

CYNGOR SIR POWYS COUNTY COUNCIL

**Pensions and Investment Committee
15th July 2022**

REPORT BY: Head of Finance

SUBJECT: Wales Pension Partnership Update

REPORT FOR: Information

1. Introduction

- 1.1 This report has been produced to provide Committee with an update on the work undertaken on behalf of the Wales Pension Partnership (WPP) with pooling investments in Wales.
- 1.2 A meeting of the Joint Governance Committee (JGC) meeting was held virtually on the 23rd of March 2022 and the minutes of the JGC meeting are now available [here](#).
- 1.3 The most recent JGC meeting took place on the 8th of July 2022 and the agenda is available [here](#).

2. Pooling investments in Wales

- 2.1 Work has been continuing (but not exclusively) on the following items:
- Responsible Investment
 - Private Markets
 - Business Plan

2.2 Responsible Investment

The Wales Pension Partnership (WPP) is now a signatory to the UK Stewardship Code.

<https://www.frc.org.uk/investors/uk-stewardship-code/uk-stewardship-code-signatories>

The 2020 UK Stewardship Code sets a high bar for stewardship, a standard to which the WPP sought to meet through its approach to responsible investment.

The WPP report for the year ending 31 March 2021 covered the first step on WPP's journey, a year that put in place solid foundations through the appointment of Robeco as a stewardship provider, the

establishment of a Responsible Investment Sub-Group and began the process of ensuring that policy commitments were implemented. The WPP also worked closely with Link Fund Solutions and Russell Investments during the year to develop and implement an innovative decarbonisation strategy for the Global Opportunities Fund, which is also being considered for other sub-funds.

The WPP remains committed to building understanding of responsible investment practices and evolving its approach appropriately. The WPP has a responsibility to all eight Constituent Authorities within Wales, and the members of their pension schemes, to be effective stewards of their assets, so it is pleasing to see this outcome.

2.3 Private Markets

Officers from the Powys Pension Fund were involved in the group that evaluated and interviewed the candidates for Allocators in respect of Infrastructure and Private Credit.

The appointments of these have now been approved by the JGC and these strategies should therefore be available from 2022/23 for to receive investments from Constituent Authorities.

The appointments are:

- Closed Ended Infrastructure – GCM Grosvenor
- Open Ended Infrastructure – IFM, CBRE and Octopus
- Private Credit – Russell Investments

The procurement for a Private Equity Allocator is in progress and officers from the Powys Pension Fund are involved in evaluating the tenders and interviews. The deadline for submissions was the 22nd June 2022, with the contract award planned for later in 2022.

2.4 Business Plan

In accordance with the Inter Authority Agreement, the approval of the WPP Business Plan, is a reserved matter for each of the eight Constituent Authorities. It is attached as an Appendix for Committee's consideration and approval.

The WPP has produced the draft Business Plan for the three years 2022 – 2025. It was created in consultation with the 8 constituent authorities within Wales and the draft was approved for recommendation at the Constituent Authorities by the JGC.

The Business Plan includes planned work on:

- governance, objectives, beliefs and an overview of the policies
- risk management

- work plan
- training plan
- financial budget
- investments

3 Recommendation

- 3.1 To note the contents of this report and approve the WPP 2022 - 2025 Business Plan.

Recommendation:		Reason for Recommendation:	
1. To note the content of the report and; 2. Approve the Wales Pension Partnership 2022 - 2025 Business Plan		As per the report	
Person(s) To Action Decision:	Pension Fund Manager		
Date By When Decision To Be Actioned:			
Relevant Policy (ies):	N/A		
Within Policy:	N/A	Within Budget:	N/A
Contact Officer Name:	Tel:	Fax:	Email:
Chris Hurst	01597 827640	01597 826290	churst@powys.gov.uk
Relevant Portfolio Member(s):		Councillor David Thomas	
Relevant Local Member(s):			