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## PENSIONS COMMITTEE 16.5.2019

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**Present:** Councillors: John Pughe Roberts (Chair), Stephen Churchman, John Brynmor Hughes, Peredur Jenkins, Aled Wyn Jones, Peter Read and Robin Williams (Anglesey Council)

Officers: Dafydd Edwards (Head of Finance Department), Caroline Roberts (Investment Manager) and Lowri Haf Evans (Member Support Officer).

### 1. ELECTION OF CHAIR

**It was resolved to elect Councillor John Pughe Roberts as Chair of this Committee for the year 2019/20.**

### 2. ELECTION OF VICE-CHAIR

**It was resolved to elect Councillor Peredur Jenkins as Vice-chair of this Committee for the year 2019/20.**

### 3. APOLOGIES

Apologies was received from Councillors David Cowans (Conwy Borough Council) and Simon Glyn.

### 4. DECLARATION OF PERSONAL INTEREST

None to note.

### 5. URGENT ITEMS

None to note.

### 6. MINUTES

The Chair signed the minutes of the meeting of this committee, held on 14 March 2019, as a true record.

### 7. INFRASTRUCTURE INVESTMENTS

Following a presentation and discussion at the quarterly Investment Panel of the Gwynedd Pension Fund on 21st of February 2019, the need was highlighted for the Committee to confirm a direct investment in the Partners Group Global Infrastructure 2018 Fund, in accordance with the opinion of the Investment Panel in order to formalise the agreement. The panel's opinion was to invest £25 million in a direct equity fund with Partners Group.

**RESOLVED to invest £25 million in a direct equity fund with Partners Group Global Infrastructure 2018 Fund.**

### 8. ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) POLICY

A request was submitted by the Wales Pensions Partnership for all Funds within the partnership to consider and approve the contents of their proposed draft Environmental, Social and Governance Policy. It was highlighted that the Gwynedd Fund had adopted

the fundamental principles about responsible investing emphasising that 'ESG' factors should be embedded in the investment processes and in the decision-making processes of the Fund managers. In terms of Gwynedd, it was noted that the proposed policy had been drafted following Gwynedd's adoption of its own principles. It was added that the policy included matters that were in accordance with the Gwynedd policy.

**RESOLVED to approve the contents of the Environmental, Social and Governance Policy of the Wales Pensions Partnership.**

#### **9. PUBLIC SECTOR EXIT PAYMENT CAP**

Submitted - for information, a report highlighting that the Westminster Government was consulting on capping public sector exit payments – implementing a £95k exit payment cap.

It was noted that the details of the Westminster Government's proposal were somewhat ambiguous and that it currently led to more questions than answers, and the Welsh Government had not yet shared their view on the matter. It was highlighted that Welsh Ministers had powers to relax the restrictions, and there was a suggestion within Welsh local government that an exit cap for Wales should not include pension strain. It was noted that Welsh Government could relax the requirement as appropriate, and could also consider reducing the £95k threshold.

It was explained that the consultation would close on 3 July 2019.

**RESOLVED to encourage Gwynedd Fund employers to respond to the consultation.**

#### **10. MINISTRY OF HOUSING, COMMUNITIES AND LOCAL GOVERNMENT'S (MHCLG) POLICY CONSULTATION - LOCAL GOVERNMENT PENSION SCHEME**

Submitted for information, a report highlighting that the Ministry for Housing, Communities and Local Government's Policy was undertaking a consultation - Local Government Pension Scheme: Changes to the local valuation cycle and the management of employer risk policy. It was highlighted that the Westminster Government was proposing to amend regulations so that the Local Government Pension Scheme valuations would change from a three-year to a four-year cycle.

It was reported that a three-year cycle was appropriate for accumulated schemes, such as the Gwynedd Fund, and it was stated that the initial argument was that it would be negligent to change to a four-year cycle due to reasons of convenience and to standardise the UK Government's national arrangements. It was added that there were no clear reasons for the proposed change, and no business case had been included.

It was explained that the consultation would close on 31 July 2019, and that officers would seek guidance from the Fund's actuaries and other professional bodies. It was noted that the intention was to prepare a draft response in consultation with the Pensions Committee Chair, and submit this response for approval by the Pension Committee on 29 July 2019. In the meantime, members were encouraged to send any observations to the Head of Finance.

**RESOLVED to accept the information and support the officers in their response to the consultation**

## 11. ATTENDANCE AT COMMITTEE MEETINGS

Submitted - a report informing the members about relevant conferences and events and seeking nominations for attendance on behalf of Gwynedd Pension Fund. It was reported that there was an additional event that had not been included in the report to be attended in Edinburgh on the 10th of October 2019.

### RESOLVED:

- LGC Investment Summit, Celtic Manor Resort, Newport  
4 - 6 June 2019  
**Councillors John P Roberts and John Brynmor Hughes**
- Russel Investments Annual Summit, Portland Place, London  
13 November 2019  
**Councillors John Pughe Roberts, Stephen Churchman and Robin Williams**
- LAPFF Annual Conference, Hilton Hotel, Bournemouth  
4 - 6 December 2019  
**Councillor Stephen Churchman**
- LGPS Governance Conference, Principal Hotel, York  
23 - 24 January 2020  
**Councillors Peredur Jenkins and John Brynmor Hughes**
- LAPF Strategic Investment Forum, The Grove, Hertfordshire  
2 - 4 July 2019  
**Councillors John Pughe Roberts and Aled Wyn Jones**
- 'LGC Investment Seminar, Carden Park, Cheshire  
27 - 28 February 2020  
**Councillors Robin Williams, Peter Read and John Brynmor Hughes**
- Baillie Gifford Conference, Edinburgh  
10 October 2019  
**Councillors John Pughe Roberts and Stephen Churchman**

## 12. PENSIONS MEETING DATES

Submitted, for information, the dates of Pension meetings until May 2020 to enable members to plan accordingly.

Attention was drawn to a possible change to one of the dates. It was reported that it was possible that the Wales Pension Partnership Joint Committee meeting would be held on 4 September 2019, not 20 September, as noted in the report.

**RESOLVED to accept the information.**

The meeting commenced at 2:00pm and concluded at 2:35pm.