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## PENSIONS COMMITTEE 16/06/15

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**Present:**

**COUNCILLORS:** Stephen Churchman, Trevor Edwards, Peredur Jenkins, Hywel E Jones (Isle of Anglesey County Council), W Tudor Owen and John P. Roberts.

**OFFICERS:** Dafydd Edwards (Head of Finance Department), Caroline Roberts (Investment Manager), Gareth Jones (Pensions Manager) and Lowri Haf Evans (Member Support and Scrutiny Officer).

**1. ELECT CHAIRMAN**

Resolved to re-elect Councillor Tudor Owen as Chairman of the committee for 2015/16.

**2. ELECT VICE-CHAIRMAN**

Resolved to elect Councillor Stephen Churchman as Vice chairman of the committee for 2015/16.

**3. APOLOGIES**

Apologies were received from Councillors Margaret Lyon (Conwy County Borough Council Representative) and Peter Read.

**4. DECLARATION OF PERSONAL INTEREST**

No declarations of personal interest were received from any members present

**5. URGENT ITEMS**

Update on establishing Gwynedd Council Pension Board.

- (a) Following the interview process, it was reported that six members had been appointed for the Pension Board: Anthony William Deakin (Cartrefi Conwy), Victoria Louise Hallaron (Cartrefi Cymunedol Gwynedd), Osian Richards (Gwynedd Council), Huw Trainor (North Wales Police), Sharon Warnes (retired - formerly Gwynedd Council) and the nomination of one elected member of Gwynedd Council would be confirmed soon. The inaugural meeting of the Pension Board would be held on 13 July, 2015. It would be the responsibility of the Pension Board to assist the administrative authority to ensure compliance with all relevant regulations, other legislation and requirements which were relevant to the scheme. The Board would also assist the authority to ensure effective and efficient governance and administration of the fund.

- (b) In response to a question, it was noted that members of the Pension Board would include three representatives of the employers and three representatives of members of the scheme

## **6. MINUTES**

The Chairman signed the minutes of the previous meeting of this committee, held on 24 March 2015, as a true record.

## **7. INVESTMENT PANEL MEETINGS**

- (a) Submitted – the report of the Head of Finance Department proposing a change in the arrangements of meetings of the Investment Panel. Since February 2014, it was noted that the meetings of February and May were held in London and the meetings of July and November were held in Caernarfon. Based on the trial period, it was highlighted that holding the meetings of February and May in London was ill-timed for the officers because of pressure of work during this time with the Financial Strategy / Budget in February and closure of the Council accounts and Pension Fund in May. It was suggested that it would make more sense to arrange the meetings of February and May in Caernarfon and the meetings of July and November in London.
- (b) The recommendation to accept the report was proposed and seconded.
- (c) In response to an observation, it was noted that it was intended to commence the new arrangement in November 2015 and to continue with the annual cycle until it was reported differently.

**RESOLVED TO ACCEPT THE REPORT OF THE HEAD OF FINANCE DEPARTMENT**

## **8. RECONCILING MEMBERS' GUARANTEED MINIMUM PENSIONS (GMP)**

- (a) Submitted – the report of the Pensions Manager, providing information and seeking support to fund additional specialist software to assist with the new work processes. The background to the request was elaborated upon and it was noted that there would be changes to the administrative arrangements and responsibility for Guaranteed Minimum Pensions. It was noted that a substantial number of members of the Gwynedd Pension Fund continued to be the subject of GMP assessments for annual pension increases or as part of transfer calculations. These assessments would have to be implemented and this minimum reconciled before March 2018.
- (b) Her Majesty's Revenue and Customs was responsible for calculating and informing schemes of GMP levels but it was proposed to transfer the responsibility to schemes by March 2018. Prior to the transfer, the GMP would have to be reconciled to ensure that all the GMP they had corresponded to the HMRC records. It was noted that national surveys showed that the levels of errors/inconsistencies were high, which meant a large amount of complicated

additional work for high-level staff to implement. The costs were estimated at £300k (staff and resources). There would be a need for a team of staff to commence the work during the spring of 2016.

- (c) Members were asked to,
- note the process of reconciling the GMP, the likely cost and its effect on the resources of the pensions unit.
  - agree retrospectively to fund the additional software at a cost of approximately £8,300 per whole or part year.
  - note that update reports would be submitted to the Committee on the ongoing work from time to time and that may include a request for funding temporary staff and a request for decisions on error tolerances and write off levels.
- (ch) It was proposed to approve in accordance with the recommendation and this was seconded.

**RESOLVED TO ACCEPT THE REPORT AND THE RECOMMENDATIONS LISTED BY THE PENSIONS MANAGER**

The meeting commenced at 2pm and concluded at 2.30pm

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**CHAIRMAN**