

MEETING	PENSION BOARD
DATE	20 APRIL 2026
TITLE	WALES PENSION PARTNERSHIP UPDATE
PURPOSE	To receive and note the latest information from the Wales Pension Partnership
RECOMMENDATION	RECEIVE AND NOTE THE INFORMATION
AUTHOR	DELYTH JONES-THOMAS, INVESTMENT MANAGER

1. INTRODUCTION

This report provides an update to members of the Pension Board on the Welsh Pension Partnership (WPP) acting on behalf of the eight LGPS funds in Wales.

WPP has now been established for some time with Waystone as an operator to provide FCA regulated services, Russell Investments providing investment management options for the listed assets, and a number of managers operating the private markets options.

As a result of new legislation from the Westminster Government, changes are underway with investment firm WPP Investment Management Company Limited (WPP IM Co) being launched within the next few weeks. This investment firm will then be responsible for investment advice and implementation of investments across more than £25 billion of assets on behalf of the eight Welsh LGPS funds.

2. NEW WELSH PENSION PARTNERSHIP ARRANGEMENTS

The formation of WPP IM Co. presents a once-in-a-generation opportunity to create an independent LGPS Investment Company for the benefit of all stakeholders. Not only can the Partnership continue to invest for and protect the pensions of its LGPS members, but it will have the opportunity to continue in its role to invest locally across Wales and the rest of the UK, for the benefit of the people of Wales.

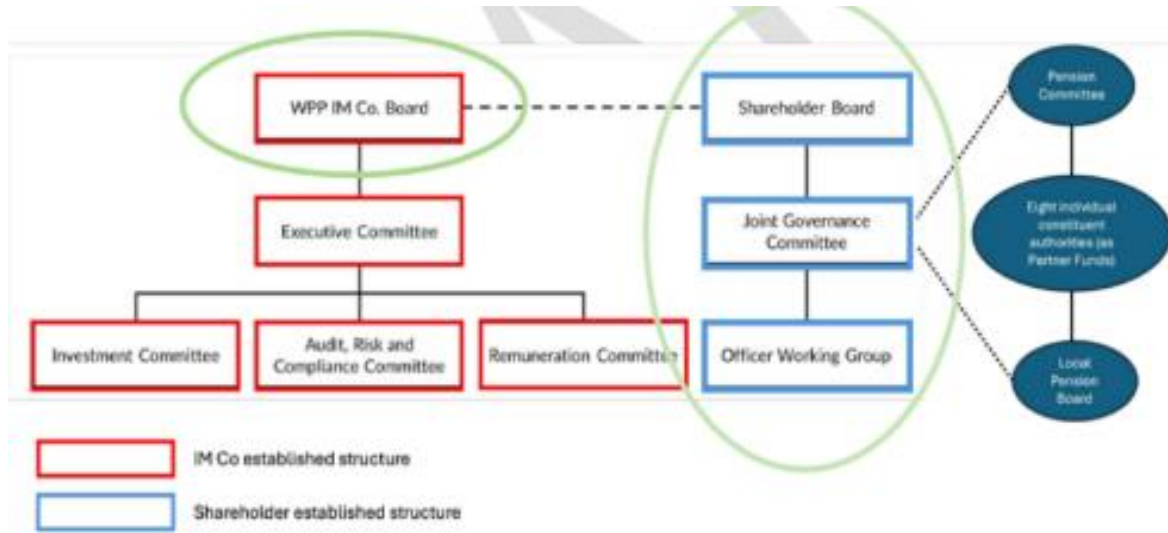
The WPP IM Co will:

- implement all aspects of the Constituent Authorities' investment strategies
- providing investment advice to the Constituent Authorities including strategic asset allocation
- have individual control to make investment decisions and implement an investment strategy
- have a contract with service providers, including Waystone which provides fund operators' services for the Authorised Contractual Scheme of the Partnership (ACS)
- wholly owned by the Partnership's Constituent Authorities

3. GOVERNANCE

The Partnership is responsible for ensuring that its business is conducted in accordance with the regulations and guidelines. It must also be ensured that public money is protected, properly accounted for and used economically, efficiently and effectively to ensure value for money. We also strive for continuous improvement and to comply with industry best practice

The diagram below illustrates the governance structure of the Partnership once the Investment Company is operational:



The Board of Shareholders exists to exercise the rights of the Constituent Authorities as owners of the IM Co (e.g. appointment and removal of senior Directors of IM Co, approval of IM Co budget, approval of remuneration policy, etc.) and will consist of Section 151 Officers or senior LGPS officers from each of the eight Constituent Authorities. The Board of Shareholders is supported by the Joint Governance Committee and the Officers Working Group, which is made up of elected members, representatives of scheme members and representatives of officers from the eight Constituent Authorities. The Constituent Authorities will continue to be involved in all aspects of the Partnership's governance structure. There will also be two representatives of the shareholders on the Board of IM Co.

The Partnership details how it deals with all aspects of Governance through the Inter-Authority Agreement (IAA) which defines the standards, roles and responsibilities of the Constituent Authorities, its Members, Committees and Officers. The Inter-Authority Agreement contains a Delegation Plan which outlines the decision-making process that takes into account the relevant legislation.

A Shareholder Agreement and a Client Services Agreement are also in place. The Shareholders' Agreement details the relationship between the IM Co and the Constituent Authorities, as shareholders, and regulates the operation and management of the Company. The Client Service Agreement details terms and conditions of services to be provided by the IM Co for the Constituent Authorities.

4. WPP IM BUSINESS PLAN Co

The Initial Business Plan at Appendix 1 is the first formal account for the authorities.

The Business Plan was approved by the Joint Governance Committee and the Gwynedd Pension Fund Pensions Committee in March 2026.

The business plan details how the company is going to achieve its eight strategic objectives:

1. Duty of trustees and welfare of members;
2. Implementation of investment;
3. Investment advice;
4. Responsible investment and stewardship;
5. Local and Welsh investment;
6. Governance, accountability and transparency;
7. Regulatory compliance;
8. Develop team and capability.

It sets out the plan of governance and oversight, financial summary, approach to investment management, operations and staffing, risk management and compliance and responsible investment.

5. RECOMMENDATION

To receive and identify the information.