
ANNUAL MEETING OF THE GWYNEDD PENSION FUND BETWEEN MEMBERS OF GWYNEDD COUNCIL'S PENSIONS COMMITTEE AND REPRESENTATIVES OF THE EMPLOYERS AND UNIONS, 31.07.13

Present: Councillors W Tudor Owen, Stephen Churchman, Trevor Edwards, Peredur Jenkins (Gwynedd Council), Councillor Margaret Lyon (Conwy County Borough Council) and Councillor H. Eifion Jones (Isle of Anglesey County Council)

Also present – Dilwyn Williams (Corporate Director), Dafydd Edwards (Head of Finance Department), Caroline Roberts (Investment Manager), Gareth Jones (Pensions Manager), Nicholas Hopkins (Deputy Pensions Manager), Geraint Owen (Senior Human Resources Manager), Delyth Jones Thomas (Pensions and Treasury Management Accountant), Marina Parry Owen (Pensions and Investments Officer), Bronwen Williams (Pensions Assistant), Gwennan Williams (Pensions Officer), Jennifer Mowle (Pensions Assistant) and Lowri Haf Evans (Member Support and Scrutiny Officer) (Gwynedd Council); Huw Trainor (North Wales Police), Jo Worrall (Snowdonia National Park Authority), Lynn Patterson (Cynnal), Tony Walter and Phil Brooks (Conwy County Borough Council), and Matt Woodman (Hymans Robertson)

Apologies – Councillors Dafydd Meurig, Peter Read, John P. Roberts (Gwynedd Council)

1. ELECTION OF CHAIRMAN

RESOLVED to elect Councillor W. Tudor Owen as chairman of the meeting.

2. ELECTION OF VICE-CHAIRMAN

RESOLVED to elect Councillor Stephen Churchman as vice-chairman of the meeting.

3. DECLARATION OF PERSONAL INTEREST

No declarations of personal interest were received from any member present.

4. URGENT ITEMS

None to note.

The Chairman, Councillor W. Tudor Owen, welcomed everyone to the meeting. The officers were introduced to everyone. Dilwyn O. Williams was congratulated on his appointment as the Chief Executive of Gwynedd Council. He was thanked for his work with the Pensions Fund.

5. THE PENSION FUND

The Corporate Director presented the annual report of the Pension Scheme for 2013/14 which included:

- a review of the year
- recent trends
- a management report summarising the main aspects of administering the scheme
- the fund's actuarial position
- administrative and custodial arrangements
- an outline of the investment powers and investment management methods
- an outline of the investment performance
- a statement of investment principles and the funding strategy
- skills and information framework
- details of the management structure
- membership statistics
- statement of accounts for 2013/14 and notes to the accounts

He also submitted an information leaflet about the Pension Fund, summarising the background of the Fund and the main facts.

Particular attention was given to the main matters of the report, namely:

- Pensions Administration.
It was noted that the procedure of pooling smaller employers had ended and an ill-health insurance policy had been introduced in its place. The method of deficit recovery had also been changed. Operational from February 2014, the actuary would identify deficits based on cash amounts rather than a percentage of the payroll. This meant that the amount recovered would remain constant, irrespective of future membership levels.
- Reference was made to legislative changes in the field, and to the arrangement of introducing transitional regulations. The staff of the Pensions Unit were thanked for their work of calculating retirement estimates manually as the final version of the transitional regulations were submitted late in the year.
- It was noted that the number of pensions in payment in the Pension Fund, since the reorganisation in Wales in 1996, had increased from 5043 to 8323 (an increase of 65.04%). Over the past few years, there had been a significant increase in the number of active and deferred members.

Reference was made to the actuarial position. The main funding objective of the Fund was to ensure that the Fund's assets were sufficient for paying members' benefits as they accrued. When the Fund's assets were equal to its commitments, the Fund's funding level was said to be 100%. In the valuation report for March 2013, the funding level for the Gwynedd Pension Fund was 85% (better than the England and Wales pensions funds' average funding level). An assessment was received of the Fund's position in comparison with other local government funds on a consistent basis, which showed that the funding level had improved to 89%. The position of the Gwynedd Fund had increased from 16 to 10 out of 88 funds across England and Wales. This demonstrated that the assumptions used for our valuation were more prudent than the average of all the local government funds.

- Against the benchmark the Fund had over-performed by 1.9% during the 2013/14 financial year. The Fund had managed to yield returns of 8.2% against the benchmark of 6.3%. In addition, over a period of three years the Fund had over-performed against the benchmark with returns of +6.7% compared with a benchmark return of 6.5%.

The Corporate Director took the opportunity to thank all the staff at the Pensions Unit and the Investment Unit for their exceptional efforts to maintain a sustainable Fund. He also thanked the Pensions Committee for their support and the employers for their assistance and support over the years.

The Chairman thanked the Director and his staff for a clear and comprehensive report.

In response to the report, and in particular the Westminster Government's intention with regard to governing funds, the Head of Finance Department expressed that a consultation period was likely to be held in August. Following initial discussions with the members of the Pensions Fund, it appeared that Gwynedd would recommend to the Government that it gave the right to establish one Pensions Board to scrutinise the arrangements of all the funds in Wales as a way forward. The Head of Finance Department took the opportunity to thank the Corporate Director for his work with the Pension Fund.

The representative for Hymans Robertson responded that the Fund had had a good year and had been run and managed effectively.

In response to the very low number of employers in attendance at the meeting, the Corporate Director noted that the purpose of holding an annual meeting was to give employers the opportunity to challenge the report. He questioned the need to change the arrangement.

It was suggested that a consultation should be held with all the employers to seek their observations in order to establish a more effective arrangement which would improve attendance and gain their interest.

RESOLVED TO ACCEPT THE ANNUAL REPORT OF THE PENSION FUND FOR 2013/14.

The meeting commenced at 2.00pm and concluded at 2.50pm.