



Ministry of Housing,  
Communities &  
Local Government

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Councillor Mark Norris  
Vice Chair, Joint Committee

[www.gov.uk/mhclg](http://www.gov.uk/mhclg)

26 JUL 2018

Dear Cllr Churchman and Cllr Norris,

#### **WALES PENSION PARTNERSHIP: PROGRESS REVIEW**

Thank you for your report on progress to 11 April and updates to my officials on developments since then.

I am pleased to note that you have submitted your application for authorisation of an Authorised Contractual Scheme to the Financial Conduct Authority. It is also very welcome that you plan to transfer around £5 billion in UK and global equities to the pool by early in 2019, or nearly a third of your assets. I would like to thank all those across the participating funds whose commitment and hard work have enabled you to reach this stage.

I understand that you are continuing to rely largely on advisers as you plan and deliver the transition of assets. I remain concerned that expertise and capacity for governance and the client side are not being built up in-house. I will look to you to ensure that proper accountability to the eight participating funds and robust performance management of a large contract are delivered.

For the future I will also expect you to maintain momentum on the pace of transition while ensuring cost effectiveness. I will also expect fully transparent reporting on costs and investment performance by asset class against appropriate passive benchmarks. I look forward to receiving your next report on progress as at 30 September by 15 October 2018.

I am disappointed that my heavy parliamentary commitments have made it difficult to meet. I would like to discuss the development of your pool and your ambitions for the future, including on infrastructure investment. My office will be in touch to arrange a meeting during the autumn.

**RISHI SUNAK MP**