
SPECIAL PENSIONS COMMITTEE, 20.10.2016

Present: Councillors: Stephen Churchman (Chairman), Peredur Jenkins, Margaret Lyon (Conwy County Borough Council Representative), W. Tudor Owen, John P. Roberts and Sharon Warnes (Chair of the Pensions Board)

Officers: Dafydd Edwards (Head of Finance Department), Iwan Evans (Head of Legal Services), Nicholas Hopkins (Pensions Manager) and Lowri Haf Evans (Member Support Officer).

1. APOLOGIES

Apologies were received from Councillors Trevor Edwards, Seimon Glyn, Glyn Thomas and H. Eifion Jones (Isle of Anglesey County Council Representative),

2. DECLARATION OF PERSONAL INTEREST

None to note

3. URGENT ITEMS

None to note

4. WALES INVESTMENT POOL

- (a) Submitted – the report of the Head of Finance Department updating the Members on the progress made to the development of the Wales Investment Pool for the purpose of managing the investment assets of eight Local Government Pension Schemes in Wales on a collaborative basis. It was noted that the project had moved forward since an agreement had been reached to set up a General Investment Vehicle in September 2015, with additional information about the process being submitted in February 2016 (stating what would be submitted to the DCLG) and later on, in June 2016 (about the presentation to the Treasury and the DCLG).
- (b) Attention was drawn to the need for regular reporting on the proposal to co-invest, and sharing current information to ensure consistency. It was reported that the work of administrating the Gwynedd Fund would remain in Gwynedd with investment taking place partly in Gwynedd and in the Wales Investment Pool. It was confirmed that the Pensions Committee would continue to set out the Investment Strategy and would decide how many assets would need to be categorised. Having agreed on the portfolio, those elements would be transferred to the manager (operator) to be implemented, appointing managers (companies) to invest on behalf of the eight funds in Wales.
- (c) That the eight funds in Wales were constant, was reiterated; and there was agreement on the need to set up a Joint Committee that would set out a governance procedure to ensure accountability and to challenge decisions. In order for this to be implemented, it was suggested that one representative from each of the eight funds would sit on this Joint Committee.

Reference was made to the content of the report along with the memorandum of understanding (draft) in which the procedures for the short term and the future were explained.

- ch) Considering the next steps, the Head of Finance explained that a formal report would be submitted to the Full Council in March 2017 which would recommend that the Council revise the Council's constitution for the future, so that the Joint Committee would retain some of the powers of the Pensions Committee.
- (d) The Head of Legal Services confirmed that, in embarking on a formal procedure of setting up a Joint National Committee, initial steps would need to be in place to begin the procurement process for a new investment procedure. Consequently, as highlighted, it would be appropriate to establish a clear framework of governance. It was noted that the memorandum of understanding would not legally bind the Council into the process, but would rather create a framework to ensure the input of Chair persons and Senior Finance Officers to the process and allow the initial work to commence. In addition, it was noted that the Joint Committee did not have the right to make decisions, only the right to make recommendations and support the process, providing guidance as required.
- (dd) The Chairman highlighted the fact that much additional work had been completed by Gwynedd Council Finance Department and Legal Department; and all officers involved with that work were thanked.

RESOLVED

- i. **That the Committee notes the progress to the development of the Wales Investment Pool.**
- ii. **That the Committee approves the draft Memorandum of Understanding.**
- iii. **That the Committee delegates the right to agree any changes to the Memorandum of Understanding to the Head of Finance, in consultation with the Chairman.**
- iv. **That the Committee appoints a Chairman, Councillor Stephen Churchman, to represent the Committee on the Joint Chair Persons' Group, or the Vice-chairman, Councillor Peredur Jenkins, in the Chairman's absence.**

The meeting commenced at 1pm and concluded at 1:20pm.