

Wales Pension Partnership (WPP) - JGC Update

JGC meeting date: Tuesday 10 December 2024

Location: Virtual, via Zoom

Chair: Cllr Elwyn Williams, Dyfed

Agenda item	Detail
Apologies	Apologies received from Cllr Medwyn Hughes, Gwynedd, substitute member Cllr Elin Hywel attended in Cllr Hughes's absence
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 mentioned that the LGPS: Fit for the future consultation has been received, officers have met with MHCLG and Treasury and work is ongoing between officers and Hymans in relation to a draft response.</p> <p>Also mentioned was that WPP has been successful in winning the ESG Innovation award at the 2024 LGC Investment Awards ceremony. This nomination was in relation to the Sustainable Active Equity sub-fund.</p> <p>Forthcoming JGC dates:</p> <ul style="list-style-type: none">• 12 March 2025 – Hybrid, hosted by Swansea• 16 July 2025 – virtual via Zoom• 17 September 2025 – Hybrid, hosted by Torfaen• 8 December 2025 – virtual via Zoom• 10 March 2026 – Hybrid, hosted by Cardiff <p>Anthony presented the 2024/25 Business Plan update as at 30 September 2024 (attached).</p>
Risk Register Q4 2024 Review	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 quarterly reviews of the document.

	<p>During Q4 2024, a review has taken place of the Investment Risks. The sub-group also reviewed risk G.15 - The WPP is not prepared for the outcomes of any consultation or regulatory change.</p> <p>Hymans presented the updated section of the Risk Register which was approved by the JGC. The Risk Register has been uploaded on the WPP website. The next review will take place in Q1 2025 and will focus on risks G.1 to G.7 of the Governance & Regulation Risks section.</p>
Policy reviews – Rebalancing and Alteration policy	<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 Rebalancing & Alteration Policy.</p> <p>The Rebalancing and Alteration policy sets out WPP's approach to rebalancing the assets held within the pools' sub-funds. The policy outlines the framework that has put in place to ensure that manager allocations within sub-funds are monitored and rebalanced where appropriate. During this review, the policy has been updated to take account of:</p> <ul style="list-style-type: none"> • The Global Growth sub fund now being managed by Russell Investments (reference to Waystone as a Portfolio Manager of multiple managers has been removed – previously point no 11). • The launch of the Real Estate mandates (point 13). <p>The updated policy was approved and has been updated on the website.</p>
Operator Update	Waystone presented their quarterly update report as at 30 September 2024 (attached). This provides an update on WPP's sub funds and corporate and engagement activity.
Performance Reports as at 30 September 2024	Russell Investments presented a Q3 2024 performance summary paper (attached) summarising the performance of each individual ACS sub fund for the quarter ending 30 September 2024.
Exempt Items – the following items were discussed during the non-public part of the meeting.	
Securities Lending Report - 30 September 2024	Stock Lending commenced in March 2020 and Northern Trust presented the Securities Lending Report for Q3 2024 (quarter ending 30 September 2024).

Robeco Engagement Report – Q3 2024	In March 2020, Robeco was appointed as WPP’s Voting & 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 Q3 2024. The engagement theme chosen for this quarter was Labour Practices in a Post Covid-19 World.
Responsible Investment and Climate Risk reports	<p>Each quarter, Hymans Robertson produce quarterly Responsible Investment & Climate Risk Reports for the WPP’s sub funds.</p> <p>For Q3 2024 (quarter ending 30 September 2024), the UK Opportunities and Emerging Markets reports were produced.</p> <p>Hymans presented the reports to the JGC members.</p>
Voting and Engagement procurement recommendation report	<p>The current Voting and Engagement Service provider contract with Robeco comes to an end on 31 March 2025. A detailed evaluation process has taken place, and a recommendation report was presented to the JGC on the preferred bidder.</p> <p>The JGC approved the recommendation report subject to the completion of the standstill period and the finalisation of the Voting and Engagement Service Provider Contract.</p>
Oversight Advisor procurement recommendation report	<p>The current Oversight Advisor contract with Hymans Robertson comes to an end on 31 December 2024. A detailed evaluation process has taken place, and a recommendation report was presented to the JGC on the preferred bidder.</p> <p>The JGC approved the recommendation report subject to the completion of the standstill period and the finalisation of the Oversight Advisor Contract.</p>

Webcast link for the 10 December 2024 JGC meeting below:

[Agenda for Wales Pension Partnership Joint Governance Committee on Tuesday, 10th December, 2024, 10.00 am](#)

WPP’s website address - [Wales Pension Fund | Home \(walespensionpartnership.org\)](https://walespensionpartnership.org)

Next meeting:

- Tuesday 12 March 2025 – Hybrid meeting, hosted by Swansea