

## PENSIONS COMMITTEE

2 NOVEMBER 2021

Present: Councillor Weaver(Chairperson)  
Councillors Dilwar Ali and Howells

### 37 : APOLOGIES FOR ABSENCE

Apologies had been received from Cllrs Lay and Thomas.

### 38 : DECLARATIONS OF INTEREST

None received.

### 39 : AMENDMENTS TO THE INTER AUTHORITY AGREEMENT OF THE WALES PENSION PARTNERSHIP

Committee were advised that The City of Cardiff Council is the administering authority for the Cardiff & Vale of Glamorgan Pension Fund ('the Fund') which is part of the Local Government Pension Scheme (LGPS) for England and Wales. Following a report to Full Council on 30 June 2016, the Council established a Pensions Committee and strategic functions relating to Pensions were delegated to the Committee. Operational and administrative functions are delegated to the Corporate Director Resources.

In February 2017 the Corporate Director Resources presented a report to Council which outlined how the eight LGPS funds in Wales had responded to the MHCLG recommendations for LGPS investment pooling. The report recommendations included that the Council approve the establishment of a Joint Committee, which is known as the Joint Governance Committee (JGC), to become the decision making body of the Wales Pension Partnership (WPP) and oversee its activities.

The February 2017 report also asked Council to note the draft Inter Authority Agreement (IAA) between the eight Constituent Authorities in the WPP with delegated authority to sign the final version of the IAA being passed to the Corporate Director Resources. The IAA sets out the governance arrangements for the WPP, the rights and obligations of the eight participating authorities and the powers and responsibilities delegated to the JGC. The IAA can only be amended or terminated with the agreement of all eight constituent authorities.

#### **Amendments to the Inter Authority Agreement (IAA)**

The WPP is now well established and has made good progress with the establishment of eight investment sub-funds in listed assets covering both Equity (3 sub-funds) and Fixed Income (5 sub-funds) with a further Equity Fund launch due at the end of October 2021. The WPP's attention will now turn to providing investment opportunities for the WPP Constituent Authorities Funds to cover the less liquid, "Private Market" assets. In addition the JGC to seeking to enhance its governance arrangements in accordance with developing best practice. Both these developments

require changes to the IAA with the revised version of the IAA included as Appendix 1.

Private Markets Assets include Property, Infrastructure, Private Equity and Private Credit which have different characteristics to listed assets. As a consequence the route to market to establish Funds in which the Constituent Authorities can invest for these assets is more bespoke and specialist than those that the WPP has successfully adopted for listed equity and fixed income. The JGC, after taking appropriate professional advice, has agreed that specialist “Allocator(s)” with extensive experience and specialist knowledge of Private Markets are appointed to develop these sub-funds for the WPP. The proposed amendment to the IAA will pass the responsibility for future appointments and terminations of the Allocator role to the JGC.

The JGC has for some time been considering how Scheme Member representative could be appointed to the JGC. It is proposed that a Scheme member representative would be able to join the JGC but only as a non-voting member. They would however, be able to receive JGC papers as well as attending and speaking at meetings, including exempt items. The IAA as currently drafted does not make provision for the inclusion of Scheme Member representatives which is now included in the revised version.

In addition to the two amendments outlined above the opportunity has also been taken to undertake a full review of the IAA and as a consequence a number of minor changes will also be made. These changes reflect the practical experience gained since the WPP has been operational and refer to more clearly defining the role of the Officer Working Group (OWG) and the terms of reference of sub-groups that report to it.

RESOLVED: That the Committee recommends that Council approves the IAA Amendments.

40 : URGENT ITEMS (IF ANY)

None received.

41 : DATE OF NEXT MEETING - 29TH NOVEMBER 2021

The meeting terminated at 5.10 pm