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AGENDA

Committee PENSIONS COMMITTEE

Date and Time of Meeting MONDAY, 14 JANUARY 2019, 5.00 PM

Venue ROOM 263C - COUNTY HALL

Membership Councillor Weaver (Chair)
Councillors Dilwar Ali, Howells, Lay and Graham Thomas

1 **Apologies for Absence**

To receive apologies for absence.

2 **Declarations of Interest**

To be made at the start of the agenda item in question, in accordance with the Members' Code of Conduct.

3 **Minutes** (*Pages 3 - 4*)

To approve as a correct record the minutes of the meeting held on 26 November 2018.

4 **Climate Change Investment Policy - to follow**

To consider proposals for a Climate Change Investment Policy.

5 **Wales Pension Partnership** (*Pages 5 - 6*)

To receive an update on the Wales Pension Partnership.

6 **Committee Training** (*Pages 7 - 8*)

To consider a training plan for the Committee for 2019.

7 **Exclusion of the Public**

Items 8 and 9 are confidential and not for publication by virtue of paragraph 14 of Part 4 and paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972. The public will be excluded from the meeting for the presentation of these items in accordance with the same legislation.

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8 Wales Pension Partnership - Proposed Sub Funds *(Pages 9 - 52)*

To consider proposals for the establishment of new sub funds by the Wales PP Pool Operator.

9 Minutes of the Investment Advisory Panel *(Pages 53 - 58)*

To note the minutes of the Investment Advisory Panel meeting held on 11 September 2018.

10 Urgent Items (if any)

11 Date of next meeting

Davina Fiore

Director Governance & Legal Services

Date: Tuesday, 8 January 2019

Contact: Andrea Redmond,

02920 72434, a.redmond@cardiff.gov.uk

PENSIONS COMMITTEE

26 NOVEMBER 2018

Present: Councillor Weaver (Chairperson), Councillors Dilwar Ali, Howells, Lay and Graham Thomas

Also
Present:

13 : APOLOGIES FOR ABSENCE

None received.

14 : DECLARATIONS OF INTEREST

None received.

15 : MINUTES

The minutes of the meeting held on 20 September 2018 were agreed as a correct record and signed by the Chairperson.

16 : ANNUAL REPORT 2017-2018

RESOLVED:

- i. The Committee received the Auditor's Statement on the Pension Fund Annual Report 2017/18;
- ii. To approve the amended Annual Report.

17 : WALES PENSION PARTNERSHIP

The Committee was updated on progress towards the establishment of pooled investment arrangements for the eight LGPS funds in Wales.

Members were advised that the two sub funds will be launched in January 2019 with assets valued at approximately £4 billion to be transferred from seven of the eight funds (all except Cardiff & Vale of Glamorgan). Legal & General Investment Management have been appointed as Transition Manager for the transfers.

Proposals are in preparation for further sub funds including regional active equities and fixed income. Cardiff & Vale of Glamorgan Pension Fund has assets of approximately £735 million in regional equities and £550 million in fixed income.

RESOLVED: To note the recent developments in the establishment of the WPP Investment Pool.

18 : EXCLUSION OF THE PUBLIC

RESOLVED – That the public be excluded from the meeting for consideration of the following item as it contained exempt information as detailed in paragraph 14 of Part 4 and paragraph 21 of Part 5 of Schedule 12A of the Local Government Act 1972.

19 : MINUTES OF THE LOCAL PENSION BOARD

Noted.

20 : URGENT ITEMS (IF ANY)

None received.

21 : DATE OF NEXT MEETING

To be arranged.

The meeting terminated at 5.15 pm

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**CARDIFF COUNCIL
CYNGOR CAERDYDD****PENSIONS COMMITTEE: 14 JANUARY 2019****REPORT OF CORPORATE DIRECTOR RESOURCES****AGENDA ITEM: 5**

WALES PENSION PARTNERSHIP**Reason for this Report**

1. The Pension Committee Terms of Reference set out the Committee's responsibility for the strategic governance of the Cardiff & Vale of Glamorgan Pension Fund.
2. This report has been prepared to update the Committee on progress towards the establishment of pooled investment arrangements for the eight LGPS funds in Wales under the oversight of the Wales Pensions Partnership.

Background

3. The Committee has received regular updates on the development of the Wales Pension Partnership at its quarterly meetings. The eight LGPS funds in Wales have been working together for several years to identify areas of potential collaboration, under the direction of the Society of Welsh Treasurers (SWT) Pensions Subgroup. The proposals for a Wales Investment Pool were approved by the Minister for Local Government in November 2016.
4. A Joint Governance Committee (JGC) has been established by the eight administering authorities to provide oversight of the Pool. The JGC is supported by the Officer Working Group (OWG) comprising the Treasurers and Investment Officers of the eight funds. Link Fund Solutions have been appointed as the Pool Operator and Russell Investments will provide consultative services including advice on fund design and manager selection. Carmarthenshire Council have been approved as the Host Authority, providing administrative support to the WPP.
5. The governance documents for the Pool's Authorised Contractual Scheme (ACS) and its initial Global Equities sub funds were approved by the FCA on 24 July.

Issues

6. Proposals for two further sub funds – UK Active Equities and Europe (ex UK) Active Equities – were approved by the JGC in September. Link have submitted the proposals for approval by the FCA. Cardiff currently holds approximately £470 million in these two asset classes.

7. Proposals are in preparation for further sub funds. The proposals have been reviewed by the Investment Advisory Panel and the recommendations of the Panel are reported in Agenda Item 8.

Legal Implications

8. This report has been prepared to update the Committee on progress in the establishment of pooled investment arrangements for the eight LGPS funds in Wales and as such does not raise any direct legal implications. As and when individual proposals are developed, legal advice should be obtained.

Financial Implications

9. The costs of the WPP will be apportioned between the constituent authorities in accordance with the Inter Authority Agreement. All costs allocated to Cardiff will be charged to the Pension Fund.

Recommendations

10. That the Committee notes the recent developments in the establishment of the WPP Investment Pool.

**CHRISTINE SALTER
CORPORATE DIRECTOR RESOURCES**

CARDIFF COUNCIL CYNGOR CAERDYDD



PENSIONS COMMITTEE: 14 JANUARY 2019

REPORT OF CORPORATE DIRECTOR RESOURCES

AGENDA ITEM: 6

COMMITTEE MEMBER TRAINING

Reason for this Report

1. This report has been prepared to give an overview of proposed training sessions to be provided to the Committee during 2019.

Background

2. Elected members and officers with responsibilities for the administration of LGPS funds are required to maintain the skills and knowledge necessary for effective decision making.
3. The Committee has requested that formal meetings of the Committee are supplemented by informal training sessions on relevant topics.

Issues

4. The following training plan is proposed for 2019:

March/April/May	Actuarial Valuation and Funding Strategy Statement
June/July	Alternative Investments – Property, Private Equity, Infrastructure
October/November	Administration – Responsibilities of the Administering Authority and Scheme Employers

Actual dates of training are to be confirmed.

Legal Implications

5. The report refers to proposed training sessions for Committee members and as such does not raise any direct legal implications.

Financial Implications

6. Any costs incurred in the provision of training to Committee members will be borne by the Fund.

Recommendations

7. That the Committee notes the proposed training sessions for 2019.

**CHRISTINE SALTER
CORPORATE DIRECTOR RESOURCES**

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