

WALES PENSION PARTNERSHIP JOINT GOVERNANCE COMMITTEE

WEDNESDAY, 22ND SEPTEMBER, 2021

PRESENT: Councillor C. Weaver [Vice-Chair in the Chair]

Councillors: G. Caron, P. Downing (deputising for C. Lloyd), M. Griffiths (deputising for M. Norris), P. Jenkins, P. Lewis, T. Palmer and D.E. Williams.

The following officers were in attendance:

C. Moore - Joint Committee Section 151 Officer (CCC)
L. Rees-Jones - Joint Committee Monitoring Officer (CCC)
C. Lee - Corporate Director of Resources (CoC)
P. Griffiths - Service Director Finance and Improvement (RCT)
N. Aurelius - Assistant Chief Executive - Resources (TCC)
P. Latham - Head Clwyd Pension Fund (FCC)
J. Dong - Deputy S151 Officer/ Chief Finance Officer (C&CS)
D. Edwards - Chief Finance Officer (GCC)
A. Parnell - Treasury & Pension Investments Manager (CCC)
T. Williams - Senior Financial Services Officer (CCC)
M. Evans Thomas - Principal Democratic Services Officer (CCC) [Note Taker]
J. Owen - Democratic Services Officer (CCC) [Assisting]
R. Morris – Member Services Officer (CCC) [Webcasting]
S. Rees – Simultaneous Translator (CCC)

Also in attendance to present reports:

I. Colvin – Hymans Robertson
J. Wright - Hymans Robertson
E. Gough - Link Fund Solutions
K. Midl – Link Fund Solutions
R. Thornton - Link Fund Solutions
N. Round – Northern Trust
C. Hille – Robeco
A. Knell - Robeco
J. Leggate - Russell Investments
P. Egan – Russell Investments
T. Paik – Russell Investments
A. Quinn - Russell Investments

Also present as observers:

M. Falconer – Pension Manager (CoC)
D. Fielder - Deputy Head of Clwyd Pension Fund (FCC)
C. Hurst - Pension Fund Manager (PCC)
D. Jones-Thomas - Investment Manager (GCC)
G. Watkins - Revenue Services Manager (CoC)
Y. Keitch - Principal Accountant (RCT)
K. Cobb – Pension Fund Accounting & Investment Manager (C&CS)



Virtual Meeting : 10.00 am - 11.55 am

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Clive Lloyd (City & County of Swansea) and Cllr Mark Norris (Rhondda Cynon Taf County Borough Council).

2. DECLARATIONS OF INTEREST

Member	Agenda Item No.	Interest
Cllr. G. Caron	All agenda items	He is a paying and receiving member of the Greater Gwent Pension Fund, his wife is a receiving member and his son-in-law is a paying member
Cllr. P. Downing	All agenda items	His brother is a member of the City & County of Swansea Pension Fund
Cllr. M. Griffiths	All agenda items	She is a member of the Rhondda Cynon Taf Pension Fund
Cllr. P. Jenkins	All agenda items	He is a member of the Gwynedd Pension Fund
Cllr. P. Lewis	All agenda items	Member of the Powys Pension Fund
Cllr. T. Palmer	All agenda items	His daughter and partner are members of the Clwyd Pension Fund
Cllr. E. Williams	All agenda items	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 28TH JULY, 2021.

RESOLVED that the minutes of the Joint Governance Committee meeting held on 28th July, 2021 be signed as a correct record.

4. HOST AUTHORITY UPDATE

[NOTE: Councillors G. Caron, P. Downing, M. Griffiths, P. Jenkins, P. Lewis, T. Palmer and E. Williams had earlier declared an interest in this item.]

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;
- Resources, budget and fees.

In response to a question regarding the commencement date for the scheme member representative, members were informed that discussions will be commencing shortly with the Pension Boards of the Constituent Authorities and it was hoped to appoint early next year.

Reference was made to staffing resources and vacancies which was one of the risk identified in the Risk Register and officers were asked if they had sufficient resources in place to undertake the large volume of work which needed to commence. Members were informed that there is currently one vacancy in the structure for a support officer. Officers were currently reviewing the resources available and will appoint to the vacant post if necessary. He reassured members that the current resources were sufficient.

UNANIMOUSLY RESOLVED that the Host Authority update be received.

5. RISK REGISTER Q3 2021 REVIEW

[NOTE: Councillors G. Caron, P. Downing, M. Griffiths, P. Jenkins, P. Lewis, T. Palmer and E. Williams had earlier declared an interest in this item.]

The Joint Committee considered the Risk Register Q3 2021 Review. It was noted that during the last quarter a review was undertaken of training resources and communication risks. The review outcomes of each risk were summarised in an appendix to the report.

The next review will take place in Q4 2021 and will focus on the Investment Section Risks.

UNANIMOUSLY RESOLVED that the amendments to the WPP Risk Register, as detailed in the report, be approved.

6. OPERATOR UPDATE

[NOTE: Councillors G. Caron, P. Downing, M. Griffiths, P. Jenkins, P. Lewis, T. Palmer and E. Williams had earlier declared an interest in this item.]

The Joint Committee received an update 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 report also included a Corporate and Engagement update and provided an update on the progress and milestones of the following Sub Funds:-

- Tranche 1 – Global Equity
- Tranche 2 – UK Equity
- Tranche 3 – Fixed Income
- Tranche 4 – Emerging Markets

UNANIMOUSLY RESOLVED that the Operator Update be received.

7. PERFORMANCE REPORTS AS AT 30/06/21

[NOTE: Councillors G. Caron, P. Downing, M. Griffiths, P. Jenkins, P. Lewis, T. Palmer and E. Williams had earlier declared an interest in this item.]

The Joint Committee received a presentation on the Performance Reports as at 30th June, 2021. It was noted that the sub funds had outperformed/underperformed against their respective benchmarks, as follows:-

- Global Opportunities – outperformed by 1.71% gross / 1.35% net
- Global Growth – outperformed by 2.42% gross / 1.95% net
- UK Opportunities - outperformed by 3.07% gross / 2.63% net
- Global Government Bond – outperformed by 1.96% gross / 1.78% net
- Global Credit – outperformed by 1.54% gross / 1.40% net
- Multi Asset Credit – outperformed by 4.631% gross / 4.23% net
- Absolute Return Bond – outperformed by 0.55% gross / 0.20% net
- UK Credit – underperformed by 0.33% gross / 0.22% net

In response to a question asking whether any changes in markets were anticipated, members were informed that portfolios are built in such a way to ensure that they are all weather and take geopolitics into consideration.

Asked what investments are made in healthcare, members were informed that these related mainly to pharmaceutical companies.

UNANIMOUSLY RESOLVED that the Performance Reports of the Sub Funds, as detailed above, as at 30th June, 2021, be noted.

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

9. SUB FUND MANAGER CHANGES

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute 8 above, to consider



this matter in private, with the public excluded from the meeting, as disclosure would be likely to cause financial harm to the Pension Fund by prejudicing ongoing and future negotiations.

[NOTE: Councillors G. Caron, P. Downing, M. Griffiths, P. Jenkins, P. Lewis, T. Palmer and E. Williams had earlier declared an interest in this item.]

The Joint Committee considered a report proposing manager changes for two of its Sub Funds.

UNANIMOUSLY RESOLVED that the proposed manager changes, as detailed in the report, be approved.

10. GLOBAL SECURITIES LENDING REVIEW AS AT 30/06/21

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute 8 above, to consider this matter in private, with the public excluded from the meeting, as disclosure would adversely impact upon the Pension Fund by disadvantaging negotiations between the Investment Managers.

[NOTE: Councillors G. Caron, P. Downing, M. Griffiths, P. Jenkins, P. Lewis, T. Palmer and E. Williams had earlier declared an interest in this item.]

The Joint Committee considered the Global Securities Lending Review, as at 30th June, 2021.

UNANIMOUSLY RESOLVED that the Global Securities Lending Review as at 30th June, 2021 be noted.

11. ROBECO ENGAGEMENT SERVICE - Q2 2021 ENGAGEMENT REPORT

Following the application of the public interest test it was UNANIMOUSLY RESOLVED, pursuant to the Act referred to in Minute 8 above, to consider this matter in private, with the public excluded from the meeting, as disclosure would be likely to cause financial harm to the Pension Fund by prejudicing ongoing and future negotiations.

[NOTE: Councillors G. Caron, P. Downing, M. Griffiths, P. Jenkins, P. Lewis, T. Palmer and E. Williams had earlier declared an interest in this item.]

The Joint Committee considered the Engagement Report for Q2 of 2021, which ended on 30th June.

UNANIMOUSLY RESOLVED that the Engagement Report for Q2 of 2021 be noted.

CHAIR

DATE

