

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2023-24

PENSION FUND COMMITTEE

**18TH JULY 2023
REPORT OF: THE DEPUTY CHIEF
EXECUTIVE AND GROUP DIRECTOR -
FINANCE, DIGITAL AND FRONTLINE
SERVICES**

AGENDA ITEM NO. 6

**WALES PENSION
PARTNERSHIP - UPDATE**

**Author – Barrie Davies, Deputy Chief Executive and Group Director -
Finance, Digital and Frontline Services (01443) 424026**

1.0 PURPOSE OF REPORT

1.1 This report provides the Committee with an update on the work and progress with regard to the Wales Pension Partnership (WPP) and Joint Governance Committee (JGC).

2.0 RECOMMENDATIONS

2.1 It is recommended that the Committee:

2.1.1 Note the update.

2.1.2 Consider and, if appropriate, approve the WPP Business Plan 2023–2026.

3.0 BACKGROUND

3.1 As the Committee is aware the UK Government's requirement for all pension funds to pool their investments has been progressing in Wales through the WPP.

3.2 The Partnership governance arrangements include a JGC which meets around 4 times a year. Each pension fund in Wales is represented on the JGC by their Chair (or Vice Chair), with the Committee membership also comprising a co-opted (non-voting) scheme member representative.

3.3 The latest meeting of the JGC took place on the 29th March 2023. The agenda can be accessed [here](#), which was shared with all Committee (and board) members before the meeting.

- 3.4 At the next scheduled meeting of the JGC, on 19th July 2023, the following annual policies and papers will be reviewed:
- Annual Return for the year ended 31st March 2023.
 - Approval of the evaluation criteria including weightings for the Operator Procurement.
 - Stock Lending report.
 - Policy Reviews of Climate Risk Policy and Voting policy.
 - Operator update.
 - Performance reports as at 31st March 2023.
 - ESG and Climate Risk reports.

Next Steps / Priorities:

- Development of the Private Markets Sub-Funds.
 - Private Debt and Infrastructure sub funds were launched April and May 2023. Drawdowns are continuing.
 - Launch of the Private equity sub fund.
 - Formulate the WPP's Property requirements.
- The transition for the launch of the Sustainable Equity Fund took place week commencing 20th June 2023.
- Operator contract procurement process.
 - The existing contract comes to an end in December 2024.
 - The procurement process is ongoing.
 - The prior information notice was issued 17th January 2023.
 - A market engagement day took place on the 9th March 2023.
 - A report is scheduled to be presented to the JGC to approve the operator appointment March 2024.
 - Each individual Pension Committee will need to approve the appointment March / April 2024.
- The purchase of Link by Waystone Group has been agreed. Novation agreements have been issued to all parties by Link. Link has provided an estimated date of October 2023 for the FCA approval of the takeover.
- Task Force on Climate-Related Financial Disclosures (TCFD) reporting.

Other Key areas:

- Virtual training sessions continue.
- The website continues to be updated with approved policies, press releases and details of sub-fund launches.

- 3.5 It is recommended that the Committee review and approve the WPP Business Plan 2023-2026 (Appendix 1).

4.0 **CONCLUSION**

- 4.1 This report provides the Committee with an update on the work of the Wales Pension Partnership and the Joint Governance Committee.
