

CLWYD PENSION FUND COMMITTEE

28 APRIL 2016

Minutes of the meeting of the Clwyd Pension Fund Committee of Flintshire County Council held at Council Chamber, County Hall, Mold CH7 6NA on Thursday, 28th April, 2016

PRESENT: Councillor Alan Diskin (Chairman)

Councillors: Haydn Bateman (Vice-Chairman) and Brian Dunn

CO-OPTED MEMBERS: Steve Hibbert (Scheme Member representative), Councillor Huw Llewelyn Jones (Denbighshire County Council), Councillor Andrew Rutherford (Other Scheme Employer Representative) and Councillor Steve Wilson (Wrexham County Borough Council)

APOLOGIES: Councillor Ron Hampson and Matt Wright.

ALSO PRESENT (AS OBSERVERS): Councillor Aaron Shotton, Leader and Cabinet Member for Finance, Mark Owen (Employer representative Clwyd Pension Fund Board), Gaynor Brooks (Member representative Clwyd Pension Fund Board) and James Duffy (Member representative Clwyd Pension Fund Board)

IN ATTENDANCE:

Advisory Panel comprising: Colin Everett (Chief Executive), Philip Latham (Clwyd Pension Fund Manager), Gary Ferguson (Corporate Finance Manager), Karen McWilliam (Independent Advisor - Aon Hewitt), Mr. Paul Middleman (Fund Actuary – Mercers), Mr. Kieran Harkin and Mr Joseph Peach (Fund Investment Consultants – JLT Group)

Officers comprising: Alwyn Hughes (Pensions Finance Manager), Debbie Fielder (Pensions Finance Manager), and Committee Officer

Others comprising: Mr. Paul Potter (Hymans Robertson), Mr. Jon Rae (WLGA), Mr. Dafydd Edwards (Gwynedd Pension Fund)

Prior to the start of the meeting the Chair welcomed and introduced Mr. Paul Potter, Mr. Jon Rae, Mr. Dafydd Edwards and the members of the Clwyd Pension Fund Board to the meeting. The Chair confirmed that all could contribute to the meeting.

48. **DECLARATIONS OF INTEREST (INCLUDING CONFLICTS OF INTEREST)**

Councillors Stephen Wilson and Huw Llewellyn Jones declared a personal interest as members of the Clwyd Pension Fund for the following item:

Item 4 – Pooling Investments in Wales

Karen McWilliam also declared a personal interest as an employee of Aon Hewitt who may submit a tender bid to become the CIV platform provider under

Item 4. Joe Peach declared the same personal interest as he will become employed by Aon Hewitt in July 2016.

Paul Middleman declared a personal interest as an employee of Mercers who may submit a tender bid to become the CIV platform provider under Item 4.

49. **LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - TO CONSIDER THE EXCLUSION OF THE PRESS AND PUBLIC**

RESOLVED:

That the press and public be excluded for the remainder of the meeting for the following item by virtue of exempt information under paragraph(s) 14 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

50. **POOLING INVESTMENTS IN WALES**

The Clwyd Pension Fund Manager gave a verbal update on Pooling Investments in Wales. He provided background information and context and reported on developments concerning Wales, the LGPS as a whole, and the Clwyd Pension Fund (CPF).

The Clwyd Pension Fund Manager reported on the current position and advised that the Government had agreed for work to continue on a Wales Pool. He referred to the recent letter from the Minister for Local Government to Welsh funds which referred to the unique culture, politics and regulation, and required a 'full assurance that the final proposals in July would satisfactorily meet all other criteria'. The Clwyd Pension Fund Manager commented on the implications for the Clwyd Pension Fund and invited Mr Harkin (Fund Investment Consultant – JLT Group) to give a presentation on Local Government Pension Scheme Asset Pooling – All Wales. The main points of the presentation, which highlighted some of the governance and investment risks to be managed, were as follows:

- setting investment strategy – impact of decisions
- trade off between risk and return
- Risk – value at risk definition
- how we arrived at the current position
- CPF's current investment strategy
- CPF's current asset allocation compared to rest of All Wales Pool
- challenge of delivering cost savings
- establishing a governance framework
- key areas to be clarified

The Chair thanked Mr Harkin for his detailed presentation and invited Mr Potter, Hymans Robertson LLP, to give a presentation on the proposed asset pooling within Wales. Mr. Potter provided an update on the Wales project. The presentation covered the following main points:

- background
- Governance and structure issues

- Investment pools
- timescales
- areas for inclusion in July submission
- contract award for CIV operator
- transition of investments into the pool

The Chair thanked Mr Potter for his presentation and invited the Committee to raise questions.

During discussion Mr Harkin and Mr Potter, responded in detail to the comments and queries put forward concerning governance framework, appointments and roles, costs, fees, risk management, and timescales.

RESOLVED:

That the update be received and further meetings be arranged as required to make key decisions.

51. **ATTENDANCE BY MEMBERS OF THE PRESS AND PUBLIC**

There were no members of the press or public in attendance.

(The meeting commenced at 2.00 pm and ended at 4.15 pm)

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Chairman