

Wales Pension Partnership (WPP) - JGC Update

JGC meeting date: Wednesday 19 July 2023

Location: Virtual meeting

Chair: Cllr Ted Palmer, Clwyd

Vice Chair: Cllr Elwyn Williams, Dyfed

Agenda item	Detail
Chair / Vice Chair	Cllr Ted Palmer and Cllr Elwyn Williams were appointed as Chair and Vice Chair for 2023/24
Annual Return 2022/23	Anthony Parnell of the Host Authority and Jason Blewitt of Audit Wales presented the 2022/23 Annual Return and Audit letter. The audit is now complete and there were no issues raised.
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 pooling consultation has now been released and the WPP will be providing a pooled response in addition to the individual CAs responses. The consultation will last for a period of 12 weeks, from 11 July 2023 to 2 October 2023. Hymans has drafted a summary of the consultation's main issues, which can be found on the following link: LGPS 60ss - next steps on investments.pdf (hymans.co.uk)</p> <p>Anthony also presented the 2022/23 Business Plan update as at 31 March 2023 (attached).</p>
Risk Register Q2 2023 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 the quarterly review of the document.

	<p>During Q2 2023, a review was undertaken of some of the risks within the Governance and Regulation section of the Risk Register, risks G7 to G14. Another risk has also been added, risk G.15.</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: Climate Policy Voting Policy</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 Climate Risk Policy and Voting Policy.</p> <p>The Climate Risk Policy sets out WPP's approach to addressing the requirements of the Constituent Authorities with regard to climate related risks and the monitoring of these risks. Following this year's review, the policy has been amended to be in keeping with the goals of the Paris agreement (point 28).</p> <p>The WPP voting policy sets out the WPP's policy on proxy voting. This policy has now been updated as an overall Stewardship Policy to better reflect WPP's stewardship (voting and engagement) aims and practices, including the development of an escalation policy, when enhanced engagement has failed. WPP will continue to adopt Robeco's House Voting Policy.</p> <p>Hymans also presented an annual progress update of WPP in relation to Responsible Investment and Climate Risk and the proposed areas for future focus.</p> <p>The updated policies have been approved and these policies have been updated on the WPP website. The progress update has also been uploaded to the website.</p> <p>There were no new policies this quarter.</p>
<p>Operator Update</p>	<p>Link presented their quarterly update report as at 31 March 2023 (attached). This provides an update on WPP's sub funds and corporate and engagement activity.</p>

Performance Reports as at 31 March 2023	Russell Investments presented a Q1 2023 performance summary paper (attached) summarising the performance of each individual ACS sub fund for the quarter ending 31 March 2023.
Exempt Items – the following items were discussed during the non-public part of the meeting.	
Securities Lending Performance Review 2022/23	Stock Lending commenced in March 2020 and Northern Trust presented the Securities Lending Performance Review for the fiscal year 2022/23.
Robeco Engagement Report – Q1 2023	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 Quarter 1 2023. The engagement theme chosen for Q1 2023 was SDG Engagement.
Responsible Investment and Climate Risk reports	Each quarter, Hymans Robertson produce quarterly Responsible Investment & Climate Risk Reports for the WPP’s sub funds. For Quarter 1 2023 (quarter ending 31 March 2023), the Global Growth and Global Opportunities reports were produced. Hymans presented the reports to the JGC members.
Sub fund reviews	Hymans Robertson undertake an annual performance review of a selection of WPP Sub Funds. During 2022/23, reviews were undertaken of the WPP’s UK Opportunities, Global Credit and Global Government Bond Sub Funds. Hymans presented the reports to the JGC members.
Operator Procurement evaluation criteria	The current contract with Link Fund Solutions, WPP’s existing operator comes to an end in December 2024. The procurement process for a new operator has commenced and the WPP are developing the

	<p>procurement documentation, with the Invitation to tender due to be issued mid-October 2023.</p> <p>Hymans Robertson presented the proposed evaluation criteria which was approved by the JGC. The evaluation criteria (attached) is now to be approved by the individual Constituent Authorities.</p>
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Webcast link for the 19 July 2023 JGC meeting below:

[Agenda for Wales Pension Partnership Joint Governance Committee on Wednesday, 19th July, 2023, 10.00 am](#)

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

Next meeting:

- Wednesday 20 September 2023 – Hybrid meeting, hosted by RCT