

## Wales Pension Partnership (WPP) - JGC Update

JGC meeting date: Wednesday 29 March 2023

Location: Hybrid meeting, hosted by Gwynedd

Chair: Cllr Christopher Weaver, Cardiff

Vice Chair: Cllr Ted Palmer, Clwyd

| Agenda item               | Detail  |
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| Host Authority update     | <p>Anthony Parnell of the Host Authority provided an update in relation to work that has been completed since the last JGC meeting and WPP's next steps / priorities.</p> <p>Anthony highlighted the Operator Contract procurement process timeline, with the key steps being:</p> <ul style="list-style-type: none"><li>○ May – July 2023, individual Constituent Authorities (CA) to approve evaluation and scoring criteria for final procurement documentation</li><li>○ Sept / Oct 2023 – Issue Invitation to Tender (ITT)</li><li>○ Nov / Dec 2023 – ITT evaluation</li><li>○ March 2024 – Approval of recommended operator by the JGC</li><li>○ March / April 2024 – Approval by the CA's</li><li>○ May 2024 – Operator appointment</li><li>○ May 2024 – Dec 2024 – transition period</li><li>○ December 2024 – new formal contract start date</li></ul> <p>Anthony also presented the 2022/23 Business Plan update as at 31 December 2022 (attached).</p> |
| WPP Training Plan 2023/24 | <p>Anthony Parnell of the Host Authority presented the 2023/24 WPP Training Plan. This training plan is devised to supplement existing Constituent Authority training and will be relevant to the WPP's pooling activities.</p>   |

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|                                     | <p>The 2023/24 training sessions will be held quarterly and will cover the following topics:</p> <ul style="list-style-type: none"> <li>• Product Knowledge</li> <li>• Reporting</li> <li>• Responsible Investment</li> <li>• Market Understanding &amp; Regulatory Requirements</li> </ul> <p>The JGC approved the 2023/24 Training Plan (attached)</p> <p>The first training session will take place virtually on Thursday 8 June 2023 and will cover:</p> <ul style="list-style-type: none"> <li>• Private Market Asset Classes – Private Equity / Property</li> <li>• Levelling up / development opportunities</li> </ul>   |
| <p>WPP Business Plan 2023-2026</p>  | <p>A WPP business plan has been drafted in line with Section 6 of the Inter Authority Agreement. The purpose of the business plan is to:</p> <ul style="list-style-type: none"> <li>• Explain the background and governance structure of the WPP</li> <li>• Outline the priorities and objectives of the WPP over the next three years</li> <li>• Introduce the WPP’s policies and plans</li> <li>• Outline the financial budget for the relevant Business Plan period</li> <li>• Summarise the WPP’s Investments &amp; Performance Objectives</li> </ul> <p>Anthony Parnell of the Host Authority presented the 2023-26 WPP Business Plan (attached) which was approved by the JGC. The Business Plan has now been sent to all eight Constituent Authorities for their written approval.</p> |
| <p>Risk Register Q1 2023 Review</p> | <p>The OWG is responsible for maintaining the WPP Risk Register and reporting back any changes or developments to the JGC on a quarterly basis. The OWG has a dedicated Risk Sub-Group to take ownership of the Risk Register and the quarterly review of the document.</p>   |

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|  | <p>During Q1 2023, a review was undertaken of some of the risks within the Governance and Regulation section of the Risk Register, risks G1 to G7 and also risk G12.</p> <p>Hymans presented the changes which were approved by the JGC. The Risk Register has been uploaded on the WPP website.</p>   |
| <p>Policy Reviews:<br/>Governance Matrix</p>   | <p>The WPP have approved several policies / plans which are to be reviewed on a regular basis. This quarter, the OWG have undertaken an annual review of the Governance Matrix.</p> <p>Following this year's review, the Governance Matrix has been updated to reference the relevant sections of the Inter Authority Agreement (IAA).</p> <p>The updated matrix has been approved and the WPP website has been updated.</p> <p>There were no new policies this quarter.</p> |
| <p>Operator Update</p>   | <p>Link presented their quarterly update report as at 31 December 2022 (attached). This provides an update on WPP's sub funds and corporate and engagement activity.</p>   |
| <p>Performance Reports as at 31 December 2022</p>  | <p>Russell Investments presented a Q4 performance summary paper (attached) summarising the performance of each individual ACS sub fund for the quarter ending 31 December 2022.</p>  |
| <p><b>Exempt Items</b> – the following items were discussed during the non-public part of the meeting.</p> |  |
| <p>Global Securities Lending Report as at 31 December 2022</p>   | <p>Stock Lending commenced in March 2020 and Northern Trust presented the Global Securities Lending Report for Q4 2022 (quarter ending 31 December 2022).</p>  |
| <p>Robeco Engagement Report – Q4 2022</p>  | <p>In March 2020, Robeco was appointed as WPP's Voting &amp; Engagement Provider to undertake Voting and Engagement functions on behalf of the WPP. Robeco commenced their engagement service in April 2020, and they have provided an engagement report for Quarter 4 2022.</p>   |

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| Responsible Investment and Climate Risk reports | Each quarter, Hymans Robertson produce quarterly Responsible Investment & Climate Risk Reports for the WPP's sub funds.<br><br>For Quarter 4 2022 (quarter ending 31 December 2022), the UK Credit, Global Credit and Global Government Bond reports were produced.<br><br>Hymans presented the reports to the JGC members. |
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Webcast link for the 29 March JGC meeting below:

[Agenda for Wales Pension Partnership Joint Governance Committee on Wednesday, 29th March, 2023, 10.30 am](#)

WPP's website address - [Wales Pension Fund | Home \(walespensionpartnership.org\)](#)

Next meeting:

- Wednesday 19 July 2023 – virtual meeting