

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2019-2020

PENSION FUND COMMITTEE

14th JULY 2020

**REPORT OF: THE DIRECTOR OF
FINANCE AND DIGITAL SERVICES**

AGENDA ITEM NO. 6

**WALES PENSION
PARTNERSHIP - UPDATE**

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1.0 PURPOSE OF REPORT

- 1.1 This report provides the Committee with an update on the work and progress with regard to the Wales Pension Partnership (WPP) and Joint Governance Committee (JGC).

2.0 RECOMMENDATIONS

- 2.1 It is recommended that the Committee:
- 2.1.1 Note the update.
- 2.1.2 Consider and approve the WPP Business Plan 2020-2023.

3.0 BACKGROUND

- 3.1 As the Committee is aware the UK Government's requirement for all pension funds to pool their investments has been progressing in Wales through the WPP.
- 3.2 The Partnership governance arrangements include a JGC which meets around 4 times a year. Each pension fund in Wales is represented on the Committee by their Chair (or Vice Chair).
- 3.3 The last meeting of the JGC was held on the 12th March 2020. The agenda can be accessed [here](#), which was shared with all Committee (and board) members before the meeting.

- 3.4 At its March 2020 meeting, the JGC considered information in respect of the Training Plan for 2020/21 and gave approval to the WPP Business Plan. Performance Reports for the WPP Global Growth Fund, Global Opportunities Fund and UK Opportunities as at 31st December 2019, were also presented.
- 3.5 It is recommended that the Committee review and approve the WPP Business Plan 2020-2023 (Appendix 1).
- 3.6 The JGC were informed that the prospectus of the fixed interest sub fund had been submitted to the Financial Conduct Authority. The transition had a target date of mid-April 2020. Arrangements were delayed due to market volatility. A provisional date of 27th July 2020 has been agreed subject to market conditions.
- 3.7 Following the completion of the procurement process for a Voting and Engagement Service Provider, the JGC agreed the recommendation to appoint Robecco Institutional Asset Management as the preferred candidate.
- 3.8 Link and Russell Investments have been working closely with the Officer Working Group looking at suitable sub fund structures for the emerging market sector. The JGC were requested to approve the proposed sub fund structure in order that Link can commence the operational setup.
- 3.9 Work continues at an officer level. Of note:
- The Annual Progress Report has been completed and is now on the WPP website;
 - A Conflict of Interest Policy has been developed. This is to be shared at the next JGC meeting; and
 - Hymans, the Oversight Advisors to the WPP, and the Host Authority are progressing with the development of a WPP Risk Register.
- 3.10 The next JGC meeting is scheduled to take place on 17th July 2020.

4.0 CONCLUSION

- 4.1 This report provides the Committee with an update on the work of the Wales Pension Partnership and the Joint Governance Committee.
