
PENSIONS COMMITTEE 26/02/26

Attendance: Councillor Elin Hywel (Chair)
Councillor John Pughe Roberts (Vice-chair)

Councillors: Stephen Churchman, Geraint Parry, and Ioan Thomas

Officers: Dewi Morgan (Head of Finance), Ffion Madog Evans (Assistant Head of Finance - Accounting and Pensions), Delyth Jones-Thomas (Investment Manager), Iwan Evans (Head of Legal Services - Monitoring Officer), and Lowri Haf Evans (Democracy Services Officer)

Others invited:

Tony Deakin (member of the Pension Board) – observing

1. APOLOGIES

Apologies were received from John Brynmor Hughes, and Robin Williams (Isle of Anglesey County Council)

Following the decision of Cllr R Medwyn Hughes to stand down as a Member, and as Former Chair of the Pensions Committee, he was thanked for his work and support to the Committee during his time as a Member.

2. DECLARATION OF PERSONAL INTEREST

None to note

3. URGENT ITEMS

None to note

4. WALES PENSION PARTNERSHIP (WPP) - UPDATING THE INTER-AUTHORITY AGREEMENT (IAA)

Submitted - the report of the Head of Finance and the Investment Manager highlighting the need for the Committee to formally recommend the Inter-Authority Agreement (IAA) to the Full Council for approval.

Members were reminded that the Inter-Authority Agreement was the formal legal and governance framework binding together the eight administering authorities of the Welsh Local Government Pension Scheme into the Wales Pension Partnership. It was reported that the Inter-Authority Agreement (IAA) was first approved in 2017 when the WPP was established, but following a 'Fit for the Future' consultation, and the adjustments needed to ensure compliance with UK Government requirements, investment management company WPP IM Co. was established and incorporated. As a result, it was considered necessary to undertake a comprehensive review of the IAA to ensure that it remained appropriate. It was reiterated that while the WPP had been successful, with good

governance and arrangements leading to good returns, the UK Government was unwilling to continue with the arrangement and therefore a new investment company had had to be formed; under the 'Fit for the Future' requirements there would be significant adjustments to the existing structure, which would need to be operational by 1 April 2026.

Reference was made to the main changes in the new structure along with the assurance note that Hymans Robertson (WPP's oversight and governance adviser) had prepared for the eight administering authorities. It was noted that the assurance note included input from the eight authorities and provided an independent overview of the new regime and the key amendments proposed as part of the recommendation.

Work prepared by Burges Salmon (WPP's legal adviser) detailing all proposed amendments to the IAA was highlighted. The Committee was assured that the proposed agreement had been scrutinised by several layers of oversight which included discussions with the Steering Group, and that the Monitoring Officers of the eight administering authorities had provided input to ensure that the individual Councils were secure. Each of the eight administrative authorities would follow the same procedure to approve the Inter-Authority Agreement.

Thanks were expressed for the report.

The background work that had been done to prepare the agreement within a tight timeframe was appreciated, as was the good scrutiny work carried out by Hymans Robertson and Burges Salmon in highlighting the implications.

Thanks were given for the information-sharing workshop organised for members of the Pensions Committee and the Pension Board (23-02-26); the discussion had been valuable and beneficial and took place in a friendly atmosphere – reassuring the Committee that it was making the right decisions.

Observations arising from the ensuing discussion:

- Concern that the Committee's role appeared to be as an oversight body, losing the right to participate in the discussion on investments
- Concern that the Committee was losing its managerial role and responsibilities
- Why was there a Senior Officer and not a Member on the Shareholder Forum? The opportunity of having the Members' voice on the Forum was being missed - the public contacted/shared their concerns with Elected Members if things did not go well, so it would be wise for them to have input
- It had to be emphasised that the approval of the Inter-Authority Agreement was a response to statutory requirements
- That the quality of the background work was of a very high standard, professional and detailed - the Committee relied on a standard of information of this level

In response to the observations, the Head of Finance accepted that the situation was a frustrating one and that layers of complexity were being added to the current arrangement which, to date, had been very clear and orderly. He added that as the Section 151 Officer, he would be attending the Shareholders' Forum on behalf of the Council (and not the WPP) where he had a duty to ensure that shares and actions were safe. The Monitoring Officer reiterated that the Council was a Shareholder in this situation and was entitled to vote on the decisions to protect the interests of Gwynedd; that could be discussed in the item on approving the Shareholders' Agreement.

It was proposed and seconded to recommend the Agreement to the Full Council

RESOLVED:

- To note the content of this report and the appendices.
- To recommend the amended Inter-Authority Agreement (IAA) to the full Council on 5 March 2026 for approval as a reserved matter

5. EXCLUDE PRESS AND PUBLIC

RESOLVED to exclude the press and public from the meeting during the discussion on the following items due to the likely disclosure of exempt information as defined in paragraph 14, Schedule 12A of the Local Government Act 1972 - Information about the financial or business transactions of any specific person (including the authority that retains that information).

There is an acknowledged public interest in being open about the use of public resources and related financial issues. However, it is also acknowledged that there are occasions, in order to protect public financial interests, where commercial information must be discussed without being publicised. The reports relate specifically to a proposed procurement process. Publishing such commercially sensitive information could be detrimental to the interests of the Council and its partners by undermining competition. This would be contrary to the wider public interest of securing the best overall outcome. For these reasons, the matter is closed in the public interest.

6. WALES PENSION PARTNERSHIP (WPP) - GOVERNANCE DOCUMENTS TO MEET THE "FIT FOR THE FUTURE" REQUIREMENTS

A report was submitted by the Head of Finance and the Investment Manager in response to meeting the UK Government's "Fit for the Future" ambitions (due to become Legislation on 31 March 2026), by making necessary amendments to the existing governance arrangements of the Wales Pension Partnership (WPP) whilst also introducing new independent documents – the Shareholder Agreement (SHA) and the Client Service Agreement (CSA).

It was clarified that, unlike the Inter-Authority Agreement, the Full Council (July 2025) had delegated to the Pensions Committee the right to approve final formal documentation for the implementation of the Investment Management Company and authorised the Section 151 Officer in consultation with the Chair of the Pensions Committee to proceed with Yr Wyddfa Project alongside WPP Administering Authorities in accordance with the Government's timetable within the approved budget.

The Shareholder Agreement (SHA) and the Client Service Agreement (CSA) were discussed.

RESOLVED

1. To approve the Shareholder Agreement (SHA) that has been created, which is a legal requirement.
2. To approve the Client Service Agreement (CSA) that has been created, which is a legal requirement.
3. Where appropriate, to delegate powers to the Head of Finance Department, in consultation with the Chair of the Pensions

Committee, to make minor amendments to the agreements, on condition that it would not change the substance of the agreements.

- 4. In 12–18 months, the Shareholder Agreement (SHA) should be reviewed to explore how to include elected representatives in a non-voting function.**
- 5. As part of the Committee's work programme, there is a need to look at improving scrutiny arrangements and challenging WPP IM Co reports.**
- 6. There is a need to include a clause in the Committee's work programme to consider local investment opportunities and/or consideration to local investment proposals.**

The meeting commenced at 10.30 am and concluded at 11.40 am

CHAIRMAN