

**REPORT OF CORPORATE DIRECTOR RESOURCES**

**AGENDA ITEM: 5**

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**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.

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CORPORATE DIRECTOR RESOURCES**