

WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

Wednesday, 24 March 2021

PRESENT: Councillor G. Caron (Chair)

Councillors:

S. Churchman, P. Lewis, C. Lloyd, M. Norris, C. Weaver, D.E. Williams and T. Palmer.

The following officers were in attendance:

C. Moore, Joint Committee Section 151 Officer (CCC)
L.R. Jones, Joint Committee Monitoring Officer (CCC)
N. Aurelius, Assistant Chief Executive - Resources (TCC)
B. Davies, Director of Financial Services (RCT) J. Dong, Deputy S151 Officer/ Chief Finance Officer (C&CS)
D. Edwards, Chief Finance Officer (GCC)
C. Lee, Corporate Director of Resources (CoC)
J. Thomas, Head of Financial Services (PCC)
P. Latham (FCC), Head Clwyd Pension Fund (FCC)
A. Parnell, Treasury & Pension Investments Manager (CCC)
T. Williams, Senior Financial Services Officer (CCC)
M. Evans Thomas, Principal Democratic Services Officer (CCC)
K. Thomas, Democratic Services Officer (CCC)
J. Laimann, Assistant Democratic Services Officer (CCC)
S. Rees, Principal Translator (CCC)
J. Connor, Technical Support (CCC)

Also present as observers:

A. Bull, Pensions Investment Manager (TCC)
C. Hurst, Pension Fund Manager (PCC)
D. Fielder, Deputy Head of Clwyd Pension Fund (FCC)
D. Jones-Thomas, Investment Manager (GCC)
G. Watkins, Revenue Services Manager (CoC)
Y. Keitch, Principal Accountant (RCT)
K. Cobb, Senior Accountant (C&CS)

Also present:

A. Tookey, Link Fund Solutions
R. Thornton, Link Fund Solutions
K. Midl, Link Fund Solutions
J. Leggate, Russell Investments
T. Paik, Russell Investments
A. Quinn, Russell Investments
P. Wharton, Russell Investments
F. Hope, Hymans Robertson
J. Wright, Hymans Robertson

Virtual Meeting - 10.00 - 11.55 am



1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr. Peredur Jenkins, with Cllr. Stephen Churchman attending as his deputy.

2. DECLARATIONS OF INTEREST

G. Caron	Member of the Greater Gwent Pension Fund; Wife is deferred member of the Greater Gwent Pension Fund; Son-in-law is member of the Greater Gwent Pension Fund
S. Churchman	Member of Gwynedd Pension Fund
P. Lewis	Member of the Powys Pension Fund
C. Lloyd	Member of the City & County of Swansea Pension Fund
M. Norris	Member of the Rhondda Cynon Taf Pension Fund
T. Palmer	Daughter and partner are members of Clwyd Pension Fund
E. Williams	Member of the Dyfed 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.]

3. TO SIGN AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE JOINT COMMITTEE HELD ON THE 10TH DECEMBER 2020

RESOLVED that the minutes of the Joint Governance Committee meeting held on 10th December 2020 be signed as a correct record.

4. HOST AUTHORITY UPDATE

The Joint Committee received a progress update in relation to the following key areas:

- Governance;
- Ongoing establishment;
- Operator services;
- Communications and reporting;
- Training and meetings; and
- Resources, budget and fees.



In response to a query, the meeting was advised that the work on the review of the Operator contract had commenced and a more detailed timeline would be provided at the next meeting.

RESOLVED that the Host Authority update be received.

5. BUSINESS PLAN 2021 - 2024

The Joint Committee considered the Business Plan 2021-2024. The meeting was advised that the Business Plan has been drafted in line with Section 6 of the Inter Authority Agreement and would be continuously monitored and formally reviewed and agreed on an annual basis. Following approval by the Joint Committee, the Business Plan would be sent to all Constituent Authorities for their written approval.

With regard to WPP policies, a query was raised suggesting that the WPP could consider adopting a whistleblowing policy. The host authority would take this forward with Hymans Robertson.

RESOLVED that the Business Plan 2021-2024 be approved.

6. TRAINING PLAN 2021/22

The Joint Committee received the Training Plan 2021/22. The meeting was advised that the Training Plan was devised to supplement existing Constituent Authority training. Training was primarily focused on meeting the training needs of members of the JGC and OWG, but it could be extended to Pension Committee members and Pension Board representatives.

In response to a query, the JGC was advised that training in relation to progress of other LGPS pools and collaboration opportunities could be included on an annual basis. It was agreed that this would be included in the training plan.

RESOLVED that the Training Plan 2021/22 be approved.

7. SCHEME MEMBER REPRESENTATION

The Joint Committee considered a report on Scheme Member Representation, which detailed the recommended appointment process and person specification that had been prepared by the OWG.

With regard to the appointment process, the report recommended that each local Pension Board nominate one scheme member representative who would submit an expression of interest setting out their specific qualities against the person specification. The appointment process would be undertaken by a JGC sub-group that would make an appointment recommendation to the JGC for approval.

Once the person specification and appointment process had been formally approved, the Inter Authority Agreement would need to be amended and the amendments would need to be approved by all eight constituent authorities.



With regard to the appointment process, it was suggested that the tenure of the appointment should be two years and the appointment should include a deputy representative from a different Pension Board to the Scheme Member Representative.

In response to a query on timescales, the meeting was advised that the appointment process was expected to take between six to twelve months as changes to the Inter Authority Agreement required approval by full Council of each constituent authority.

RESOLVED that

- 7.1. The Constituent Authorities be asked to approve the inclusion of a co-opted scheme representative on the Joint Governance Committee;**
- 7.2. The appointment process be approved subject to the following amendments:
 - a. A deputy representative from a different Pension Board to the Scheme Member Representative would also be appointed;**
 - b. The appointment tenure be set at two years;****
- 7.3. The establishment of an appointment sub-group consisting of the Chair - Councillor Glyn Caron, Vice Chair – Councillor Clive Lloyd and a further nominated JGC representative – Councillor Ted Palmer be approved;**
- 7.4. The person specification for the Scheme Member Representative be approved.**

8. RISK REGISTER Q1 2021 REVIEW

The Joint Committee received a report on the Q1 Risk Register Review. It was advised that a Risk subgroup of the OWG was reviewing the Risk Register on a quarterly basis. Key changes identified in the latest review were relating primarily to the Governance and Regulation section of the Register.

RESOLVED that the amendments to the Risk Register be approved.

9. ANNUAL POLICY REVIEWS

The Joint Committee received a report on the Annual Policy Reviews of the Communications Policy. It was advised that the existing Communications Policy had been approved in December 2019.

A communications workshop attended by members of the JGC and OWG in December 2020 had identified additional 'key messages' relating to the innovative and forward-thinking nature of the WPP and the size of the Pool. The Communication Policy had been updated to incorporate these new 'key messages'.

In response to a query, the meeting was advised that the Responsible Investment subgroup was working on communications relating to climate change queries and representatives of Friends of the Earth had been invited to one of the subgroup meetings.



RESOLVED that the updated Communications Policy be approved.

10. OPERATOR UPDATE

The Joint Committee received a presentation on the progress of the Wales Pension Partnership in relation to the following key areas:

- Current Fund Holdings;
- Fund Launch Progress;
- Corporate Update and Engagement.

The meeting was advised that the total AUM figure has increased since the report date and now stands c£9.3bn. With regard to Emerging Markets (Tranche 4), FCA approval had been received on 23 March 2021 and launch was expected in September/October 2021.

RESOLVED that the Operator Update be received.

11. PERFORMANCE REPORTS AS AT 31 DECEMBER 2020

The Joint Committee received a presentation on the Performance Reports as at 31 December 2020. It was advised that the sub funds had outperformed/underperformed their respective benchmarks, as follows:

- Global Opportunities outperformed by 1.28% gross / 0.91% net;
- Global Growth outperformed by 2.84% gross / 2.38% net;
- UK Opportunities outperformed by 4.33% gross / 3.90% net;
- Global Government Bond outperformed by 1.41% gross / 1.32% net;
- Global Credit outperformed by 0.81% gross / 0.75% net;
- Multi Asset Credit outperformed by 3.93% gross / 3.76% net;
- Absolute Return Bond outperformed by 0.40% gross / 0.27% net;
- UK Credit outperformed by 1.24% gross / 1.20% net.

RESOLVED that the Performance Reports of the following sub-funds as at 31 December 2020 be approved:

- 11.1. Global Opportunities Equity Fund;**
- 11.2. Global Growth Equity Fund;**
- 11.3. UK Opportunities Equity Fund;**
- 11.4. Global Government Bond Fund;**
- 11.5. Global Credit Fund;**
- 11.6. Multi Asset Credit Fund;**
- 11.7. Absolute Return Bond Strategy Fund;**
- 11.8. UK Credit Fund.**

12. EXCLUSION OF THE PUBLIC

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 reports contained exempt information as defined in paragraph 14 of Part 4 of Schedule 12A to the Act.



13. GLOBAL SECURITIES LENDING REPORT AS AT 31 DECEMBER 2020

Following the application of the public interest test it was RESOLVED, pursuant to the Act referred to in Minute 12 above, to consider this matter in private, with the public excluded from the meeting, as disclosure would adversely impact on the WPP by prejudicing negotiations.

The Joint Committee received a report on Global Securities Lending.

RESOLVED that the Global Securities Lending Review as at 31 December 2020 be noted.

CHAIR

DATE

