the staff now working hybrid. • Disaster Recovery Plan for pension system.

Service delivery threats from fire, bomb, extreme weather, electrical faults, sickness, epidemic, pandemic etc.	• Business Continuity / Disaster. • Recovery Plan for the Authority with IT firewalls.
Insufficient daily back up, disaster recovery, and IT cover to support systems.	
Temporary loss of ability to provide service to stakeholders.	
Response to ‘Fit for the Future’	
Risk that the WPP IM Co fails to obtain FCA authorisation in time for April 2026 go-live.	• Early and ongoing engagement with FCA. • Rigorous preparation of the FCA application and compliance documentation. • Engage external regulatory advisors to ensure application completeness. • Develop contingency plans for delayed authorisation scenarios.
Without FCA authorisation, the WPP IM Co cannot legally operate, causing major operational disruption.	

7.2 Investment Strategy Statement

The Pensions Committee approved the Investment Strategy Statement in March 2023 following the 2022 valuation. This strategy defines the types of investments that the fund may use in the long term.

There are no specific limits for types of investments. However, it is good practice to have some broad limits, and these are included in the Investment Strategy Statement. A copy of the Investment Strategy Statement is available on the Fund's website at:

<https://www.gwyneddpensionfund.wales/en/Investments/Gwynedd-Pension-Fund-Investment-Strategy-Statement-March-2023.pdf>

7.3 Funding Strategy Statement

Local Government Pension Scheme (LGPS) administering authorities are required to prepare and publish a Funding Strategy Statement. The Funding Strategy Statement sets out the fund-specific strategy which will identify how employers' pension liabilities are best met going forward.

LGPS benefits are guaranteed by statute and thereby the pensions promise is secure. The Funding Strategy Statement addresses the issue of managing the need to fund those benefits over the long term, whilst at the same time facilitating scrutiny and accountability through improved transparency and disclosure. It also provides LGPS administrative authorities with a statutory framework within which to manage their Funds' long-term pension liabilities going forward.

The Funding Strategy Statement was reviewed during 2022/23 to reflect the Actuarial Valuation on the 31st of March 2022. It includes all employer contribution rates from the 1st of April 2023 onwards.

A copy of the Funding Strategy is available on the Fund's website at:

<https://www.gwyneddpensionfund.wales/en/Investments/Gwynedd-FFS-2023-Saesneg.pdf>

Paper copies of the Investment Strategy Statement and Funding Strategy Statement can be obtained from Delyth Jones-Thomas, Cyngor Gwynedd, Council Offices, Shirehall Street, Caernarfon, LL55 1SH.

7.4 Financial Performance

Income

	Actual 2023/24 £000	Actual 2024/25 £000
Employee/ Member contributions	23,500	24,831
Employer contributions	70,778	76,929
Transfer in	8,575	9,156
Investment Income	47,956	65,847
Other Income	3	3
Total Income	150,812	176,766

There was an increase across all categories of income but in particular, an increase in investment income. The equity investments have continued to perform strongly and therefore have generated significant income, but also as part of the new strategic asset allocation we have invested more in the fixed income funds, and these investments have generated significant interest income. These investments follow the pattern of interest rates and therefore it is reasonable that the income level has increased.

Expenditure

	Actual 2023/24 £000	Actual 2024/25 £000
Benefits payable	(82,931)	(94,520)
Payments to leavers	(5,068)	(7,870)
Management expenses	(15,042)	(18,282)
Total Expenditure	(103,041)	(120,672)

There was an increase in the amount of benefits paid after the benefits increased with CPI, and there was an increase in management costs due to the introduction of different asset classes and therefore difference fee charges.

Net Assets

	Actual 2023/24 £'000	Actual 2024/25 £'000
Profit and losses on disposal of investments and changes in the market value of investments	308,051	171,473
Net Increase/ (Decrease) in the Net Assets available for benefits during the year	307,866	161,720

The value of investments on the market has increased steadily during the year with modest returns across the asset classes.

Further information is included in the Statement of Accounts (Section 9).

7.5 International Accounting Standard 19 (IAS19) and Financial Reporting Standard 102 (FRS102)

Definition of IAS19

IAS19 effectively defines how pension scheme assets and liabilities are to be measured for financial reporting purposes and notes that any deficit or surplus should be recognised in full as a balance sheet item, with any movements being recognised in the annual profit and loss account. IAS19 is relevant to bodies required to report under International Financial Reporting Standards (IFRS). This includes the scheduled bodies in the Pension Fund, which are part of Government accounting, namely Cyngor Gwynedd, Isle of Anglesey County Council, Conwy County Borough Council and their foundation schools, Snowdonia National Park Authority, the Police and Crime Commissioner for North Wales and Careers Wales Northwest. Two of the smaller employers also requested IAS19 reports. All other employers are still subject to FRS102 reporting requirements.

Accounting for IAS19 and FRS102

Adoption of IAS19 or FRS102 means that employers must recognise the net asset or liability, and a pensions reserve, in the balance sheet. They also must make entries in the Consolidated Revenue Account for movements in the asset or liability relating to defined benefit schemes.

IAS19 and FRS102 Reports as at 31/03/2025

In March 2025 the necessary data was collected to enable the Actuary to calculate the individual IAS19 or FRS102 information for the Fund's employers.

IAS19 and FRS102 Results as at 31/03/2025

The employer had the choice to base the results on expected returns or actual returns. Each employer's results reflect their own specific circumstances. Therefore, this update should be considered as an illustrative guide to the main issues affecting most employers, rather than a detailed explanation of each employer's experience.

7.6 Final Accounts 2024/25

The Final Accounts were audited by Audit Wales, and the final version in Section 9 was presented to the Pensions Committee on 24th November 2025.

7.7 Governance

The Fund is administered within the framework established by statute, which stipulates that Cyngor Gwynedd is the Administering Authority.

Governance Policies

The Governance Policy Statement and the Governance Compliance Statement states the governance practices of the Pension Fund.

<https://www.gwyneddpensionfund.wales/en/Governance/Governance-Compliance-Statement-2023.pdf>

Paper copies can be obtained from Delyth Jones-Thomas, Cyngor Gwynedd, Council Offices, Shirehall Street, Caernarfon, LL55 1SH.

7.8 Knowledge and Skills Framework

Gwynedd Pension Fund recognises the importance of ensuring that all staff and members charged with the financial administration and decision-making regarding the pension scheme are fully equipped with the knowledge and skills to discharge the duties and responsibilities allocated to them.

Therefore, Gwynedd Pension Fund seeks to utilise individuals who are both capable and experienced and it will provide training for staff and members of the pension decision-making bodies to enable them to acquire and maintain an appropriate level of expertise, knowledge and skills.

All current members of Pensions Committee have completed the LGA Fundamentals which is a bespoke LGPS training course aimed at members to enable them to carry out their duties effectively.

Training undertaken in the last 12 months as part of the Wales Pension Partnership has included:

Wales Pension Partnership	WPP Pooled Investments
Wales Pension Partnership	Overview of Cyber Security and considerations for WPP
Wales Pension Partnership	Policies: Responsible Investment, Climate and Stewardship
Wales Pension Partnership	Responsible Investment – Climate metrics
Wales Pension Partnership	Progress of other LGPS pools/ collaboration opportunities
Wales Pension Partnership	Any new regulatory/ guidance developments
Wales Pension Partnership	Project Snowdon

In addition, the committee members have attended numerous conferences and events which have enhanced their knowledge further.

7.9 Investment Unit

Collaboration continues to be very important theme again this year. I would like to thank the staff within the Investment Unit for their hard work during the year and the teams at Hymans Robertson and all the Wales funds for their willing co-operation throughout.

Delyth Jones-Thomas
Investment Manager

8. Actuarial Report

General

The Fund needs to be sufficient to meet its commitments, and therefore the Fund receives a valuation every three years to assess the situation. The most recent actuarial valuation of the Fund was undertaken as at 31st March 2022 (previously 31st March 2019), and the new rates were effective from 1 April 2023. The next valuation will be at 31 March 2025 and any changes to employers' contributions will be effective from 1 April 2026 onwards.

Method and Assumptions Used

The actuarial methods used in the valuation were the "Projected Unit Method" for the Fund as a whole and employers who will continue to admit new entrants to the Fund and the "Attained Age Method" for employers who no longer admit new entrants to the Fund. The main financial assumptions were as follows:

	% per annum
Discount Rate	4.1%
Salary Increases	3.2%
Benefit increases and CARE revaluation (CPI)	2.7%

2022 Valuation Results

The triennial actuarial valuation as at 31 March 2022 was completed during 2022/23. The funding position for the whole Fund improved from 108% at 31 March 2019 to 120% at 31 March 2022, mainly due to strong investment performance over the period.

Valuation Date	31 March 2022	31 March 2019
Past Service Liabilities	(£m)	(£m)
Employees	1,042	855
Deferred Pensioners	392	321
Pensioners	874	750
Total Liabilities	2,308	1,925
Assets	2,776	2,081
Surplus/(Deficit)	468	156
Funding Level	120%	108%

The funding position has increased from a surplus of £156m to a surplus of £468m. See the movements in the table below:

Change in the surplus/deficit position	Assets (£m)	Liabilities (£m)	Surplus / (Deficit) (£m)
Last valuation at 31 March 2019	2,081	1,925	156
Cashflows			
Employer contributions paid in	179	0	179
Employee contributions paid in	56	0	56
Benefits paid out	(192)	(192)	0
Net transfers into / out of the Fund*			
Other cashflows (e.g. Fund expenses)	(5)	0	(5)
Expected changes in membership			
Interest on benefits already accrued	0	238	(238)
Accrual of new benefits	0	255	(255)
Expected investment returns	249	0	249
Membership experience vs expectations			

Salary increases greater than expected	0	17	(17)
Benefit increases greater than expected	0	(26)	26
Early retirement strain (and contributions)	0	4	(4)
Ill health retirement strain	0	(3)	3
Early leavers less than expected	0	(2)	2
Pensions ceasing less than expected	0	0	0
Commutation less than expected	0	0	0
McCloud remedy	0	7	(7)
Other membership experience	0	20	(20)
Changes in market conditions			
Investment returns on the Fund's assets	407	0	407
Changes in future inflation expectations	0	175	(175)
Changes in actuarial assumptions			
Change in demographic assumptions (excl. longevity)	0	(30)	30
Change in longevity assumptions	0	6	(6)
Change in salary increase assumption	0	7	(7)
Change in discount rate	0	(92)	92
This valuation at 31 March 2022	2,775	2,309	468

The actuary produced a provisional report for each individual employer. A forum was held for all employers in October 2022, where the Actuary presented the results and answered questions. This was a very useful session and a number of employers attended.

The final Gwynedd Pension Fund 2022 Actuarial Valuation Report was produced in March 2023 and is available on the Fund's website at:

<https://www.cronfabensiwnngwynedd.cymru/cy/Buddsoddiadau/230328-Gwynedd-Pension-Fund-Final-Valuation-Report.pdf>

Employer Contribution Rate

The Contribution Objective is achieved by setting employer contributions which are likely to be sufficient to meet both the cost of new benefits accruing and to address any funding deficit relative to the funding target over the agreed time horizon. A secondary objective is to maintain where possible relatively stable employer contribution rates.

For each employer in the Fund to meet the Contribution Objective, a primary rate has been calculated in order to fund the cost of new benefits accruing in the Fund. Additionally, if required, a secondary contribution rate has also been calculated to target a fully funded position within each individual employer's set time horizon.

The table below summarises the whole fund Primary and Secondary Contribution rates at this valuation.

Primary Rate (% of pay)	Secondary Rate £		
	2023/24	2024/25	2025/26
21.8%	-£8,746,000	-£9,021,000	-£9,303,000

The next triennial valuation will be at 31 March 2025.

9. Statement of Accounts 2024/25

10. Communication Policy Statement

Introduction

Regulation 61 of the Local Government Pension Scheme (LGPS) 2013 Regulations stipulates that all administering authorities are required to publish a statement of policy regarding communication with key stakeholders.

Cyngor Gwynedd is the administering authority for the Gwynedd Pension Fund and the Fund's key stakeholders include:

1. Scheme members:

- 1.1 Active Scheme Members
- 1.2 Deferred members
- 1.3 Pensioner members
- 1.4 Prospective members

2. Scheme Employers

3. Other bodies:

- 3.1 Pension Committee and Pension Board
- 3.2 Fund Staff
- 3.3 Other Bodies

This communication statement sets out the policy for the provision of information and how the Fund intends to publicise, promote and develop the Scheme to each stakeholder group. It will be kept under review and amended when there is a material change in the policy.

The Fund's aim is to provide a high quality and consistent service to their stakeholders in the most efficient and cost-effective manner.

The intention is that all communications are as timely as possible, factual and in plain language, and presented in a manner appropriate to the receiver. Where individuals have specific needs in relation to the format of information, steps are taken to ensure that the required format is available, such as Braille, Audio, and Large Print.

All Gwynedd Pension Fund's publications are bilingual, in line with Gwynedd Council's Language Policy. Information in other languages may be available on request.

Where legislative Scheme changes are known in advance, procedures will be put in place to implement the changes in the most effective manner.

1.1 Communicating with Active Members

Active Members (including Councillor Members) are those who are contributing into the LGPS through one of the Gwynedd Pension Fund Scheme Employers. The methods of communication with these members are described below.

- **Website** - The Gwynedd Pension Fund website contains a section dedicated to Active Members. It provides general information about the LGPS including, Transfers, Improving Benefits, Retirement, Divorce, Death Benefits, Tax Allowances and Frequently Asked Questions. News items are added when required to notify members of any Scheme changes. There is a separate section dedicated to the pension benefits for Councillor Members.
- **Member Self Service** - The member self-service web portal on the Gwynedd Pension Fund website allows members to view and update their pension data securely online, such as death grant expression of wish, contact details, annual benefit statements and letters. The planning tools allow members to perform benefit calculations and prepare for retirement.

- **Employer Events** – The Gwynedd Pension Fund is available to attend employer events on request and provide a pension stand where members can discuss any pension issues with the pension fund staff and provide relevant scheme literature.
- **Presentations** – The Gwynedd Pension Fund is always available to offer presentations on the scheme. Presentations are also held when needed to inform Active Members of major changes to scheme regulations. Specialist information sessions can also be held at the request of the employer for members who are affected by the bulk transfer of pensions from the LGPS to other pension providers.
- **Pre-Retirement Courses** – A program of six courses are held by Chadwicks IFA, a firm of financial advisors' form Chester each year. The Gwynedd and Flintshire Pension Funds provide alternate LGPS presentations at these events.
- **Consultation Sessions** – The Gwynedd Pension Fund Communications Officers can hold individual consultation session for scheme members at the request of scheme employers. Consultations are usually held at the employees worksites and they offer the opportunity for scheme members to receive general and specific information about the LGPS and ask any question they may have relating to their LGPS pension.
- **Individual Appointments** - Active Members can arrange an appointment with a member of the Gwynedd Pension Fund staff at the Pension office in Caernarfon.

In some cases (e.g terminal illness) a representative from the Gwynedd Pension Fund will visit a member at their home at the request of their employer.

- **Scheme Literature** –
 - **Pension Starter Pack.** Issued when a Scheme Employer notifies us of a new Active Member. This includes a Short Guide to the LGPS, a New Starter Form, Death Grant Expression of Wish form and a Statutory Notification of entry into the scheme.
 - **Short Scheme Guide.** The short scheme guide provides general information on the LGPS and is issued to all new employees and to existing members on request. Copies of the scheme guide in Braille, large print and audio can be provided on request.
 - **Retirement Guide.** The Retirement Guide outlines the arrangements for the payment of pension benefits and sets out the benefits payable to survivors in the event of the member's death and the other most important things to note.
 - **Factsheets.** A range of factsheets have been produced for scheme members which give information specific topics relating to the LGPS.
- **Newsletters** - We issue periodic newsletters to Active Members to update them of changes in the scheme regulations.
- **Annual Benefit Statements** - Each year we issue a statement to each member showing the pension they have built up to the previous 31st March and forecasts the benefits payable at State Pension Age. They are uploaded automatically to a member's Member Self Service Online portal or sent directly to their home address if they have chosen not to register.
- **Annual Report and Accounts** - An electronic copy of the Fund's Annual Report and Accounts is available to all Scheme members on the website. Hard copies are also available upon request.
- **Correspondence** - The Fund uses both paper mail and e-mail to receive and send correspondence. Response will be made in the individuals preferred language of choice.
- **Statutory Notification** - Members are notified when any change occurs to their pension record, thus affecting their pension benefits.
- **Pensions Helpline** – A single helpline number is available for all pension enquiries and a dedicated e-mail address is available for enquiries by e-mail.
- **Poster Campaign** – A poster campaign will be implemented when major scheme changes need to be communicated to Active Scheme members. They will be distributed to employers so that they can be displayed at employees work sites.
- **Internal Dispute Resolution Procedure (IDRP) leaflet** – A document covering stage 1 of the IDRP is available on request.

1.2 Communicating with Deferred Members

Deferred Members (including Councillor Members) are those who have left their employment with a scheme employer and who have preserved benefits within the fund. The methods of communication with these members are described below.

- **Website** - The Gwynedd Pension Fund website contains a section dedicated to Deferred Members. It provides general information about the LGPS including, Transfers Out, Retirement, Divorce, Death Benefits and Frequently Asked Questions. News items are added when required to notify members of any Scheme changes. There is a separate section dedicated to the pension benefits for Councillor Members leaving before retirement.
- **Member Self Service** - The member self-service web portal on the Gwynedd Pension Fund website allows members to view and update their pension data securely online, such as death grant expression of wish, contact details, annual benefit statements and letters. The planning tools allow members to perform benefit calculations and prepare for retirement.
- **Individual Appointments** - Deferred Members can arrange an appointment with a member of the Gwynedd Pension Fund staff at the Pension office in Caernarfon.

In some cases (e.g terminal illness) a representative from the Gwynedd Pension Fund will visit a member at their home at the request of their old employer, the individual or individual's representative.

- **Scheme Literature** –
 - **Retirement Guide**. The Retirement Guide outlines the arrangements for the payment of pension benefits and sets out the benefits payable to survivors in the event of the member's death and the other most important things to note.
 - **Factsheets**. A range of factsheets have been produced for scheme members which give information specific topics relating to the LGPS.
- **Newsletters** - we issue periodic newsletters to Deferred Members to update them of changes in the scheme regulations.
- **Deferred Benefit Statements** - Each year we issue a statement to each deferred member showing the up to date value of their pension benefits. They are uploaded automatically to the member's Member Self Service online portal or sent directly to their home address if they have chosen not to register.
- **Annual Report and Accounts** - An electronic copy of the Fund's Annual Report and Accounts is available to all Scheme members on the website. Hard copies are also available upon request.
- **Correspondence** - The Fund uses both paper mail and e-mail to receive and send correspondence. Response will be made in the individuals preferred language of choice.
- **Pensions Helpline** – A single helpline number is available for all pension enquiries and a dedicated e-mail address is available for enquiries by e-mail.
- **Internal Dispute Resolution Procedure (IDRP) leaflet** – A document covering stage I of the IDRP is available on request.

1.3 Communicating with Pensioners

Pensioners include retired members and the dependants of deceased members. The methods of communication with pensioners are described below.

- **Website** - The Gwynedd Pension Fund website contains a section dedicated to Pensioners. It provides general information about the LGPS including, Divorce, Death Benefits, Payment Dates, Living Abroad, Pensions Increases and Frequently Asked Questions. News items are added when required to notify pensioners of any Scheme changes.
- **Member Self Service** - The member self-service web portal on the Gwynedd Pension Fund website allows pensioners to view and update their pension data securely online, such as death grant expression of wish, contact details and letters.
- **Individual Appointments** - Pensioners can arrange an appointment with a member of the Gwynedd Pension Fund staff at the Pension office in Caernarfon.
- **Payslips and P60** – A payslip is sent to Pensioner when there is a change of £5 or more in their next payment as compared with the previous month. All pensioners receive a combined P60 and payslip at the end of each tax year.
- **Notice of Pensions Increase** – Each April, pensioners receive a notice informing them of the Pensions Increase which is to be applied on their pension (if applicable) and they also receive confirmation of the pay dates for the next 12 months.

- **Annual Report and Accounts** - An electronic copy of the Fund's Annual Report and Accounts is available to all Scheme members on the website. Hard copies are also available upon request.
- **Correspondence** - The Fund uses both paper mail and e-mail to receive and send correspondence. Response will be made in the individuals preferred language of choice.
- **Pensions Helpline** – A single helpline number is available for all pension enquiries and a dedicated e-mail address is available for enquiries by e-mail.
- **Birthday Congratulations** – Pensioners, including those receiving dependents benefits, celebrating their 100th birthday will receive a birthday card from the Gwynedd Pension Fund.
- **Internal Dispute Resolution Procedure (IDRP) leaflet** – A document covering stage 1 of the IDRP is available on request.

1.4 Communicating with Prospective Members

Prospective Members are employees who are eligible to join the LGPS with one of the Gwynedd Pension Fund Scheme Employers but have decided not to. The methods of communication with prospective members are described below.

- **Website** - The Gwynedd Pension Fund website contains a section dedicated to Prospective Members. It provides general information about the LGPS including, Reasons for Joining, Transfers, Contribution Rates, Retirement, Opting Out and Frequently Asked Questions. News items are added when required to notify members of any Scheme changes. There is a separate section dedicated to the pension benefits for Councillor Members.
- **Employer Events** – The Gwynedd Pension Fund is available to attend employer events on request and provide a pension stand where prospective members can discuss any pension issues with the pension fund staff and provide relevant scheme literature and forms.

The Gwynedd Pension Fund encourages employers to include pensions as part of staff induction events and will provide scheme literature and forms. The communications team could attend upon request.

- **Consultation Sessions** – The Gwynedd Pension Fund Communications Officers can hold individual consultation session for scheme members and prospective members at the request of scheme employers. Consultations are usually held at the employees worksites and they offer the opportunity for scheme members to receive general and specific information about the LGPS and ask any question they may have about joining the LGPS.
- **Individual Appointments** - Prospective Members can arrange an appointment with a member of the Gwynedd Pension Fund staff at the Pension office in Caernarfon.

Scheme Literature –

- **Short Scheme Guide.** The short scheme guide provides general information on the LGPS and is issued to all new employees and on request. Copies of the scheme guide in Braille, large print and audio can be provided on request.
- **Factsheets.** A range of factsheets have been produced for scheme members which give information specific topics relating to the LGPS
- **Correspondence** - The Fund uses both paper mail and e-mail to receive and send correspondence. Response will be made in the individuals preferred language of choice.
- **Pensions Helpline** – A single helpline number is available for all pension enquiries and a dedicated e-mail address is available for enquiries by e-mail.
- **Poster Campaign** – A poster campaign is periodically implemented which highlights the benefits of joining the LGPS. They will be distributed to employers so that they can be displayed at employees work sites.

2 Communicating with Scheme Employers

For Cyngor Gwynedd as Administering Authority to efficiently run the scheme it is essential that the flow of accurate, timely and clear information between Scheme Employers and the Fund is maintained through effective communication.

The methods of communication with Scheme Employers are described below.

- **Website** - Our website is under review to develop a section dedicated to Scheme Employers. The Website also contains all the Pension Fund Governance Documents, for example the Actuarial Valuation Report, Policy Documents and the Annual Report and Accounts. There are also links to sources of further information such as the Local Government Association's (LGA's) dedicated LGPS website.
- **i-Connect** - i-Connect is a secure online portal that takes data directly from the payroll system and feeds it directly into the pension system on a monthly basis. It automatically identifies and processes new joiners, opt-outs and leavers and enables the employer to check and cleanse the data before submission.
- **Contact Database** - Regulatory and administrative updates are frequently issued to all employers listed on the contact database via e-mail or letter. The employer Contact database is amended as necessary following updates from the Employers.
- **Annual General Meetings** - The Annual General Meeting is held specifically for Employers and Union Representatives to discuss the Annual Report and Accounts. Representatives from various professional advisory bodies, such as the Fund Actuary and Fund Managers also attend in order to answer on Funding, Investment Performance and Valuations.
- **Employer meetings** - As required to discuss topical issues, significant legislation changes, pre and post actuarial valuation and provide information and discuss improvements in the flow of information.
- **Individual Employer meetings** - Meetings with individual employers can be arranged to discuss matters specific to their participation in the Pension Fund, or to provide advice and guidance on specific issues.
- **Individual Employer Training meetings** - These can be arranged to resolve any administrative training issues identified by either the employer, or the Fund. These sessions are held at employer venues, with development being monitored and reviewed periodically thereafter.
- **Employer Guide** - The new Employer Guide is in the process of being completed and will be circulated electronically to all Employing Bodies and uploaded onto our website.
- **Service Level Agreements** - To improve the standard of service to members we aim to establish Service Level Agreements with Employers. The agreements will provide guidance on statutory obligations and responsibilities and set targets for both Employers and the Administering Authority–
 - To provide correct information
 - To act on, and respond to that information within a given timescale
 Any targets for the Service Level Agreements will be agreed beforehand.

3.1 Communicating with the Pensions Committee and Local Pension Board

As the Gwynedd Pension Fund's administering authority, Cyngor Gwynedd has formed a Pensions Committee and a Pensions Board which meets quarterly to discharge the duties of the Council regarding the governance and administration of the Fund.

The Pensions Committee is responsible for approving the pension fund governance documents, including the Annual Report and Accounts and the Pension Fund Policies. It is also responsible for setting the Pension Fund Investment Strategy and the appointment of Investment Managers. The Pensions Committee is made up of nine elected Councillors.

The Pension Board is responsible for overseeing the work of the Pensions Committee and assists the Pension Fund in complying with all the legislative requirements making sure the scheme is being effectively and efficiently governed and managed. The Pension Board has three scheme member representatives and three employer representatives, one of which is elected as chair.

To facilitate the work of both the Pension Committee and Pension Board they are provided with access to all the Pension Fund Documents including the Annual Report and Accounts, the Actuarial Report, Policy Documents, Pensions Committee reports and decisions and Pension Board reports.

The methods of communication with Pension Committee and Board members are described below.

- **E-mails** - E-mail is the preferred method of communication for general messages.

- **Reports** – The Committee and Board members are provided with the following Reports:
 - **Annual Reports and Accounts** - The key publication on investment and administration.
 - **Actuarial Report** – Following the Fund’s triennial valuation
 - **Specialised Reports** – Produced by the Gwynedd Pension Fund for their consideration.
- **Pension Fund Policies** – The committee have access to all the Gwynedd Pension Fund policies for consideration and approval
- **Presentations** – Committee and Board members are invited to presentations by The Gwynedd Pension Fund and advisers on investment, actuarial, and administration matters.
- **Training** - Committee members and Pension Board Members are required to undertake relevant training to enable them to carry out their roles effectively. Training can be done in-house, by LGA, the Pension Fund Investment Managers and advisors or the Pension Fund Actuary.
- **Agenda and Minutes** – The agenda and minutes for each meeting are published on the Cyngor Gwynedd website.

3.2 Communicating with Pension Fund Staff

Effective communication with Pension Fund Staff is an important part of daily operations and enables the Gwynedd Pension Fund to deliver a quality and accurate service to our key stakeholders.

The methods of communication with Pension Fund Staff are described below.

- **Induction** – All new members of staff undergo an induction program.
- **E-mails** - E-mail is the preferred method of communication for general messages within the unit. Where necessary, this will be followed up with individual or team training.
- **WhatsApp Group Chat** – During emergencies when e-mail is not available general messages will be shared on WhatsApp.
- **In-house Training** – General and pension-specific training on matters arising with regards to regulatory or procedural changes is given as a necessary as part of the unit’s commitment to continuous improvement.
- **External Training** – Professional qualifications can only improve the knowledge and confidence of the team in their communication with stakeholders. All new and existing members of staff are therefore encouraged to study for professional qualifications in pension administration with the Chartered Institute of Payroll Professionals (CIPP). Staff also attend LGA and Heywood training as appropriate
- **Staff Meetings** – Staff Meetings are held bi-monthly to discuss any developments in legislation, changes to working procedures and operational matters. Staff are encouraged to participate in these meetings and influence the decisions that affect the whole Unit.

The operational plan, including Key Performance Indicators is also discussed on a regular basis to ensure that the members of the team are aware of and are meeting their targets.
- **Staff Appraisals** - Fund staff of all levels have an appraisal each year to discuss work issues, monitor performance and areas for development.
- **Continuous Monitoring** – Service Standards are monitored regularly to ensure staff are aware of their responsibilities in relation to the Scheme. On a daily basis communication is encouraged between members of staff and the Management team and an open door policy is in place.
- **Internet** - All staff have access to the Internet to ensure timely access to LGPS information. They also have access to Member Self Service to assist them in carrying out their roles.

3.3 Communication with Other Bodies

To facilitate the administration of the Gwynedd Pension Fund we must communicate with the following bodies:

- **Member Representatives** - These can include any individual or group, such as solicitors, Trade Unions or other Pension Providers, requesting information on behalf of a Scheme Member. This is only provided with the member's authority, in compliance with the Data Protection Act 1998 and GDPR. All Scheme Literature is available on request.
- **Wales Pension Partnership** - The Wales Pension Partnership (WPP) was established in 2017. The WPP is a combination of eight Local Government Pension Scheme (Constituent Authorities) funds across Wales and one of eight national funds for Local Government Pension Scheme.
- **Shrewsbury Pensions Officers Group** - Senior Pensions Officers from the Gwynedd Pension Fund meet representatives from other Local Authority Funds in the West Pennines area on a quarterly basis to share information, discuss questions on legislation and prevailing regulations as well as any technical or procedural issues.
- **All Wales Group** - Senior Pensions Officers from the Gwynedd Pension Fund meet representatives from other Local Authority Funds in Wales on a quarterly basis to share information, discuss questions on legislation and prevailing regulations as well as any technical or procedural issues.
- **All Wales Communication Group** - The Group meets as and when required, with a view of formalising and unifying approach to communications within the Welsh Local Government Authorities. The Group have collectively produced:
 - Uniform Annual Benefit Statement for both active and deferred members
 - A Short Scheme Guide
 - A Retirement Guide
 - Death Grant Expression of Wish Forms
 - Ill Health Certificates
 - Pension Fact Sheets on various topics which can be distributed to members.
- **Scheme Actuary** – Regarding Funding Levels, the Triennial Valuation, FRS17, TUPE and all funding issues.
- **HMRC** – With regards to tax issues for Scheme members.
- **Additional Voluntary Contributions** – Officers of the Pension fund have regular contact with the Fund's AVC providers regarding the funds of individual Scheme members.
- **Fund Managers** – Regarding investment and Fund performance.
- **LGA** – The Local Government Association (The Pensions Team) provides technical advice to Pension Fund Administering Authorities and to employers on the LGPS.

11. Glossary

Active Management - A mark through either asset allocation, market timing or stock selection (or a combination of these). Directly contrasted with passive management.

Actuary - An independent consultant who advises on the viability of the Fund. Every three years the actuary review the assets and liabilities of the Fund and reports to the Council as Administering Authority on the financial position and the recommended employers contribution rates. This is known as the actuarial valuation.

Active Member - Current employee who is contributing to a pension scheme.

Administering Authority - The Council with a statutory responsibility for running the Fund and that is responsible for all aspects of its management and operation.

Admitted Body - An organisation whose staff can become members of the Fund by virtue of an admission agreement between the Council and the organisation. It enables contractors who take on the Council's services with employees transferring, to offer those staff continued membership of the Fund.

Asset Allocation - Apportionment of investment funds among categories of assets, such as bonds, equities, cash, property and private equity. Asset allocation affects both risk and return.

Asset Class - A specific area/ type of investment e.g. overseas equities, fixed income, cash, property.

Benchmark Return- The benchmark return is the return that would be achieved if the Fund Manager had not deviated from the weightings of each asset class given to them by the Investment Panel, and had achieved returns in each of these asset classes consistent with the average return of all Local Authority Funds for that class. The benchmark weightings of asset classes are outlined within the Investment Strategy Statement.

Corporate Governance - Issues relating to the way in which a company ensures that it is attaching maximum importance to the interests of its shareholders and how shareholders can influence management.

Custodian - Bank or other financial institution that keeps custody of stock certificates and other assets of a client, collects dividends and tax refunds due, and settles purchases and sales.

Deferred pensioner - A member who has stopped paying into the scheme but is not yet retired.

Emerging markets - Relatively new and immature stock markets for equities and bonds. Settlement and liquidity can be less reliable than in the more established 'developed' markets, and they tend to be more volatile.

Employer contributions rates - The percentage of the salary of employees that employers pay as a contributions towards the employees' pension.

Equities - Ordinary shares in UK and overseas companies traded on a recognised Stock Exchange. Shareholders have an interest in the profits of the company and are normally entitled to vote at shareholders meetings.

Fair value - The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fixed interest securities/ bonds - Investments, especially in government stocks, with a guaranteed rate of interest. Conventional bonds have fixed rates, whilst index linked vary with inflation. They represent loans repayable at a stated future date, and which can be traded on a Stock Exchange in the meantime.

Fund Manager - A person or company to whom the investment of the whole, or part of the assets of a fund is delegated by the trustees.

Investment - An asset acquired for the purpose of producing income and capital gain for its owner.

Market value - The price at which an investment can be sold at a given date.

Passive - A style of investment management which aims to construct a portfolio in such a way as to provide the same return as to that of a chosen index.

Pensioner - A scheme member who receives a pension from the Fund.

Performance - A measure, usually expressed in percentage terms, of how well a fund has done over a particular time period - either in absolute terms or as measured against the average fund or a particular benchmark.

Pooled funds - Pooled investment vehicles issue units to a range of investors. Unit prices move in response to changes in the value of the underlying portfolio, and investors do not own directly the assets in the fund.

Portfolio - A collective term for all investments held in a fund, market or sector.

Private equity - Investments made by specialist managers in all types of unlisted companies rather than through publicly tradable shares.

Resolution body - Bodies that have a right to allow some or all their staff to become members of the LGPS, subject to the resolution body meeting the requirements of the LGPS regulations.

Return - The total gain from holding an investment over a given period, including income and increase/ (decrease) in market value.

Risk - Generally taken to mean the variability of returns. Investments with greater risk must usually promise higher returns than more 'stable' investments before investors will buy them.

Scheme employers - Local authorities and bodies specified in the LGPS regulations, whose employees are entitled automatically to be members of the Fund, and Admission bodies including voluntary, charitable and similar bodies, carrying out work of public nature, whose staff can become members of the Fund by virtue of an admission agreement with the Council.

Scheduled body - An organisation that has the right to become a member of the Local Government Pension Scheme under the scheme regulations. Such an organisation does not need to be admitted as its right to membership is automatic.

Transfer value - Payments made between funds when contributors leave service with one employer and decide to take the value of their contributions to the new fund.

Unrealised increase/ (decrease) in market value - The change in market value, since the purchase date, of those investments held at year end.