
PENSIONS COMMITTEE 25/03/21

Attendance:

Councillors:

Stephen Churchman - Vice-chairman, John Brynmor Hughes, Aled Wyn Jones, John Pughe Roberts (item 6 onwards), Ioan Thomas and Robin Williams (Isle of Anglesey Council)

Officers:

Dafydd Edwards (Head of Finance Department), Delyth Jones-Thomas (Investment Manager), Meirion Jones (Pensions Manager) and Lowri Haf Evans (Democracy Services Officer).

Others invited:

Councillor Edgar Owen (Council Chairman)
Sioned Parry (observing – Pension Board Member)

1. APOLOGIES

Apologies were received from Councillor Peredur Jenkins and Councillor Simon Glyn

2. DECLARATION OF PERSONAL INTEREST

None to note

3. URGENT ITEMS

None to note

4. MINUTES

The Chair accepted the minutes of the meeting held on 21 January 2021 as a true record

5. TREASURY MANAGEMENT STRATEGY STATEMENT FOR 2021/22

Submitted - the report of the Investment Manager, noting in accordance with Welsh Government's Statutory Guidance on Local Government Investments, the Council was required to prepare an Annual Investment Strategy as part of its treasury management role. As good practice, it was considered that the Gwynedd Pension Fund (the "Fund"), should adopt Gwynedd Council's Treasury Management Strategy Statement (TMSS) for 2021/22, as revised for the purpose of the Pensions Fund. Gwynedd Council's TMSS for 2021/22 was approved by the full Council on 4 March 2021.

The Pensions Committee wished to allow the Pension Fund's cash balances to be

pooled with the Council's financial balances. At the end of the financial year, Gwynedd Council paid interest to the Pension Fund based on the Fund's daily balances over the year. It was highlighted that the exercise was one that was determined annually as the returns received were better, with the risks reduced when the money was pooled with the Council's funds.

The sum available to pool varied and had grown recently to around £20m-£25m. In recent discussions at the Investment Panel, it was recommended to invest up to £20m in the WPP ARB fund - the Investment Manager confirmed that £10m had now been invested. The type of investments available jointly with the Council as seen in the report were Banks and Building Societies, other Authorities, Cash Market Funds and pooled funds.

The main advantages of the exercise were attracting higher interest, minimising bank costs and avoiding duplication of work within the Council. It was confirmed that keeping the Fund safe and protecting the money was the priority and not to take risks.

It was proposed and seconded to accept the recommendations.

During the ensuing discussion, the following observations were noted:

- That there was no point in having a different strategy
- The arrangement worked well

RESOLVED:

- To adopt the Treasury Management Strategy Statement for 2021/22 as adapted for the purposes of the Pension Fund
- To request that the Council (although not a separate body) allow the surplus cash balances of the Pension Fund to continue to be pooled with the Council's general cash flow from 1 April 2021 onwards.

6. WALES PENSION PARTNERSHIP BUSINESS PLAN

Submitted for information - a report by the Investment Manager noting the Wales Pension Partnership's wish for each individual committee within the partnership to approve their Business Plan. It was explained that the Business Plan had been submitted to the Joint Governance Committee for approval on 24 March 2021, where two amendments were recommended - 2 elements relating to annual training and the disclosure / 'Whistleblowing' policy.

It was highlighted that the Business Plan provided a detailed overview of what the WPP was doing, as well as how they achieved their objectives. It was reiterated that the Plan would be monitored regularly and be reviewed and agreed upon annually.

Proposed and seconded – to approve the Business Plan as well as the additions recommended by the Joint Governance Committee

RESOLVED to approve the Wales Pension Partnership Business Plan

7. RISK REGISTER

The Investment Manager and the Pensions Manager presented the current risk register that highlighted the relevant risks to the Pension Fund. It was highlighted that the register was an active document, that it was reviewed regularly, and updated in response to any substantial risks that were likely to develop.

It was highlighted that the register, since it was formed, has been submitted to the Pension Board regularly, with the Board reviewing its contents and making observations on the risk scores and the register's format. Since the Board had been submitted in February 2021, it was highlighted that the risks that had been reviewed, the assessments had been amended and the register was up-to-date with the current situation.

Gratitude was expressed for the information.

During the ensuing discussion, the following observations were noted:

- Welcomed the colour-coding to highlight the risk; although it was not considered that purple reflected 'catastrophic'
- Risk number 1.2 - conflict of interest... - needed to highlight the interests clearly
- Risk number 2.1 - making inappropriate decisions as a result of insufficient information - the Pension Board needed to be included as a Mitigation Measure to reinforce the statement - the Board played an important role by challenging and scrutinising the administration and management of the Pension Fund

In response to a question regarding risk number 7.5 - pension benefits continuing to be paid to deceased pensioners...' - it was confirmed that a request was made for a copy of the death certificate

RESOLVED, to accept, for information, including the Risk Register

The meeting commenced at 11.00 am and concluded at 11.30 am

CHAIRMAN