

WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

Monday, 11 June 2018

PRESENT: Councillor Mark Norris (Rhondda Cynon Taf County Borough Council (Chair)

Councillors:

Cllr. Stephen Churchman - Gwynedd County Council;
Cllr. David Hughes - Flintshire County Council;
Cllr. Peter Lewis - Powys County Council;
Cllr. Philip Downing - City & County of Swansea;
Cllr. Chris Weaver - City of Cardiff;
Cllr. Elwyn Williams - Carmarthenshire County Council;

The following Officers were in attendance:

C. Moore, Director of Corporate Services - CCC
L.R. Jones, Head of Administration and Law - CCC
D. Edwards, Director of Finance – GCC
J. Dong, Chief Treasury & Technical Officer – C&CS
C. Salter, Corporate Director of Resources – CofC
C. Lee, Director Corporate and Frontline Services – RCTCBC
P. Latham, Pension Fund Manager – FCC
C. Hurst, Pension Fund Manager – PCC
N. Aurelius, Assistant Chief Executive (Resources) TCBC
A. Parnell, Treasury & Pension Investments Manager - CCC
K. Thomas, Democratic Services Officer - CCC

Also Present:-

Denise Jones – Head of Change Management of Link Fund Solutions;
James Wilson – Link Fund Solutions
Gareth Malna – Burgess Salmon
William Marshall – Hymans Robertson

Committee Room 4, County Hall, Atlantic Wharf, Cardiff. CF10 4UW - 2.00 - 3.45 pm

1. APOLOGIES FOR ABSENCE.

Apologies for absence were received from Councillors G. Caron (Torfaen County Borough Council) and C. Lloyd (City and County of Swansea)

2. APPOINTMENT OF CHAIR OF THE JOINT GOVERNANCE COMMITTEE FOR THE FORTHCOMING CALENDAR YEAR.

UNANIMOUSLY RESOLVED that Councillor M. Norris be appointed Chair of the Joint Governance Committee for the forthcoming calendar year.

The Chair, members and officers expressed their appreciation to Cllr Churchman for his year as Chair.

3. APPOINTMENT OF VICE-CHAIR OF THE JOINT GOVERNANCE COMMITTEE FOR THE FORTHCOMING CALENDAR YEAR.

UNANIMOUSLY RESOLVED that Councillor P. Lewis be appointed Vice-Chair of the Joint Governance Committee for the forthcoming calendar year.

4. DECLARATIONS OF INTEREST.

Councillor	Nature of Personal Interest
S. Churchman	Member of the Gwynedd Pension Fund;
D. Hughes	Member of the Clwyd Pension Fund;
P. Lewis	Member of the Powys Pension Fund;
P. Downing	Member of the City and County of Swansea Pension Fund;
M. Norris	Member of the Rhondda Cynon Taf Pension Fund;
E. Williams	Member of the Dyfed Pension Fund.
C. Weaver	Member of the Cardiff Pension Fund;

(Note: There is an exemption within the Code of Conduct for Members, which allows a member who has been appointed or nominated by their authority to a relevant body to declare that interest but remain and participate in the meeting).

5. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE JOINT COMMITTEE HELD ON THE 28TH MARCH, 2018.

UNANIMOUSLY RESOLVED that the minutes of the meeting of the Committee held on the 28th March, 2018 be signed as a correct record.

6. PRESENTATION BY LINK AND HOST AUTHORITY ON MILESTONES AND PROGRESS UPDATE.

The Chair welcomed Denise Jones – Head of Change Management of Link Fund Solutions to provide a presentation on Key Milestones and progress in respect of the Wales Pension Partnership.

Ms Jones provided the Committee with a list of the provisional dates for the key milestones, progress to date and the next steps. With regard to the key milestones, the most important aspect related to the approval of the fund prospectus for submission to the Financial Conduct Authority. That prospectus was agendaed for the Joint Committees' consideration that day and, if approved, was scheduled for submission on the 15th June, 2018. If approved by the FCA, the sub funds would be launched on the 15th October, 2018

Ms Jones advised that other key milestones included:-

- The investment Manager Agreements. They had been issued to all the investment managers for the first set of sub funds with negotiations having commenced thereon,
- An officer working group would be held on the 27th June to discuss the proposed reporting pack in order for work to commence on its development,
- The second tranche of sub funds would be considered by the officer working group on the 27th June for submission to the FCA by 27th September, for launching in January, 2019.

Reference was made to the proposed voting agreements and the Committee was advised that whilst they had been issued to officers, they would be further considered at the Officer Working Group on the 27th June.

Mr Anthony Parnell provided the Committee with the following update on the host authority's responsibilities:-

- Staffing – consideration was being given by the S151 Officer to support the current shortfall in the staffing compliment in respect of the host authority and where possible work was being redistributed,
- Communications – work on the development of the website and the newsletter had been delayed due to the emphasis having been placed on the preparation of the fund prospectus. That work would be revisited over the summer
- Governance – Arrangements were currently working well at both Joint Committee and Officer levels
- Reporting – Packages would be submitted to the Officer Working Group on the 27th June with a view to achieving consistency of reporting between the other pools. Discussions were also being held with the CIPFA Reporting Group with regard to its reporting expectations

UNANIMOUSLY RESOLVED that the updates be received.

7. NOTES OF THE OFFICER WORKING GROUP HELD ON THE FOLLOWING DATES:-

8. 9TH MARCH, 2018;

UNANIMOUSLY RESOLVED that the notes of the meeting of the Officer Working Group held on the 9th March, 2018 be received.

9. 20TH APRIL, 2018.

UNANIMOUSLY RESOLVED that the notes of the meeting of the Officer Working Group held on the 20th April, 2018 be received.

10. 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.

11. FCA PROSPECTUS OF THE WALES PENSION PARTNERSHIP.

Following the application of the public interest test it was **UNANIMOUSLY RESOLVED**, pursuant to the Act referred to in minute number 10 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 include details of investment opportunities which had yet to be negotiated fully or renegotiated and disclosing the presentation would prejudice those negotiations and impact upon the Funds' costs and returns.

The Committee received a presentation from Mr James Wilson of Link Fund Solutions (LFS) providing an overview of the Wales Pension Partnership prospectus for submission to the Financial Conduct Authority (FCA) for the Sub Funds that would become operational and managed by LFS, as the operator.

Members of the Committee were afforded the opportunity of asking questions on the prospectus following which the LFS representatives left the meeting in order for the Committee to receive legal advice from Burges Salmon appertaining to the Prospectus and a Side Letter. Comments were made in relation to the side letter following which it was accepted as appropriate.

The LFS Representatives were recalled to the meeting and advised of the views and concerns expressed in relation to the side letter. The representatives confirmed their legal advisors were in agreement with the content of the side letter.

UNANIMOUSLY RESOLVED

- 11.1 That the prospectus for submission to the Financial Conduct Authority be approved;**
- 11.2 That each administering Authority sign and seal the Link Letter of Agreement dated 12th June 2018 and return to the host Authority**

CHAIR

DATE