
PENSIONS COMMITTEE 12-06-25

Attendance:

Councillors: Goronwy Edwards (Conwy County Borough Council), Medwyn Hughes, Iwan Huws, John Pughe Roberts, Ioan Thomas and Robin Williams (Isle of Anglesey County Council)

Officers:

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

1. ELECTION OF CHAIR

It was resolved to re-elect Councillor Elin Hywel as Chair of this Committee for 2025/26

2. ELECTION OF VICE-CHAIR

It was resolved to elect Councillor John Pughe Roberts as Vice-chair of this Committee for 2025/26

3. APOLOGIES

Apologies were received from Councillor Stephen Churchman, Councillor John Brynmor Hughes and Councillor Elin Hywel

4. DECLARATION OF PERSONAL INTEREST

None to note

5. URGENT ITEMS

None to note

6. MINUTES

The Chair accepted the minutes of the meeting held on 17 March 2025 as a true record.

7. WALES PENSION PARTNERSHIP (WPP) BUSINESS PLAN

A report was submitted by the Investment Manager asking the Committee to approve the Wales Pension Partnership's revised Business Plan. It was reported that the Business Plan had been approved by the Joint Governance Committee in March 2025, but had now been amended to highlight the Project Snowdon enabling and design costs, where approval was received at its meeting on 4 June 2025. It was elaborated that the Plan would require approval from the individual Committees within the Partnership.

It was noted that the Partnership created an annual Business Plan for a three-year period and the main purpose was:

- To explain the background and governance structure
- To highlight the priorities and objectives over the next three years
- To present the Partnership's plans and policies
- To outline the financial budget
- To summarise the WPP's investments and performance objectives

The members thanked the officer for the report.

It was proposed and seconded to approve the Business Plan.

RESOLVED

To approve the Wales Pension Partnership Revised Business Plan 2025-2028

8. LGPS: 'FIT FOR THE FUTURE' – THE WPP'S SUBMISSION TO GOVERNMENT

A joint report was submitted by the Head of Finance and the Investment Manager.

Members were reminded, in accordance with the requirements of the 'Fit for the Future' consultation launched in November 2024, that the eight LGPS pools established nationally were invited to present a business case which outlined how they would meet the Government's required criteria. It was noted that the Government had outlined a range of proposals to strengthen the work of managing LGPS investments in three key fields, which included reforming LGPS assets funds, promoting LGPS investment in local areas and regions in the UK, and strengthening the governance of the LGPS Administering Authorities and the LGPS funds.

During the consultation, the basic question was raised as to whether the WPP would consider establishing an independent company or join with another LGPS in England. It was reported that the WPP had concluded that what was best for all direct and wider stakeholders in Wales was to go forward to build its own IMCo. and retain its independence as a pool with the eight LGPSs in Wales as the sole stakeholders and clients.

The WPP business case was submitted to the Government in February 2025 and in April 2025, the encouraging news was received that the Government had approved the WPP business case, with Government officers requesting that the WPP continued to implement its plans and continued to inform the Government of the progress. It was noted that two pools in England, Brunel and ACCESS, had been unsuccessful in presenting their business case and the basic AA had now invited them to try to join another pool.

It was elaborated, in order to satisfy the Government's challenging deadlines, that an FCA application would need to be presented to establish a WPP IMCo. soon. It was noted that the FCA requirements stated that the entity applying for the authority (i.e. WPP IMCo.) had to be incorporated before presenting the FCA application and the holders of some Senior Management (SMF) posts, including the Chief Executive Officer, had to be identified and included in the application.

Reference was made to the next steps of the process which included establishing a Board with a representation of shareholders (which would replace the Joint Committee) and during the summer 2025, there would be a need to register the company, ensuring compliance with the FCA requirements.

It was considered that forming a WPP IMCo. would be a once in a generation opportunity to create an independent LGPS Investment Company for the benefit of all stakeholders of the 22 local authorities in Wales, which would continue to invest for its

members and protect LGPS pensions, and also have the opportunity to continue with its role investing locally across Wales and the rest of the UK, working with Councils, Corporate Joint Committees, the Development Bank of Wales, the British Business Bank and the Welsh Government, promoting economic growth, providing employment, protecting clean energy and improving the country's wider infrastructure, for the benefit of the people of Wales.

The members thanked the officer for the report.

In response to the consultation and discussions about appointing a 'qualified independent member' and whether that referred to a member qualified in finance, it was noted that no further details had been received. However, it was elaborated that the holders of some Senior Management Function posts, including the Chief Executive Officer, would have to be specifically named within the formal application to the FCA for the FCA to check and assess that they were suitable for the role.

In response to a question regarding the costs of establishing a company and whether the budget and job descriptions had been completed, it was noted that a budget of approximately £5 million more than the current costs would be set. It was also noted that there would be an intention to employ 15 - 18 officers by 1 April 2026. More details would be shared as the process progressed.

In response to an observation regarding why there was a need to adapt the situation when what already existed was successful, it was noted that the change responded to the requirements of the Westminster Government and there was no choice in the matter.

- Concern was expressed about the risk of losing the Hymans expertise
- The administrative costs were much higher than the current costs – the salaries were likely to be beyond the Local Government pay scales

It was proposed and seconded to recommend that the Full Council approves the LGPS Submission to the Government.

RESOLVED:

To accept the report.

To recommend that the Full Council (at its meeting on 3 July 2025):

- 1. Notes the WPP Fit for the Future Business Case (Appendix 3, Appendix 4 and section 4)**
- 2. Approves the formation of a corporate entity wholly owned by the WPP Administering Authorities to be the WPP Investment Management Company (IMCo.) and all other actions necessary to submit an application to the Financial Conduct Authority (FCA) for the authorisation of the IMCo. including but not limited to the selection and recruitment of Senior Management Function (SMF) roles as required by the FCA and the preparation and submission of the application to the FCA (Section 5).**
- 3. Approves the revised WPP Business Plan and budget 2025/28 which includes design/enabling costs for Project Snowdon (Appendix 5 and Section 6) 5 - 10 11 - 27 28 - 124**
- 4. Delegates the S151 Officer the right, in consultation with the Pension Fund Committee Chair, to progress Project Snowdon alongside WPP Administering Authorities (AAs) in line with the Government timetable within the approved budget.**
- 5. Delegates the final approval of the final formal documentation required for IMCo. to be operational, described as “Go Live Work” as outlined in Section 7, to the Pension Fund Committee to give effect to the WPP Fit for the Future Business Case.**

9. LGPS POOLING SYMPOSIUM CONFERENCE 2025

A verbal update was received from Councillor Iwan Huws who had attended the conference in May 2025.

It was reported that pooling was the main matter under discussion in the conference, which focused on how the pooling of local authority funds continued to evolve and what this would mean for the future. It was noted that the timing was interesting given the response to the Fit for the Future Consultation. It was highlighted that the Business Wales case received significant praise and everyone who was associated with the work was congratulated, detailing the good collaboration. It was noted that the conference had been a good opportunity for attendees to network and share best practices, as well as a good educational opportunity for members.

RESOLVED

To accept and note the information.

10. INVEST IN WALES CONFERENCE

A verbal update was provided by Councillor Goronwy Edwards who had attended the conference in April 2025, as well as Councillor Elin Hywel and the Head of Finance.

It was noted that although there was a lot of discussions about investing in Wales, it seemed that it was the social impact that was being promoted instead of receiving full information about financial investment opportunities in Wales. Reference was made to the town centres regeneration opportunities and constructing houses, but mainly, there was a sense that Wales was a country of small businesses and therefore there was a need to encourage support for these businesses to develop.

RESOLVED

To accept and note the information.

The meeting commenced at 14:30 and ended at 15:15