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**WALES PENSION PARTNERSHIP JOINT GOVERNANCE  
COMMITTEE**

Tuesday, 7 November 2017

**PRESENT:** Councillor Stephen Churchman –Gwynedd County Council (Chair)

Cllr. Elwyn Williams - Carmarthenshire County Council;  
Cllr. Clive Lloyd - City & County of Swansea;  
Cllr. Chris Weaver - City of Cardiff;  
Cllr. David Hughes - Flintshire County Council;  
Cllr. Peter Lewis - Powys County Council;  
Cllr. Mark Norris - Rhondda Cynon Taf County Borough Council;  
Cllr. Glyn Caron - Torfaen County Borough Council;

**Officers in attendance:-**

Jeff Dong - Deputy Section 151 Officer, C&CS,  
Dafydd Edwards - Head of Finance, GCC;  
Debbie Fielder - Pensions Finance Manager, FCC;  
Chris Lee - Director of Corporate Services RCTCBC;  
Chris Moore - Director of Corporate Services, CCC;  
Anthony Parnell - Treasury and Pension Investments Manager, CCC  
Linda Rees Jones - Head of Administration and Law, CCC;  
Joe Rollin - Pension Fund Manager , PCC  
Graeme Russell - Head of Pensions, TCBC;  
Christine Salter - Director of Corporate Services, C of CC  
Kevin Thomas - Democratic Services Officer, CCC.

**Also in attendance**

John Wright - Hymans Robertson.

**Chamber, County Hall, Carmarthen - 11.00 am - 12.10 pm**

**1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Mr Ben Smith (Swansea) and Mr Phil Latham (Flintshire).

**2. DECLARATIONS OF INTEREST**

<b>Councillor</b>	<b>Nature of Interest</b>
G. Caron	Member of Local Government Pension Fund;
G. Caron	Wife is a deferred member of the Pension Fund
S. Churchman	Member of Local Government Pension Fund;
D. Hughes	Member of Local Government Pension Fund;
P. Lewis	Member of Local Government Pension Fund;
C. Lloyd	Member of Local Government Pension Fund;
M. Norris	Member of Local Government Pension Fund;
E. Williams	Member of Local Government Pension Fund;

**3. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING HELD ON THE 29TH JUNE 2017**

The Committee's attention was drawn to Minute 4 – Appointment of Vice-Chair where it was recorded that Councillor M. Norris had been appointed Chair of the Committee. It was reported that the minute was incorrect, and it should have read "Councillor Norris be 'Vice-Chair'

**UNANIMOUSLY RESOLVED that subject to the above amendment, the minutes of the meeting held on the 29<sup>th</sup> June, 2017 be signed as a correct record.**

#### **4. WORKSTREAM SUMMARY**

The Committee received for consideration a progress report on the procurement and governance work streams as at the 30<sup>th</sup> September 2017.

Mr John Wright of Hymans Robertson outlined to the Committee the current position in relation to the timeline for the appointment of an Operator and complying with the U.K. Government's deadline for submission of the Authorised Contractual Scheme (ACS) to the Financial Conduct Authority (FCA) by the end of March 2018. Whilst the initial timeline had slipped by 7 weeks, due to the need for clarification to be sought on various elements of the Operator bids received, it was anticipated the submission would comply with the deadline.

The next stage of the process would be for the Joint Committee to consider the report being presented before it that day (Minute 8 refers) on the appointment of a preferred bidder as Operator for the Wales Pension Partnership, and to make a formal recommendation thereon to the 8 Administering Authorities for their consideration, and approval, in November / December, 2017. Subject to those authorities endorsing the recommendation, the Award Notice would be issued in December 2017 with the final Operator Agreement being finalised in January 2018.

The Committee also received an update from Mr Parnell on the work being undertaken by the Practitioners on reviewing the sub fund structures to sit on the operator platform. Those proposals will be submitted to the Officer Working Group on the 1<sup>st</sup> December and will be commencing with liquid assets (equities and bonds), followed by Hedge funds/property and other asset classes. That work would provide the appointed Operator with an idea on the type of sub funds the Partnership would be looking for. Discussions would then take place with the Operator on the time frame for establishing the sub funds and the detail behind those.

In response to a question on the 7 week delay, and any other potential risks which could delay the ACS' submission, Mr Wright advised that provided each of the administering authorities approved the appointment of an Operator, there should not be any delay. However, in relation to other potential risks, whilst Agenda item 4 (pages 23-24) identified a number of risks, those were considered to be low.

Mr Dafydd Edwards in referring to the potential risks, advised the Committee that in progressing the establishment of the Wales Pension Partnership, prioritisation had been afforded on ensuring its robustness and 'getting it right first time' to achieve the best benefit for the pension members, as opposed to meeting any timelines.

**UNANIMOUSLY RESOLVED that the work stream summary update report be received.**

## **5. DCLG AUTUMN REVIEW SUBMISSION**

The Committee considered a report on the Autumn Review Submission to the Department for Communities and Local Government (DCLG) incorporating:

- The estimated total value of assets included in the transition plan for investment through the pool structure totalling £16.3b at the end of June 2017;
- The estimated total value of assets to be invested outside of the pool structure by participating funds totalling £3b;
- An update high level project plan to achieve delivery by April 2018 including progress with the operator procurement/build, design of sub funds, recruitment of core team, appointment of depository and FCA authorisation;
- Risks or issues which may delay delivery by April 2018, and any plans to mitigate risks or manage issues;
- Progress with governance arrangements;
- Progress on infrastructure investment and timetable to achieve the stated ambition.

In response to a question on the appointment of a core team within Carmarthenshire, as the host authority, the Committee was advised that a ring fenced advert would be placed within each of the 8 Administering Authorities in the New Year for the appointment of a Senior Financial Services Officer. If no suitable applications were received via that process, an advert would be placed on the open market.

In response to a question on the £50 - £350k costs to be incurred over the 2018-2021 period, the Committee was advised they related to a number of factors including consultancy costs from Hymans Robertson, appointed to assist in the process, legal costs for Burges Salmon and host authority costs. Once the Operator had been appointed it was expected the costs would reduce and, ultimately, be incurred by the operator and monitored as the contract progressed.

**UNANIMOUSLY RESOLVED that the report be noted.**

## **6. NOTES OF THE OFFICER WORKING GROUP:-**

### **6.1. 28TH JULY 2017**

**UNANIMOUSLY RESOLVED that the notes of the meeting of the Officer Working Group held on the 28<sup>th</sup> July, 2017 be received.**

### **6.2. 4TH SEPTEMBER 2017**

**UNANIMOUSLY RESOLVED that the notes of the meeting of the Officer Working Group held on the 4<sup>th</sup> September, 2017 be received.**

## **7. EXCLUSION OF THE PUBLIC**

**UNANIMOUSLY RESOLVED**, pursuant to the Local Government Act 1972, as amended by the Local Government (Access to Information)(Variation) (Wales) Order 2007, that the public be excluded from the meeting during consideration of the following item as the report contained exempt information as defined in paragraph 14 of Part 4 of Schedule 12A to the Act.

## **8. OPERATOR SELECTION REPORT**

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in minute number 18 above, to consider this matter in private, with the public excluded from the meeting on the basis disclosure of the information detailed in the report would undermine the position of the Partnership in relation to its rights and responsibilities under the Public Contracts Regulations 2015.

The Joint Governance Committee gave consideration to a report on the appointment of the operator for the Wales Pension Partnership.

**UNANIMOUSLY RESOLVED** that it be recommended to the Pension Fund Committees of the Constituent Authorities of the Wales Pension Partnership that :

- (1) Bidder 1 be appointed as the preferred bidder for the Wales Pension Partnership Procurement**
- (2) subject to the completion of the standstill period and the finalisation of the Operator Agreement, Bidder 1 be appointed as the Operator under the Operator Agreement.**

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**CHAIR**

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**DATE**