

CYNGOR SIR POWYS COUNTY COUNCIL

**Pensions and Investment Committee
12th December 2019**

REPORT BY: Head of Finance

SUBJECT: Wales Pension Partnership Update

REPORT FOR: Information

1 Introduction

- 1.1 This report aims to provide Committee with an update on the work undertaken on behalf of the Wales Pension Partnership (WPP), with regard to pooling investments in Wales.
- 1.2 At the time of writing this report, the next Joint Governance Committee (JGC) meeting will be held in Carmarthen on the 9th of December 2019 and a link to the agenda available here:
- <http://democracy.carmarthenshire.gov.wales/ieListDocuments.aspx?Clid=234&Mid=3030&Ver=4>
- 1.3 The Pension Fund Manager and Financial Reporting & Policy Accountant continue to assist the Host Authority (Carmarthenshire County Council) and the WPP adviser Hymans Robertson with their respective roles, as well as representing the interests of the Powys Pension Fund on the Officer Working Group (OWG).

2 Summary of progress and ongoing work

- 2.1 The OWG and WPP adviser have been developing, together with the JGC, a number of governance related items which will be finalised at the next JGC:
- Beliefs policy
 - Communications plan
 - Governance Matrix
 - Training Plan
- 2.2 The second Pension Boards' Chairs' Engagement day has taken place in Cardiff. Gerard Moore attended that meeting representing the Powys Pension Board.

- 2.3 A sub-group of the OWG has met for the second time to discuss the approach of pooling illiquid assets e.g. private equity and infrastructure. Further meetings will be required to reach a consensus and work is ongoing.
- 2.4 The project plan for the transition of the fixed income mandates has been agreed by the OWG. A transition adviser and transition manager have now been appointed. The actual transition of assets is planned for early 2020 and the transition manager is currently in direct discussion with existing fund managers.
- 2.5 The current advisor to the WPP, Hymans Robertson, were appointed as technical advisers and project managers in December 2015, to assist with the initial implementation of the WPP. It is now an appropriate time to appoint an oversight advisor for on-going monitoring and further development of the WPP. The Pension Fund Manager has been involved throughout the procurement process, from determining the specification to the final interviews. The appointment will be approved at the next JGC with the commencement of the new contract from 2nd January 2020. The appointment will enhance the governance arrangements of the WPP by providing:
- Oversight of the Operator and services provided by parties appointed by the Operator.
 - WPP/JGC/OWG Governance support and;
 - Strategic Investment Adviser to the JGC/OWG, and;
 - Project management and ad hoc consultancy support.

3 Recommendation

- 3.1 To note the contents of this report.

Recommendation:		Reason for Recommendation:	
<ul style="list-style-type: none"> • To note contents of the report and any accompanying papers and provide comment or feedback accordingly 		For information	
Person(s) To Action Decision:	Pension Fund Manager		
Date By When Decision To Be Actioned:			
Relevant Policy (ies):	N/A		
Within Policy:	N/A	Within Budget:	N/A
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Relevant Portfolio Member(s):	Councillor Aled Davies
Relevant Local Member(s):	

