

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

14/09/17

Present:

Members of the Pensions Committee

Councillors Stephen Churchman, John Brynmor Hughes, Aled Wyn Jones, John Griffith (Isle of Anglesey County Council Representative), David Cowans (Conwy County Borough Council Representative)

Members of the Pension Board

Anthony Deakin (Cartrefi Conwy), Councillor Aled Lloyd Evans (Gwynedd Council), Sharon Warnes, Huw Trainor (North Wales Police), Osian Richards (Gwynedd Council) and H Eifion Jones

Employers' Representatives

Alison Evans (Llandrillo Menai Group), Marc Jones (Isle of Anglesey County Council), Lynn Patterson (Cwmni Cynnal), Tony Walter (Conwy County Borough Council), Geraint Owen (Menter Môn), Nickie Lawrence (Careers Wales), Geraint Owen (Gwynedd Council),

Members of Staff who Serve the Fund (Gwynedd Council);

Dafydd Edwards (Head of Finance Department), Caroline Roberts (Investment Manager), Nicholas Hopkins (Pensions Manager), Meirion Jones (Communication Officer - Pensions) Ffion Madog Evans (Finance Manager - Resources and Corporate), Richard Owen (Deputy Pensions Manager), Gwennan Williams Jones, Gruff Thomas (Systems Officer, Pensions Unit) and Lowri Haf Evans (Member Support Officer).

1. CHAIRMAN

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

2. VICE-CHAIRMAN

RESOLVED to elect Councillor John Brynmor Hughes as vice-chairman of the meeting.

3. APOLOGIES

Councillor Seimon Glyn (Gwynedd Council), Councillor John P Roberts (Gwynedd Council), Arnold Milburn (Llangefni Town Council), Mandy Evans (Abergele Town Council), Nia Jones (Cwmni Frân Wen) and Medrwn Môn.

4. DECLARATION OF PERSONAL INTEREST

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

5. URGENT BUSINESS

None to note

6. GWYNEDD PENSION FUND ANNUAL REPORT 2016 - 2017

The Head of Finance presented the Annual Report of the Pension Scheme for 2016/17.

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

Investment Performance

It was reported that there was an increase of £339m in the value of the Fund's assets from £1,525m (31/03/2016) to £1,864m (31/03/2017). It was noted that this significant growth of 22% reflected the general excellent performance of the stock market this year and that the Fund's investment managers had attained the benchmark level in 2016/17. Reference was made in the report to the statement of accounts (subject to audit by Deloitte). Reference was also made to the net assets statements that continued to be heartening, considering that this had been built on the comparatively favourable financial position of the Fund during the 2016 Valuation. Attention was drawn to the investments and the exceptional performance of the foreign investments and the excellent performance by Insight (investment manager) were highlighted.

Recently the Government's Actuary Department reported to the National Board of the Local Government's Pension Scheme LGPS (the SAB) on the financial level of each fund on 31/03/2016. To find a comparison, standard 'like for like' assumptions were used (rather than the public strategic assumptions of the funds themselves). It was reported that between 2013 and 2016 Valuations, the standard funding level of the Gwynedd Fund increased by 7%, from 102% in 2013 to 109% in 2016. This placed Gwynedd in the top ten of the 89 LGPS funds in England and Wales and the highest in Wales on 31/03/2016.

Whilst the assumptions of the Fund itself were used for financial planning and for strategic investment decisions, it was noted that these comparisons confirmed the robustness of the Gwynedd Fund funding strategy, with a significant growth in investment assets in 2016/17 building on this.

Wales Pension Partnership

The Chairman reported that significant progress had been made over the year to develop the Wales Pension Partnership to manage the investment assets of the eight Local Government Pension Schemes (LGPS) in Wales on a collaborative basis. The Partnership was now in a position to establish a Combined Investment Vehicle by 1 April 2018. It was emphasised that the Partnership would not entail combining the eight funds; each fund would retain its unique identity with the administrative authorities continuing to be responsible for complying with the regulations of the LGPS plan and pension legislation in terms of their membership. Annual accounts and three-year actuarial valuations would

continue to be prepared for each individual pension fund and each fund would determine their financial strategy themselves.

It was added that the eight Councils had approved an inter-authority agreement (Spring 2017) with the Wales Pensions Partnership and had now established a Governance Joint-Committee that comprised elected members from each administrative authority, supported by a Working Group of Officers. It was noted that Councillor Stephen Churchman was the Chair of the Joint-Committee this year. It was highlighted that the eight pension funds in Wales had commenced the process of European Procurement for an Operator for the Combined Investment Vehicle. The responses to the Invitation to Tender from the Operators would be assessed and scored in August/September 2017 with the aim that the Joint-committee will recommend the appointment of the best proposer in terms of reaching the specification's requirements.

Pension Board

Reference was made to the annual report of the Fund's Pension Board that had been included in the report. It was noted that the Board had met regularly since July 2015, and Mrs Sharon Warnes was thanked for her effective and proactive chairing over the initial two years as the Board was established in its scrutiny role.

Outcome of the Valuation

It was reported that the Fund's three year actuarial valuation had been completed during 2016/17, and although the position of individual employers within the Fund would differ, generally, the Fund's strength should allow the fund to take a flexible approach to contribution rates. The reduction of the increase in contribution rates was a priority, considering the continuous squeeze on public expenditure. It was noted that every employer was aware of their pension contribution rates, and the main aim was to ensure that the employers had affordable, fair and sustainable contribution strategies for 2017/18 - 2019/20 which reflected their own individual circumstances.

Although staff resources had been redirected to the Valuation, the administrative unit continued to achieve a satisfactory performance. It was noted that the information on the Fund's website had developed and the number of members who used the on-line services had increased.

New members were welcomed to the Pensions Committee and thanks was given to former councillors Tudor Owen (Gwynedd Council and former Chair), Glyn Thomas (Gwynedd Council) and Margaret Lyon (Conwy Borough County Council representative) for their service. Former councillor, the late Trefor Edwards was also thanked. He had served for many years as a member and former chair of the Pensions Committee. The members stood for a minute's silence as a mark of respect.

Everyone was thanked for their support during 2016/17.

RESOLVED TO ACCEPT THE ANNUAL REPORT OF THE PENSION FUND FOR 2016/17.

The meeting commenced at Time Not Specified and concluded at Time Not Specified

CHAIRMAN