

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2021-22

PENSION FUND COMMITTEE

13th DECEMBER 2021

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

AGENDA ITEM 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.

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 1st December 2021. The agenda can be accessed [here](#), which was shared with all Committee (and board) members before the meeting.

3.4 At the December 2021 meeting, the Host update included:

Work continuing to develop in a number of key areas:

- 2020/21 Annual Report;
- Become a signatory to the UK Stewardship Code;
- New policies and policy reviews;
- Responsibilities Matrix;
- Operator Review meetings;
- Launch of the Emerging Markets Sub Fund;
- Private Market Allocator procurement process;
- IAA addendum; and
- Officer Working Group sub-groups:
 - Private Markets sub-group.
 - Responsible Investment sub-group.
 - Risk Register sub-group.

Next Steps / Priorities:

- Commence the appointment process for the Scheme Member Representative; and
- Development of Private Market Sub Funds:
 - September 2021 to February 2022 – Procurement of Private Debt and Infrastructure (X2) allocators
 - JGC to approve allocator appointments at the 23rd March 2022 JGC
 - March 2022 to December 2022 – Private Debt and Infrastructure sub funds to be developed, approved and launched

Other Key areas:

- Virtual training sessions continue.
- The website continues to be updated with relevant news and publications.

3.5 A number of Constituent Authorities have expressed an interest in launching a sustainable equity sub-fund. Work is underway to set out and scope the sub fund including the appetite of Funds to such an option.

3.6 Over time the objective of the WPP is for local investment opportunities to be facilitated via the private markets sub fund and appointed allocators. Initial opportunities continue to be explored in this regard.

3.7 At the Rhondda Cynon Taf County Borough Council full Council meeting on 24th November 2021, proposed amendments were agreed to the WPP Inter Authority Agreement to reflect current ways of working, requirements for further investment arrangements and to agree the appointment of a (non-voting) Scheme Member Representative onto the Joint Governance Committee.

3.8 The next JGC meeting is scheduled to take place on 23rd March 2022.

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.
