



Wales Pension Partnership Annual Report 2023/2024



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Introduction

Firstly, please allow me to take this opportunity to thank you for taking the time to read our Annual Report. The report is a useful way of keeping the Wales Pension Partnership (“WPP”) stakeholders, and all other interested parties, up-to-date and informed on the work and activities undertaken by the WPP over the past twelve months.

Before handing over to the Vice-chair of our 2023/24 Joint Governance Committee (“JGC”), Councillor Elwyn Williams, who will be providing you with an overview of some of WPP’s highlights over the past year and plans for the year ahead, I wanted to provide a brief explanation as to what the WPP is, what it does and why it does it.

The WPP is one of eight Local Government Pension Scheme (“LGPS”) Investment Pools. LGPS Investment Pools were created back in 2017 in response to government regulations which required the Local Government Pension Funds in England and Wales to ‘Pool’ their assets in order to deliver greater benefits of scale, cost savings, and other efficiencies.

Prior to the announcement of the Government’s Pooling Regulations, the eight LGPS Funds within Wales, had been collaborating and had already delivered costs savings from a joint collaboration on passive investments. Following the introduction of the new pooling regulations the eight Welsh Constituent Authorities agreed that they would continue and enhance their levels of collaboration. In 2017, the WPP was formally established to facilitate and assist the pooling activities of Wales’s Constituent Authorities. Since 2017, the WPP has enabled the Constituent Authorities to pool around 70% of their assets.

All of the Constituent Authorities participating in the WPP have an equal say in the direction and actions of the pool. They have agreed that the WPP should focus on delivering an investment framework that achieves the best outcomes for its stakeholders, which are ultimately the Constituent Authorities and the underlying members of their pension funds.

All of the Constituent Authorities are involved in all aspects of the WPP and support its work programme. It was agreed that there was a need for a ‘Host Authority’ who would take responsibility for the day to day running of the Pool. Currently this role is being carried out by Carmarthenshire County Council. The Host Authority is responsible for numerous aspects of the WPP’s operations, ranging from the procurement and oversight of WPP’s service providers and advisors to the upkeep of the WPP’s website. The Host relies on the support, input and collaboration of the other seven Constituent Authorities. WPP’s strength and progress stems from the incredible levels of collaboration and trust between the Constituent Authorities, alongside their unrelenting commitment to delivering the best possible outcomes for the WPP stakeholders.

I hope that you will find this report informative and that it gives you a sense of the tremendous progress, achievements to date and benefits delivered by the Welsh Constituent Authorities’ collaboration. Please do feel free to contact us, using the contact details on Page 33, if you have any questions or feedback.

Yours Sincerely,

Chris Moore

Section 151 Officer,

Carmarthenshire County Council



JGC Chair's Statement

Welcome to the 2023/24 WPP Annual Report, which provides you with a review of the work that the WPP has undertaken over the past twelve months and the plan for the year ahead.

Private Market offerings continue to evolve, with the launch of the Private Equity Investment programme in September 2023. With regards to Real Estate, Schroders and CBRE have since been appointed as the Private Real Estate Investment Managers, a core asset class for the eight Welsh Constituent Authorities and these investment programmes are due to launch in 2024/25. I am proud of the progress that has been made again this year with the pool having increased its proportion of pooled assets to c74% and look forward to seeing this increase further in 2024/25. The eight Constituent Authorities continue to work well collaboratively, and I would like to take this opportunity to thank them all for their continued support and contributions.

As you can see from page 28 of the report, Responsible Investment is embedded into all aspects of WPP work and remains a focus within all WPP's Investments, both existing and new. A key focus of our work over the year was the development of new Sub-Funds, including the Sustainable Active Equity Sub-Fund, which was launched in July 2023 with all eight Welsh Funds participating. We are also pleased to have extended our low-carbon overlay to our existing UK Opportunities Sub-Fund.

During 2023/24 the Pool completed its first all-Wales Climate Report, assessing climate exposures across all assets held by the Welsh Funds and officers have now started work on the recommendations that resulted from the report. A follow on 'pool' climate report is planned for completion in 2024/25. I was also pleased that the Pool retained its signatory status of the FRC UK Stewardship Code for the third year in a row. The 2023 report is published on our website.

Policies are a key element of the overall governance structure of the WPP and during 2023/24, a number of WPP policies have been reviewed and updated, including the Stewardship Policy which now includes a set of escalation principles that will govern how the WPP will address unsuccessful engagements. Training also remains a key focus and quarterly training sessions continue to be held virtually, with exceptional attendance across all the eight Constituent Authorities.

In November 2023, following an LGPS consultation, the Government published its response to the future of LGPS Investments, which included its vision for the future on a range of important issues, including pooling. Further guidance is due and the WPP will review and carry out any necessary changes as a result of the guidance received.

Finally, I would like to thank Cllr Ted Palmer for chairing the JGC over the past 12 months and I look forward to taking over this role for 2024/25. I would also like to welcome Cllr Medwyn Hughes as the vice-chair for 2024/25.

We hope you enjoy our Annual Report.

Yours Sincerely,

Councillor Elwyn Williams

Vice-chair of the Wales Pension Partnership Joint Governance Committee 2023/24



About the Wales Pension Partnership

Established in 2017, the WPP is a collaboration of the eight LGPS funds (Constituent Authorities) covering the whole of Wales and is one of eight national Local Government Pension pools.

We have a long, successful history of collaboration, including examples that pre-date the Government's pooling initiative. We are proud of our unique identity as a Pool – our Constituent Authorities represent and span the entirety of Wales. Being democratically accountable means, we provide the best of strong public sector governance and transparency.

Our operating model is designed to be flexible and deliver value for money. We appointed an external fund Operator and make use of external advisers to bring best of breed expertise to support the running of the Pool, this includes Hymans Robertson who have been appointed as the WPP's Oversight Advisor. The Operator is Waystone Management (UK) Limited who has partnered with Russell Investments to deliver effective investment management solutions and provide strong net of fee performance for all the Constituent Authorities. The eight Constituent Authorities of the Wales Pension Partnership are:

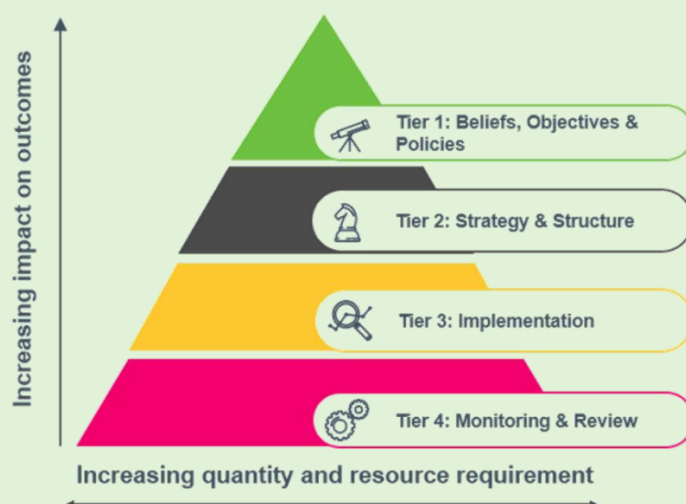
- Carmarthenshire County Council
- City & County of Swansea Council
- City of Cardiff Council
- Flintshire County Council
- Cyngor Gwynedd
- Powys County Council
- Rhondda Cynon Taff County Borough Council
- Torfaen County Borough Council

The eight Constituent Authorities have a shared vision and agreement on the means and pace at which this vision will be achieved. The WPP's Beliefs reflect the collaborative nature and shared values of the Constituent Authorities, they are as follows:

- The WPP's role is to facilitate and provide an investment pooling platform through which the interests of the Constituent Authorities can be implemented.
- Good governance should lead to superior outcomes for the WPP's stakeholders.
- Internal collaboration between the Host and Constituent Authorities is critical to achieving the WPP's objectives. External collaboration is also beneficial in delivering cost savings and better outcomes for stakeholders.
- Responsible Investment and effective Climate Risk mitigation strategies, alongside consideration and evidential management of Environmental, Social and Governance issues should result in better outcomes for the WPP's stakeholders.
- Effective internal and external communication is vital to achieving the WPP's objectives.
- External suppliers can be a cost-effective means of enhancing the WPP's resources, capabilities and expertise.
- Fee and cost transparency will aid decision making and improve stakeholder outcomes.
- Continuous learning, innovation and development helps the WPP and its Constituent Authorities to evolve.

- A flexible approach to the WPP pool structure and implementation methods will enable the WPP pool to adapt in future and continue to meet the needs of its stakeholders.

The WPP's beliefs have been given pride of place at the peak of the WPP's governance framework and have been used to guide all of the WPP's activities and decision making, including its objectives and policies. The WPP's governance framework is outlined below, this framework aims to ensure that key decisions are given priority, and resources are focussed on areas most likely to contribute to the future success of the WPP:



The WPP is proud to represent the eight Constituent Authorities and recognises its duty to ensure the needs and requirements of its stakeholders are met. The WPP, through consultation with all eight Constituent Authorities, has formulated a list of primary objectives which stem from its overarching beliefs. These can be summarised as follows:

- To provide pooling arrangements which allow individual funds to implement their own investment strategies (where practical).
- To achieve material cost savings for participating funds while improving or maintaining investment performance after fees.
- To put in place robust governance arrangements to oversee the Pool's activities.
- To work closely with other pools to explore the benefits that all stakeholders in Wales might obtain from wider pooling solutions or potential direct investments.
- To deliver an investment framework that achieves the best outcomes for its key stakeholders; the Constituent Authorities. The Constituent Authorities will be able to use this framework to deliver the best outcomes for their Scheme Members & Employers.
- To embed the delivery of long-term, sustainable investment outcomes into decision making, through capital allocation, the ongoing scrutiny of asset managers, and the exercise of the rights and responsibilities that arise as asset owners.

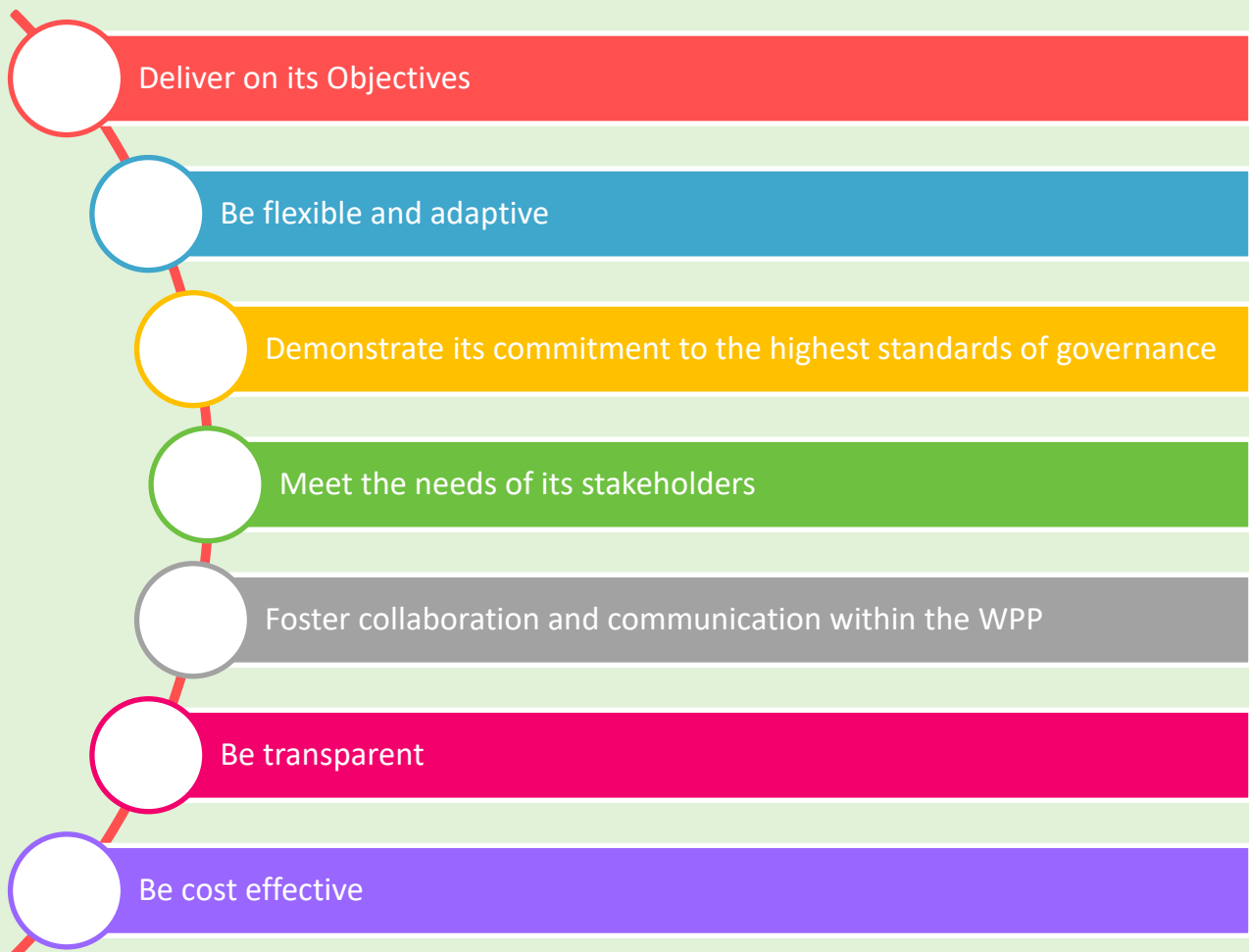
The eight Constituent Authorities recognise that their strength derives from their shared beliefs and their ability to work together to deliver on their unified objectives for the benefit of all WPP stakeholders.

Pool Management

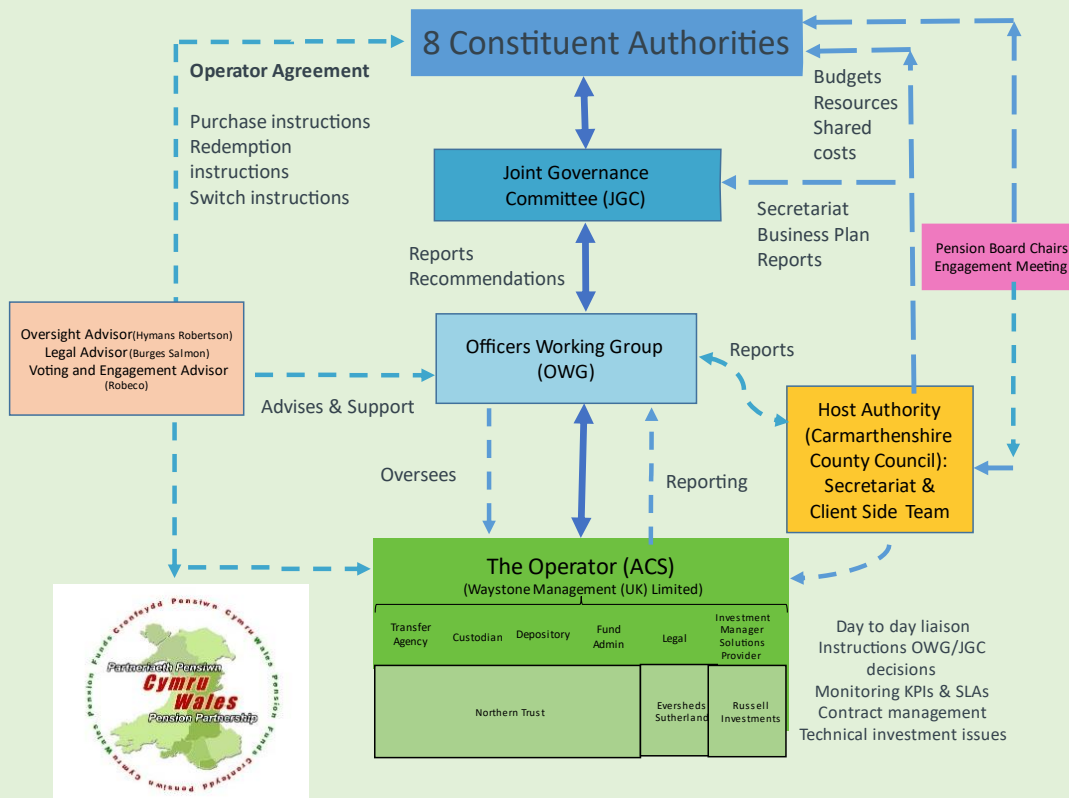
The WPP is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It must also ensure that: public money is safeguarded and properly accounted for; used economically, efficiently and effectively; as well as to secure continuous improvement and delivery in this regard.

The WPP details how it deals with all aspects of Governance through its Inter Authority Agreement (IAA), which defines the standards, roles and responsibilities of the Constituent Authorities, its Members, Committees and Officers. The IAA includes a Scheme of Delegation outlining the decision-making process, taking into account the relevant legislation. The WPP has also developed a Governance Manual which further articulates the WPP's governance arrangements, including its structure, policies and procedures. This is available on the WPP website.

In line with its belief that good governance should lead to superior outcomes for stakeholders, the WPP has put in place a robust governance structure, which has been designed to:



The diagram below provides an illustration of the WPP’s governance structure. The WPP’s Governance Matrix can also be found on our website. It provides a concise overview of the WPP’s governance structure and outlines the internal bodies that are responsible for key decisions and actions carried out by the Partnership.



The Constituent Authorities sit at the top of the WPP’s governance structure. They retain control of all activity carried out by the WPP and remain responsible for approving the WPP’s Business Plan, which outlines the WPP’s budget and workplan, as well as its Beliefs and Objectives. The WPP Business Plan can be found on our website. The Constituent Authorities are heavily involved in all aspects of the WPP’s governance structure, while the WPP’s Joint Governance Committee and Officers Working Group are comprised of representatives from the Constituent Authorities.

The WPP has created a number of committees, groups and roles as part of its governance structure, the creation of which has ensured that the WPP has been able to deliver a robust governance structure to its stakeholders. In particular, the WPP’s governance structure seeks to promote;



A brief introduction to the purpose and membership of the WPP’s committees, group and roles can be found below:

Joint Governance Committee

The Wales Pension Partnership Joint Governance Committee (JGC) was formalised in June 2017 and during 2023/24 the JGC has met four times. The JGC is comprised of one elected member from each of the eight Constituent Authorities and a co-opted (non-voting) scheme member representative. The elected member must be a member of that Constituent Authority and that Constituent Authority's Pension Committee.

The Chair and Vice-chair are rotated on an annual basis. The chair during 2023/24 was Cllr. Ted Palmer – Flintshire County Council (Clwyd Pension Fund) and the vice-chair was Cllr. Elwyn Williams – Carmarthenshire County Council (Dyfed Pension Fund).

The JGC is responsible for overseeing the pooling of the investments of the eight Local Government Pension Scheme funds in Wales. The JGC's full set of responsibilities are set out in Schedule 3 (JGC Matters) and Schedule 4 (JGC Terms of Reference) of the Inter Authority Agreement. The JGC plays a critical role in either approving proposals, policies and activities or putting forward recommendations for Constituent Authority consideration.

Given the importance of the JGC's role within the WPP's Governance Structure it is vital that there is a high level of engagement and attendance amongst Members of the JGC. The exemplary levels of engagement and attendance from the JGC Members to date is not only a reflection of their commitment to pooling and the long-term success of the WPP but also the willingness and desire of the Constituent Authorities to work together.

To aid the levels of engagement and collaboration the Welsh Constituent Authorities have agreed that JGC meetings will be hosted on a rotational basis across all eight Constituent Authorities. During 2023/24 four JGC meetings were held with a combination of virtual and hybrid meetings. The JGC dates, venues and attendance for 2023/24 are summarised in the table below:

JGC Date:	Venue	JGC Members / Substitute Members in attendance:
19 July 2023	Virtual via Zoom	7 funds represented, apologies received from Gwynedd
20 September 2023	Hybrid, hosted by RCT	All 8 funds represented
13 December 2023	Virtual via Zoom	All 8 funds represented
13 March 2024	Hybrid, hosted by Powys	All 8 funds represented

These meetings are also attended by WPP's external advisors and other service providers, as and when required. The WPP prides itself on being open and transparent and this is evidenced by the fact that JGCs are publicly webcasted, while agendas and minutes are also made publicly available on Carmarthenshire County Council's website.

Officers Working Group

The WPP's Officers Working Group (OWG) was established with the purpose of providing support and advice to the Joint Governance Committee. The group met four times during 2023/24.

The OWG is comprised of practitioners and Section 151 officers from all eight Constituent Authorities. The Chair of the OWG is Chris Moore, Section 151 Officer of Carmarthenshire County Council (Host Authority). OWG meetings are a blend of virtual and in person meetings which are held in Cardiff with two virtual meetings and two in person meeting being held during 2023/24.

The OWG, in a similar fashion to the JGC, has a stellar track record in terms of engagement and attendance. There is at least one representative from each Constituent Authority in attendance at all OWG meetings and it is common to see both the Section 151 Officer and Practitioner from all eight Constituent Authorities in attendance.

The WPP's providers and external advisors also attend OWG meetings and provide support or advice when required. At present the WPP's Operator, Oversight Advisor and Investment Management Solutions Provider attend all OWG meetings. Other parties such as LAPFF, bfinance and Audit Wales representatives are also invited to attend OWG when required.

In addition to the OWG meetings, members of the OWG participate in 2-hour virtual meetings on a fortnightly basis. These virtual meetings are used to deal with any matters that arise in between formal OWG meetings, they are also used to progress work between OWG meetings. These fortnightly calls are an invaluable mechanism for progressing work and fostering collaboration between the Constituent Authorities and the WPP's suppliers.

The WPP has also established a number of 'sub-groups', these sub-groups are generally formulated to progress or develop certain elements of the WPP's workplan. All of the sub-groups are made up from a sub-section of the OWG and are responsible for formally reporting back to the entire OWG. Example of WPP sub-groups include;

- The Private Market Sub-Group – which is responsible for formulating and developing the WPP's Private Market Sub-Funds.
- The Risk Register Sub-Group – which is responsible for maintaining the WPP Risk Register and reporting back any changes or developments to the OWG and JGC on a quarterly basis.
- The Responsible Investment Sub-Group – which is responsible for overseeing all Responsible Investment matters within the WPP, including policy development and reviews, external reporting, and scrutiny / oversight.

Host Authority

Carmarthenshire County Council has been appointed as the Host Authority for the Wales Pension Partnership. The Host Authority is responsible for providing administrative and secretarial support to the JGC and OWG, and liaising day to day with the Operator on behalf of all of the LGPS funds in Wales. The role of the Host Authority is set out in Section 6 of the IAA.

The Host Authority's role is critical to the effectiveness and efficiency of the WPP, it is responsible for the day to day management of the Pool and takes ownership of managing and progressing the WPP's activities and endeavours. The size and nature of the Pool means that the Host Authority is responsible for a broad, and ever changing, range of activities and responsibilities, including organising and facilitating WPP training sessions to formulating and submitting the WPP's 'Pooling Update' submissions to the Ministry of Housing, Communities and Local Government (MHCLG).

The Host Authority is the main point of contact for all WPP related questions and is also tasked with maintaining the WPP's communication methods (e.g., Website and LinkedIn). The Host Authority has a substantial internal team from which it can utilise resources and expertise to help it meet its responsibilities. The core members of the Host Authority team are Chris Moore, Anthony Parnell and Tracey Williams.

Monitoring Officer

The Monitoring Officer Role is currently carried out within the Host Authority (Carmarthenshire County Council). The Monitoring Officer is responsible for maintaining the IAA to ensure that it reflects up to date legislative requirements and the WPP's Governance needs and is also responsible for ensuring that the provisions are fully complied with at all levels. The Monitoring Officer attends all JGC meetings.

The Monitoring Officer is well placed to play a proactive role in supporting Members and Officers in both formal and informal settings to comply with the law and with the WPP's own procedures. As the Head of Service with ultimate responsibility for the Democratic Services Unit, the Monitoring Officer is also responsible for the formal recording and publication of the democratic decision-making process.

The Monitoring Officer works closely with the Section 151 Officer in accordance with the provisions of the Local Government and Housing Act 1989 and reports to the Joint Governance Committee if he/she considers that any proposal will give rise to unlawfulness.

Section 151 Officer

Carmarthenshire County Council's Director of Corporate Services is the responsible officer for the administration of the WPP's affairs under Section 151 of the Local Government Act 1972 and carries overall responsibility for the financial administration of the WPP.

Waystone Management (UK) Ltd (The Operator)

The WPP has designed an operating model which is flexible and able to deliver value for money. Waystone Management (UK) Limited (Waystone) has been appointed as the external Operator and, with the support of Russell Investments, they deliver effective investment management solutions and provide strong net of fee performance for all the Constituent Authorities.

There is an Operator Agreement in place with Waystone which sets out the contractual duties of the Operator and governs the relationship between the Operator and the WPP. The JGC and OWG, with the support of its Oversight Advisor, oversee the work that Waystone carries out on behalf of the WPP. The WPP's Operator Engagement Protocols have also been put in place to ensure that there is sufficient levels of direct engagement between the Operator and the individual Constituent Authorities.

Waystone carry out a broad range services for the WPP, these include:

- Facilitating Investment Vehicles & Sub-Funds
- Performance reporting
- Transition implementation
- Manager monitoring and fee negotiations
- Risk reporting
- Class Actions monitoring



Russell Investments (Investment Management Solutions Provider)

In collaboration with Waystone, Russell Investments provides investment manager solution services to the WPP. Alongside Waystone, they work in consultation with WPP's eight Constituent Authorities to establish investment vehicles. Russell's remit includes advising Waystone and WPP on efficiencies around portfolio construction which includes manager selection. Waystone continues to work with Russell Investments, where applicable, to further reduce WPP's costs through multi-manager structures, currency managements solutions, portfolio overlays, transition management and other execution services



Hymans Robertson (The Oversight Advisor)

Hymans Robertson has been appointed as the Oversight Advisors for the WPP. Hymans Robertson's role spans oversight and advice on governance arrangements, operator services, strategic investment aspects and project management support. They attend all OWG and JGC meetings.



Burges Salmon (Legal Advisor)

Burges Salmon provides Legal advice, as and when required. Burges Salmon's remit requires them to provide expertise in FCA regulated funds, tax, public sector procurement and local government. In addition, Burges Salmon also advises on governance arrangements, building complex procurement specifications, advising on the procurement process and evaluation criteria. They also support WPP in finalising legal agreements and formulating FCA prospectus applications.



Northern Trust (The Custodian)

Northern Trust provides services including securities lending, fund administration, compliance monitoring and reporting for the Wales Pension Partnership.



Robeco UK (Proxy Voting & Engagement Provider)

Robeco UK has been appointed as the WPP's Voting and Engagement provider and assists the WPP in formulating and maintaining Voting Policy and Engagement Principles that are in keeping with the Welsh Constituent Authorities' membership of the Local Authority Pension Fund Forum ('LAPFF'). Furthermore, Robeco takes responsibility for implementing the Voting Policy across WPP.



Risks

The Wales Pension Partnership ('WPP') recognises that it faces numerous risks which, if left unmanaged, can limit the WPP's ability to meet its objectives and to act in the best interest of its stakeholders and beneficiaries. However, the WPP also understands that some risks cannot be fully mitigated and that in these instances' risks need to be embraced through active and effective management.

Risk management is a critical element of the WPP's commitment to good governance, the WPP has developed a structured, extensive and robust risk strategy. This strategy will be embedded into the WPP's governance framework to ensure better decision-making, improved outcomes for stakeholders and greater efficiency.

The WPP's risk strategy seeks to identify and measure key risks and ensure that suitable controls and governance procedures are in place to manage these risks. The WPP believes that risks are fluid in nature and that the severity and probability of risks can change rapidly and without fair warning. To reflect this belief, the WPP's Risk Policy has been developed in such a way that risks can be anticipated and dealt with in a swift, effective manner to minimise potential loss or harm to the WPP and its stakeholders. The Risk Policy outlines how we identify, manage and monitor risks.

In addition, we have developed a risk register to monitor and manage potential risks and a dedicated Risk Sub-Group (made up of Officers from the Constituent Authorities and WPP's Oversight Advisor, Hymans Robertson) has been established to maintain and evaluate the WPP's Risk Register on a quarterly basis.

To deliver on its objectives, the WPP needs to carry out activities or seize opportunities that subject it to risk. The extent to which the WPP is able to effectively balance risk and return will depend on the success of its Risk Policy. It is critical that prior to making decisions the WPP understands the associated risks and considers the means by which these risks could be managed. Effective identification, understanding, management and monitoring of risks will allow the WPP to:



The greatest risk to the WPP’s continued operation is its ability to deliver on its primary objectives. The WPP Business Plan is an additional means through which the WPP will give special recognition to risks that pose a material threat to the delivery of its objectives and the actions required to manage these risks.

A detailed management strategy and action plan is in place to manage risks. One of the risks that was considered significant last year, Risk G.12, ‘The WPP’s Operator fails to deliver on its contractual obligations or stops providing Operator services due to exiting the market or regulatory restrictions’, is no longer considered as significant due to the satisfactory conclusion of the Link sale to Waystone.

At present, WPP’s most significant risks (risks with a risk score of 10 or more and where the current risk score exceeds the target risk score) are:

- WPP Sub-Funds failure to achieve their long term targeted investment returns (Risk I.1)
- Difference of opinion / or views within the WPP cannot be reconciled (Risk G.9)
- The WPP is not prepared for the outcomes of any consultation or regulatory change (Risk G.15), new risk added during 2023/24

During the course of the next twelve months the WPP will prioritise the management of these risks with the aim of reducing the possibility of these risks occurring and the impact that they can have on the WPP. The table below summarises how these risks are currently managed and outlines what actions will be completed during the next 12 months.

Risk:	Current Management Strategy:	Action for the next 12 months:
WPP Sub-Funds failure to achieve their long term targeted investment returns	<ul style="list-style-type: none"> • Ongoing monitoring of investment performance, market developments and economic outlook reported by the Investment Manager and the Operator and discussed at OWG meetings • The Operator/ the Investment Manager engagement with Investment Managers and ongoing reviews of their process • Triennial sub-fund benchmarking • Quarterly reporting on climate & ESG risks • An 'ACS responsibilities matrix' which formalises targeted & benchmark returns, along with other aspects of sub-fund management is in place • Manager days hosted by the Operator/ the Investment Manager for OWG/Constituent Authorities Pension Fund Committees 	<ul style="list-style-type: none"> • Continue to monitor the progress of the risk controls that are currently in place • Consider any further mitigations that need to be planned or implemented
Difference of opinion / or views within the WPP cannot be reconciled	<ul style="list-style-type: none"> • High levels of communication between decision makers (and Constituent Authorities) • Codified set of agreed/ united WPP objectives and beliefs • Regular scheduled meetings, and ad hoc meetings if required, to facilitate the sharing and reconciliation of views (for example, via Responsible investment sub-group meetings) • Oversight Advisor in place to provide advice on governance structure • Engagement with relevant bodies on good governance guidance and best practice • Ongoing review of governance structure • Democratic decision-making process in place • Clear escalation process in place for obtain consent if mutual agreement cannot be reached 	<p>The WPP is aware that Climate Risk and Responsible Investment is an area which continues to be constantly and quickly evolving and that the requirements/ needs of the Constituent Authorities are consequently changing significantly and frequently. The WPP is continually trying to reduce the probability of this risk occurring by increasing its levels of consultation with the Constituent Authorities, however it is expected that there will be further scenarios that may test this risk so the risk score will stay as 15 until these can be 'tested' against the current controls.</p>

<p>The WPP is not prepared for the outcomes of any consultation or regulatory change</p>	<ul style="list-style-type: none"> • Respond to consultations, seeking advice where required • Consider possible consultation outcomes and undertake preparatory actions • Maintain engagement with key individuals and organisations to ensure early notification of any change • Maintain engagement with the Welsh Government, especially around consultations on pooling and associated mechanisms 	<ul style="list-style-type: none"> • WPP responded to the Government consultation on the future of LGPS Investments on 2 November 2023 • The Government published their response to the future of LGPS Investments on 23 November 2023. This confirmed its vision for the future on a range of important issues • It is expected that the Government will issue the regulations in 2024. • The risk rating will be monitored and discussed on a regular basis. Further actions will depend on the regulations and the outcomes of any future consultations which may have an impact on WPP.
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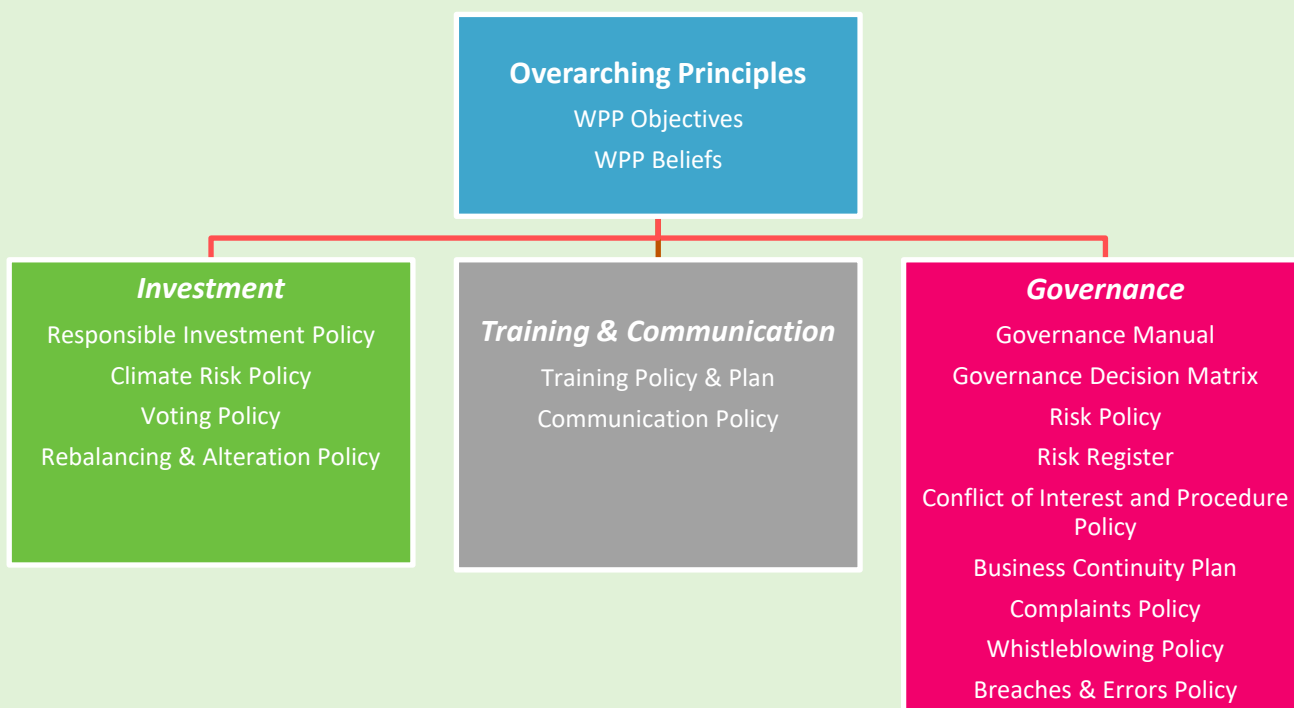
The WPP Risk Policy and Risk Register are both publicly available on the WPP's website.

Policies and Processes

The WPP believes that good governance should lead to superior outcomes for WPP’s stakeholders. In recognition of this belief, the WPP has devoted resources to developing a robust and extensive governance structure and framework. A key part of WPP’s governance structure is focused on developing policies and procedures, in consultation with the Constituent Authorities. In all instances the WPP’s policies and procedures have been developed to either complement or subsidise the existing procedures and policies of the Constituent Authorities. The WPP understands the importance of formulating and codifying its policies and procedures. This process allows the WPP, and the Constituent Authorities, to:



The WPP’s key policies, registers and plans are listed below and can be found on the WPP website. The policies and procedures are reviewed on a regular basis and the WPP will continually assess whether any additional policies, registers or plans are required.

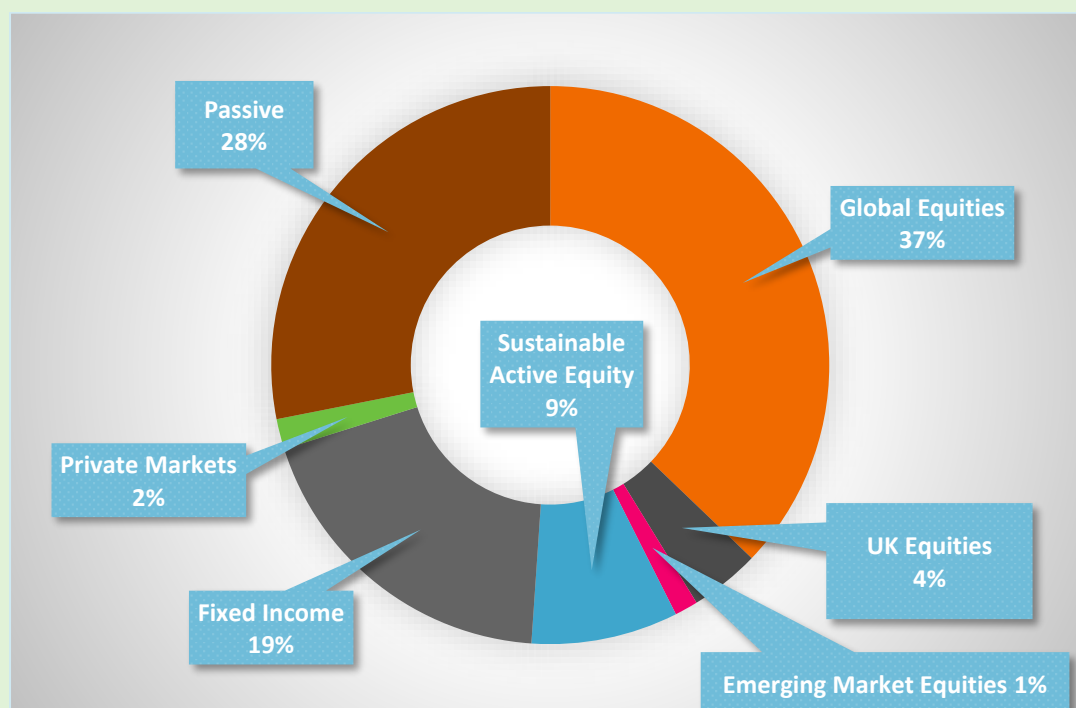


Pooling Progress

The WPP aims to deliver investment solutions that allow the Constituent Authorities to implement their own investment strategies with material cost savings while continuing to deliver investment performance to their stakeholders. Significant progress has been made since 2017 with c74% of assets under pool management as at 31 March 2024, see table below.

% of assets under pool management			
31 March 2018	21%	31 March 2022	72%
31 March 2019	44%	31 March 2023	70%
31 March 2020	47%	31 March 2024	74%
31 March 2021	68%		

This 74% has been invested in a range of asset classes, see pie chart below:



More details regarding the Investments can be found in on page 24 (Investments and Performance section).

It is pleasing to see that all eight of the Constituent Authorities have made use of at least one of the sub-funds with all eight investing in the new Sustainable Active Equity fund. The pooling progress to date has ensured that the WPP has been able to provide significant benefits of scale to the Constituent Authorities via cost savings and improved value for money. See page 27 for more detail.

WPP will continue to consult with CAs to review and develop a mechanism to pool any suitable non-pooled assets.

Statement of Accounts and Financial Performance

BUDGET

The following table shows the WPP's actual expenditure during 2023/24 compared with the approved budget for the year, detailing any variances. The Budget was approved by the Joint Governance Committee at the Joint Governance Committee meeting on 29 March 2023 and subsequently by all eight Constituent Authorities.

Wales Pension Partnership 2023/24	Budget (£)	Actual (£)	Variance (£)
Gross Expenditure			
Employee costs ¹	90,000	68,510	21,490
Host Authority costs ²	25,000	20,165	4,835
Host Authority Support Services ³	85,427	85,427	0
Total Host Authority Gross Expenditure ⁴	200,427	174,102	26,325
External Consultants ⁵	1,447,500	1,631,481	(183,981)
Total Gross Expenditure	1,647,927	1,805,583	(157,656)

Notes:

1. This includes staff employed to work solely on the WPP. The Budget includes a Senior Financial Services Officer (1fte) and an Assistant Accountant (1fte for 6 months)
2. These costs include staff travelling expenses, subsistence and meeting expenses, admin, office and operational consumables, website (development and ongoing costs), audit fees and translation services
3. These are central recharges from the Host Authority and includes costs apportioned for the Section 151 Officer, Monitoring Officer, Treasury & Pension Investments Manager, Democratic Services Officer and also Premises and HR support
4. The total Host Authority expenditure is funded equally by all eight Pension Funds and are recharged on an annual basis
5. External Consultants include Investment & Legal Consultants, these costs are also funded by all eight Pension Funds

There was an overspend of £158k for the year, which was mainly due to:

- Employee costs – Assistant Accountant not appointed
- Host Authority costs – staff travelling less than anticipated
- External Consultants – work completed by external consultants more than anticipated.

COMPREHENSIVE INCOME AND EXPENDITURE STATEMENT (CIES)

This Comprehensive Income and Expenditure Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices.

2022/23 (£)	Description	2023/24 (£)
	Expenditure	
67,728	Employee costs	68,510
18,189	Host Authority costs	20,165
1,097,165	External Advisor costs *	1,631,481
81,360	Host Authority Support Service costs	85,427
1,264,442	Total Operating Expenditure	1,805,583
	Income	
(1,264,442)	Constituent Authority Recharges **	(1,805,583)
(1,264,442)	Total Operating Income	(1,805,583)
0	Total Comprehensive Income and Expenditure	0

* The budget for External Advisor costs increased in 2023/24

** These costs are funded equally by all eight LGPS Funds and are recharged on an annual basis.

BALANCE SHEET

The Balance Sheet shows the assets and liabilities of the WPP as at 31 March 2024.

31st March 2023 (£)	Description	31st March 2024 (£)
	Current Assets	
729,575	Short Term Debtors	944,947
729,575	Total Current Assets	944,947
	Current Liabilities	
(588,239)	Cash and Cash Equivalents	(819,845)
(141,336)	Short Term Creditors	(125,102)
(729,575)	Total Current Liabilities	(944,947)
0	Total Net Assets	0

CASH FLOW STATEMENT

The Cash Flow Statement shows the changes in cash and cash equivalents of the WPP during the reporting period.

2022/23 (£)	Description	2023/24 (£)
	Cashflow from operating activities	
0	Net (surplus) / deficit on the provision of services	0
	Adjustments for:	
(228,259)	(Increase) in trade and other debtors	(215,372)
(42,874)	Increase in trade and other creditors	(16,234)
(271,132)	Net Cash from operating activities	(231,606)
	Net (Increase) / Decrease in cash and cash equivalents	
(317,106)	Cash & Cash Equivalents as at 1 April	(588,238)
(588,238)	Cash & Cash equivalents as at 31 March	(819,845)
(271,132)	Cash and cash equivalents as at 31 March	(231,606)

NOTES TO THE ACCOUNTS

Statement of Accounting Policies

General

The Statement of Accounts summarises the transactions of the Wales Pension Partnership (WPP) for the 2023/24 financial year and its position at the year ended 31 March 2024. The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Going Concern

The Financial Statements have been prepared on a going concern basis.

Accruals of Income and Expenditure

Financial Statements have been prepared under the Accruals concept of accounting which requires that both income and expenditure must be recognised in the accounting periods to which they relate rather than on a cash basis.

Cash and Cash Equivalents

The WPP itself does not operate or control its own individual bank account. Carmarthenshire County Council in its role as the Host Authority administers all cash and cash equivalent transactions on behalf of the WPP.

Provisions, Contingent Assets and Liabilities

The WPP have not recognised any provisions, contingent assets or contingent liabilities in the accounts.

Value Added Tax (VAT)

Transactions are shown net of VAT, all VAT is accounted for by Carmarthenshire County Council.

Employee Benefits

Direct employees supporting the activities of the WPP are contractually employed by Carmarthenshire County Council, with additional support being provided by Carmarthenshire on a recharge methodology. Employee remuneration costs will be disclosed within the Financial Statements of Carmarthenshire County Council.

Investments

No investments are held directly with the WPP. The sub funds opened as part of the pooling arrangement sit within the financial statements of the respective pension funds. The Operator costs and other fees relating to these investments are shared between the eight LGPS Funds based on their individual percentage share of WPP assets and are deducted directly from the Net Asset Value (NAV). These are not cash transactions.

Short Term Debtors

2022/23 (£)	Description	2023/24 (£)
728,639	Constituent Authorities	942,666
936	Prepayments	2,281
729,575	Total Short-Term Debtors	944,947

Short Term Creditors

2022/23 (£)	Description	2023/24 (£)
30,878	Trade Creditors	0
110,458	Accruals	125,102
141,336	Total Short-Term Creditors	125,102

Audit Costs

In 2023/24 the WPP incurred the following fees relating to financial audit and inspection, payable to the Wales Audit Office.

2022/23 (£)	Description	2023/24 (£)
5,918	Audit Fees	6,297
5,918	Total External Audit Fees	6,297

Related Party Transactions

WPP is required to disclose material transactions between partners, bodies, individuals or related parties, that could potentially influence the decisions of the JGC or be influenced by the JGC. The WPP has arrangements in place requesting members and Officers to identify and disclose related party transactions. These interests are declared and assessed at the start of each JGC meeting.

Any transactions between parties outlined above will require disclosure to allow the users of these financial statements to assess the extent to which the JGC's independence could potentially be impaired or influenced by another party's ability to transact with the Committee.

During 2023/24 Carmarthenshire County Council, as Host Authority for the WPP raised debtor invoices to all eight LGPS pension funds to recover the running costs of the WPP, as detailed in the CIES. The tables below show the total value of transactions raised during 2023/24 and the debtor balances outstanding as at 31 March 2024.

2022/23 (£)	Description	2023/24 (£)
158,055	Cardiff & Vale of Glamorgan Pension Fund	225,698
158,055	Clwyd Pension Fund	225,698
158,055	Dyfed Pension Fund	225,698
158,055	Gwynedd Pension Fund	225,698
158,055	Powys Pension Fund	225,698
158,055	Rhondda Cynon Taf (RCT) Pension Fund	225,698
158,055	City and County of Swansea Pension Fund	225,698
158,055	Greater Gwent (Torfaen) Pension Fund	225,698
1,264,442*	Total Related Party Transactions	1,805,583*

* Rounding

2022/23 (£)	Description	2023/24 (£)
103,893	Cardiff & Vale of Glamorgan Pension Fund	134,667
103,893	Clwyd Pension Fund	134,667
103,893	Gwynedd Pension Fund	134,667
103,893	Powys Pension Fund	134,667
103,893	Rhondda Cynon Taf (RCT) Pension Fund	134,667
103,893	City and County of Swansea Pension Fund	134,667
103,893	Greater Gwent (Torfaen) Pension Fund	134,667
727,251*	Related Party Transactions outstanding at year end	942,666*

* Rounding

Carmarthenshire County Council charged the WPP for administration and support services during 2023/24. Invoices have also been received from Cyngor Gwynedd for services they have provided in the form of translation services. The table below shows the value of these services and the creditor balances outstanding as at 31 March 2024.

Related Party Transactions - Creditors	Value of services provided during 2023/24 £	Balance outstanding as at 31 March 2024 £
Carmarthenshire County Council	157,112	0
Cyngor Gwynedd	5,952	1,336
Total	163,064	1,336

The Director of Corporate Services and the Monitoring Officer are both Senior Officers within Carmarthenshire County Council.

Prior Period Adjustment

No Prior Period adjustments were made during the financial year 2023/24.

Investments and Performance

The WPP's Constituent Authorities have total assets of circa £25bn (as at 31 March 2024), £18.5bn of which are invested in WPP's existing sub-funds, outlined in the table below.

Sub Fund	Asset Value *	Managed by	Performance Benchmark	Participating Funds **	Underlying Investment Managers
Global Growth	£3.586 bn	Waystone Management (UK) Limited	MSCI ACWI ND	Cardiff 5% Dyfed 32% Gwynedd 12% Powys 2% RCT 49%	Baillie Gifford, Veritas and Pzena
Global Opportunities	£3.286 bn	Russell Investments	MSCI ACWI ND	Cardiff 16% Gwynedd 13% RCT 15% Swansea 36% Torfaen 20%	Morgan Stanley, Numeric, Sanders, Jacobs Levy, SW Mitchell, Nissay, Intermede and Oaktree
UK Opportunities	£0.744 bn	Russell Investments	FTSE All Share	Cardiff 23% Torfaen 77%	Baillie Gifford, Ninety-One, J O Hambro, Liontrust and Fidelity
Emerging Markets	£0.259 bn	Russell Investments	MSCI Emerging Markets	Cardiff 44% Gwynedd 23% Powys 6% Torfaen 27%	Artisan, Bin Yuan, Barrow Hanley, Axiom, Numeric and Oaktree
Sustainable Active Equity	£1.570 bn	Russell Investments	MSCI ACWI ND	Cardiff 9% Clwyd 22% Dyfed 12% Gwynedd 20% Powys 5% RCT 7% Swansea 14% Torfaen 11%	Sparinvest, Mirova, Neuberger Berman, Wellington and Artemis
Global Credit	£1.034 bn	Russell Investments	Bloomberg Barclays Global Aggregate Credit Index (GBP Hedged)	Cardiff 20% Dyfed 31% Gwynedd 21% Powys 3% Torfaen 25%	Western, Metlife, Fidelity and Robeco
Global Government	£0.489 bn	Russell Investments	FTSE World Government Bond Index	Cardiff 48% Torfaen 52%	Bluebay and Colchester
Multi-Asset Credit	£0.732 bn	Russell Investments	3 Month GBP SONIA plus 4%	Cardiff 21% Clwyd 35% Gwynedd 30% Powys 5% Swansea 9%	ICG, Man GLG, BlueBay, Barings and Voya
UK Credit Fund	£0.708 bn	Waystone Management (UK) Limited	ICE BofA ML Eur-Stg plus 0.65%	RCT 100%	Fidelity

Absolute Return Bond Fund	£0.573 bn	Russell Investments	3 month GBP SONIA plus 2%	Gwynedd 72% Powys 12% Swansea 16%	Wellington, Aegon and Insight
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* Asset Under Management (AUM) value as at 31 March 2024

** % holdings as at 31 March 2024

Investment Performance

	WPP 12-month performance to the 31 March 2024 (Net of Fees)			
	Inception Date	Fund %	Benchmark %	Relative %
Equity sub-funds				
Global Growth	February 2019	15.81	20.60	(4.79)
Global Opportunities	February 2019	19.94	20.60	(0.66)
UK Opportunities	October 2019	10.10	8.43	1.67
Emerging Markets	October 2021	3.92	7.44	(3.52)
Sustainable Active Equity *	June 2023	14.95	19.09	(4.14)
Fixed Income sub-funds				
UK Credit	August 2020	7.64	6.78	0.86
Global Government Bond	August 2020	1.53	2.05	(0.52)
Global Credit	August 2020	4.69	4.87	(0.18)
Multi-Asset Credit Fund	August 2020	10.21	9.35 [^]	
Absolute Return Bond	September 2020	6.76	7.26 [^]	

Source: Northern Trust report as at 31 March 2024

* Launched June 2023 data since inception

[^] These represent the performance targets of the Multi-Asset Credit and Absolute Return Bond Funds

The table above represents sub funds over the past 12 months which is considered too short a period over which to evaluate investment performance. Longer term investment performance is the priority, and this is monitored and evaluated to ensure the ongoing suitability of all sub funds.

The equity rally towards the end of 2023 continued into 2024 propelling benchmark indices in the US, Europe to record highs. Investors were buoyed by better than anticipated earnings and expectations that central bank interest rate rises were approaching their peak. However, renewed banking sector turmoil and tightening credit conditions among lenders weighed on risk appetite. In Europe, government bonds weakened in January 2024 following indications from the European Central Bank that interest rate cuts would be implemented in the summer rather than the spring of 2024. However, lower inflation boosted expectations of earlier rate cuts, triggering a fall in bond yields. Against this uncertain background, the majority of the equity funds under performed their benchmark, with the exception of UK equity fund which rallied slightly towards the end of 2023 on reports of easing UK inflation. Fixed income assets were volatile over the 12 month period, but the majority of the funds ended the period up amongst evidence of falling inflation and with data pointing to a resilient economy.

The Officers Working Group receives quarterly, six monthly and annual performance reports. The Group reviews and challenges the performance of Investment Managers on behalf of the WPP. The Constituent Authorities also carry out their own analysis of WPP's investment performance at a local level, this will include manager attendance at Pension Committees. Furthermore, the Investment Managers of the Sub-Funds hold quarterly investors calls where members of the OWG are able to challenge the Investment Manager and the underlying Managers.

During 2023/24, the WPP launched the Private Debt, Infrastructure and Private Equity Investment programmes, with the Real Estate Investment programmes due to be launched in 2024/25. The draw down value of the Private Market Investment programmes as at 31 March 2024 was £297m, further funds will be transitioned into these programmes in 2024/25.

Private Market Investment Programmes	Participating Constituent Authorities	Draw down value as at 31 March 2024
Private Debt	Cardiff, Clwyd, Dyfed, Gwynedd, Powys, Swansea and Torfaen	£0.064 bn
Infrastructure – closed ended	Clwyd, Dyfed, Gwynedd, Powys, RCT, Swansea and Torfaen	£0.119 bn
Infrastructure – open ended	Cardiff, Gwynedd, Powys, Swansea and Torfaen	£0.067 bn
Private Equity	Cardiff, Clwyd, Gwynedd, Powys and Swansea	£0.047 bn
Total		£0.297 bn

In addition to the sub-funds and Investment programmes outlined above, the WPP's Constituent Authorities also hold passive investments with BlackRock Asset Management. The Constituent Authorities' passive investments are effectively within the Pool but are held by the respective WPP Authorities in the form of insurance policies. The passive investments are as follows:

Constituent Authority	Asset Value as at 31/3/24	% of each Constituent Authorities' assets
Cardiff & Vale of Glamorgan	£0.735 bn	25%
Dyfed	£1.095 bn	32%
Gwynedd	£0.470 bn	15%
Powys	£0.229 bn	28%
RCT	£0.818 bn	17%
Swansea	£0.729 bn	22%
Greater Gwent (Torfaen)	£1.124 bn	27%
Total	£5.200 bn	

The OWG is always looking at ways to develop investment performance monitoring mechanisms with a key focus on ESG and Climate Risk metrics. Hymans Robertson produce quarterly Climate Risk and ESG reports for the equity and fixed income sub funds which draw on third party climate and ESG data. This allows the RI Working Group to scrutinise present portfolio positioning, benchmark portfolios against index comparators and determine the actions that need to be taken. These reports are presented to the OWG and JGC on a quarterly basis.

Pooling Costs and Fee Savings

There are various costs associated with pooling; there are transition costs which are one-off costs that occur at the point when the funds are transitioned into the sub-funds and there are also annual running costs. The transition costs for the sub funds which have been pooled as at 31 March 2024 are shown in the table below:

Sub-Funds	Explicit * £000's	Implicit ** £000's	Total Transition Costs £000's	Year charge occurred
Global Equities	2,197	15,009	17,206	2018/19
UK Equities	1,080	3,580	4,660	2019/20
Fixed Income	817	7,566	8,383	2020/21
Sustainable Active Equity	1,068	820	1,888	2023/24

* Explicit costs include transition manager fees, trading commissions and taxes.

** Implicit costs include opportunity costs and market impact.

The total annual running costs for 2023/24 equates to £5,822k which includes the host authority and external provider costs.

Through pooling and economies of scale, lower Investment Management fees have resulted in cost savings for Constituent Authorities. The table below illustrates the annual cost savings for WPP's Global Equity Sub-Funds, UK Opportunities Equity Sub-Fund, Emerging Markets Sub-Fund and the Fixed Income Sub-Funds:

	Asset Value as at 31/3/24 £000's	Gross Annual Savings * £000's	Savings as a % of Asset Value
Global Equities	8,442,563	10,107	0.12%
UK Equities	743,530	700	0.09%
Emerging Markets	259,410	638	0.25%
Fixed Income	3,535,739	133	< 0.01%
Total	12,981,242	11,578	0.09%

* Please note that Gross figures do not include the transition and running costs

The data above shows that although there are high initial costs for transitioning individual fund's assets into the pool, the annual savings far outweighs the annual running costs, £5,756k (£11,578k less £5,822k) in 2023/24 (excluding transition costs).

Passive Investments, as detailed on page 26 also provides a total fee saving of c£2m per annum.

Responsible Investment

Responsible investment (RI) – alongside consideration and evidential management of Environmental, Social and Governance (ESG) issues – has been a key priority for the WPP since we were established in 2017. Various activities have been carried out over the year to embed RI practices in all that we do, which we believe will result in better outcomes for the Pool's stakeholders.

The Pool completed its first all-Wales Climate Report (AWCR), looking at how the underlying Welsh Funds have progressed in terms of climate between 2019 and 2022. Work has already begun on a number of the recommendations that resulted from the report, including: the establishment of a WPP Climate Framework; a 'climate-focus' list for enhanced scrutiny of issuers within materially impacted sectors; and a follow-up climate report, covering the Pool, which is planned for completion during 2024. We were pleased that the Pool retained its signatory status of the FRC UK Stewardship Code for the third year in a row, with our fourth submission taking place at the end of October 2024.

The WPP RI Sub-Group was established in 2020, in order to support the development and implementation of the WPP's overall RI activity and policies. Over the reporting period, the RI Sub-Group carried out various activities and discussions, including:

- Formulating an annual WPP RI workplan that allows the WPP to progress its RI objectives, including training needs
- Working with WPP's appointed investment managers, Voting & Engagement (V&E) provider, advisers and other service providers to ensure that WPP's RI, Stewardship and Climate policies are effectively implemented
- Reviewing our RI, Stewardship and Climate policies – with input from our service providers – to ensure they continue to meet the Pool's needs
- Reviewing WPP's policy on securities lending
- Monitoring RI activity, including ESG metrics and V&E reporting, and challenging where necessary
- Considering market and regulatory developments to ensure that WPP can take evolving best practice into account, as well as responding to relevant government consultations
- Discussions on climate goals, including decarbonisation objectives
- Discussions on relevant ESG themes, including feeding into the engagement-theme selection process of WPP's V&E Provider. Themes discussed included: human rights; sovereign engagement; marine biodiversity; hazardous chemicals
- The development of a set of escalation principles, in collaboration with WPP's investments managers and V&E Provider
- Representing the WPP on RI matters, including acting as a spokesperson in external forums and in discussion with non-profit organisations, such as Friends of the Earth Cymru and Size of Wales

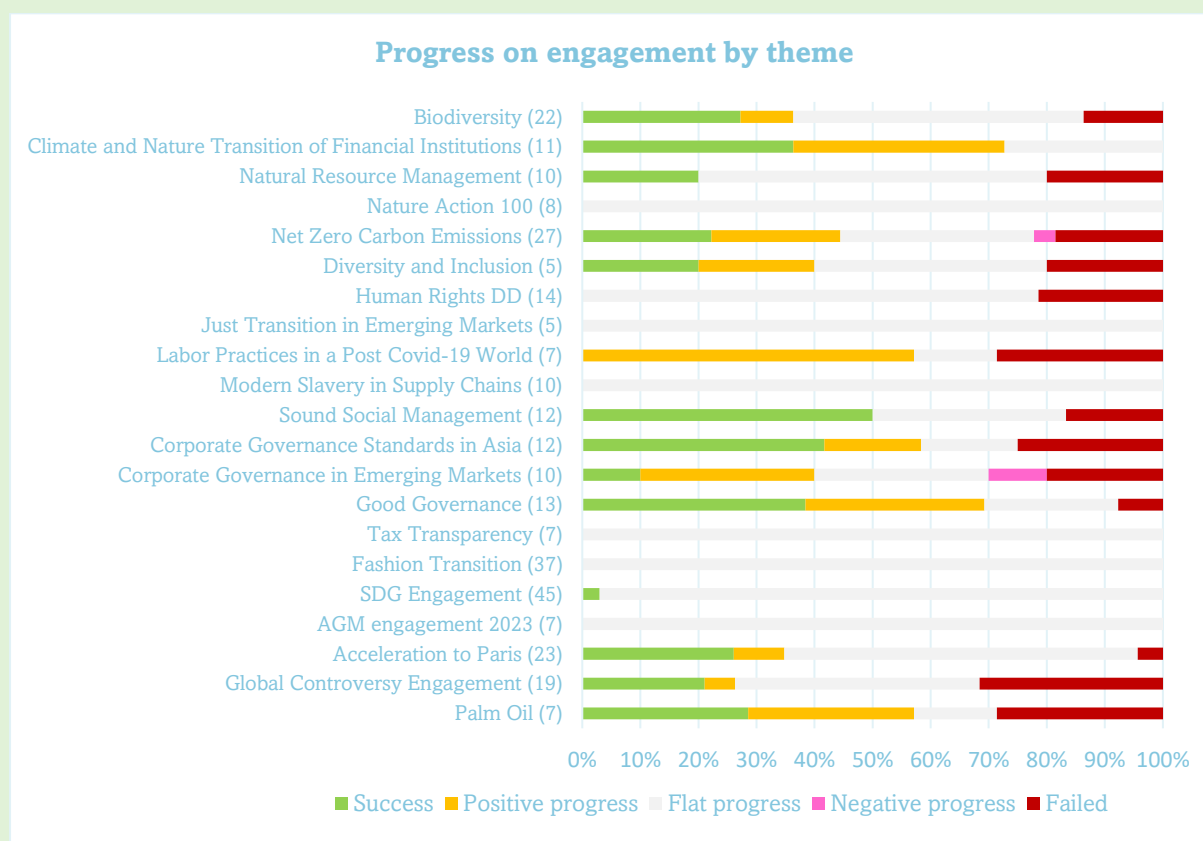
Significant work was carried out in the development of new investment vehicles for WPP, including the Sustainable Active Equity Sub-Fund, which launched over the year. RI remains a focus within all of WPP's investments, where appropriate. For example, work was initiated on the sustainable evolution of WPP's fixed-income Sub-Funds and on the Pool's passive-equity allocations.

As part of its commitment to stewardship, Robeco continued to provide the WPP’s V&E function, implementing voting across WPP’s active equity portfolio, while also carrying out engagement activity across all the Pool’s active Sub-Funds, as well as the BlackRock passive funds. Over 2023/24, WPP cast over 15,000 votes at over 1,200 meetings across its equity Sub-Funds. Below is a summary of WPP’s voting activity over the year:

Voting activity	2023/24
Number of meetings	1,255
Number of agenda items voted	15,045
With management	13,200
Against management	2,323
Meetings with at least one vote against management	56%

Source: Robeco

The WPP maintains a number of stewardship themes: (a) sustainable governance; (b) responsible workforce management; and (c) the transition to net zero. This allows scrutiny and reporting to be focused, allowing for greater collaboration across WPP’s partners (including the Local Authority Pension Fund Forum). The table below is a summary of WPP’s engagement activity, through Robeco, over the year:



Further information on WPP’s V&E activity, including details on WPP’s stewardship themes and stewardship framework, can be found in our annual Stewardship Code Report, which is published on our website.

Communications & Engagement

The WPP has a communication policy in place which sets out how the WPP will carry out its internal and external communication strategies. WPP recognises that failure to communicate effectively poses a material risk to the WPP and the best interests of the WPP’s stakeholders, the consequences of which may include miscommunication, poor decision making and delayed timescales.

The WPP believes in being open and transparent as well as regularly engaging with its key stakeholders. As such, the WPP ensures that the Joint Governance Committee meetings are accessible to the public via a live webcast stream and meeting papers are made publicly available. Regular Local Pension Board Chairs engagement meetings are also being held as a means of fostering stakeholder engagement. During the year, we continued to deliver against our engagement protocols which ensures the continued engagement and collaboration amongst the WPP’s Constituent Authorities and providers, this is carried out via the following engagement mechanisms:

Engagement mechanisms	Frequency
Strategic Relationship Review meeting	Bi-Annual
JGC Engagement	Quarterly
Manager Performance Meetings/ Calls	Quarterly
Training Events	Quarterly
OWG Engagement	Quarterly
Bi-Weekly Meetings	Every 2 Weeks
Pension Fund Committees	Annual
Manager Engagement Days	Annual
Member Communications	Annual
Pension Board Chairs Engagement	Bi-Annual
Engagement via the website & LinkedIn	Continuous

These engagements are carried out via a blend of in person, virtual and hybrid meetings.

The WPP website is regularly updated and remains an excellent tool to: learn and understand more about the pool; keep track of our recent activities; and discover our policies, procedures and governance arrangements. The website can be found here: <https://www.walespensionpartnership.org/>

WPP also has a LinkedIn page which is regularly updated:
<https://www.linkedin.com/company/wales-pension-partnership-wpp/>

The WPP will continue to review and develop its communication and engagement methods.

Training

The WPP has a training policy which sets out the WPP's approach to training and requirements. The policy outlines the strategy that WPP has put in place to ensure that its personnel and decision makers have the required knowledge base to fulfil their roles and make decisions that will deliver the best possible outcomes for the WPP's stakeholders. WPP's training policy and annual training plans are designed to supplement existing Constituent Authority training, it is not intended to replace or override the need for and importance of local level training. Local level training needs will continue to be addressed by the Constituent Authorities while the WPP will offer training that is relevant to the WPP's pooling activities.

During 2023/24, the WPP continued to hold its training sessions virtually with four training events being held over the year. They were open to Constituent Authority Pension Committee and Pension Board members, as well as Officers and JGC members, with excellent attendance at all sessions. The topics covered during 2023/24 were:

- Private Market Asset Classes – Private Equity / Property
- Levelling up / development opportunities
- TCFD Reporting
- Performance Reporting
- RI - Voting & Engagement
- RI within the WPP sub funds
- Progress of other LGPS Pools & Collaboration Opportunities
- Pooling Guidance

In December 2023 a training requirements questionnaire/ assessment was issued to all JGC members and Officers. The topics outlined below are based on current WPP topical priorities and from an analysis of the WPP training requirements questionnaire/ assessment responses.

During 2024/25 the WPP will facilitate training on the following topics:

- Product Knowledge and Cyber Security
 - WPP Pooled Investments
 - Overview of cyber security and consideration for WPP
- Policies
 - Responsible Investment Policy
 - Climate Risk Policy
 - Stewardship Policy
- Responsible Investment (RI)
 - Net Zero journey planning
 - Climate Metrics
- Market Understanding & Regulatory Requirements
 - Progress of other LGPS pools & Collaboration Opportunities
 - Any new regulatory / guidance developments

The Training Policy and full WPP Training Plan for 2024/25 can be found on the WPP website.

Conclusion

As you can see the WPP has had another very productive year. We would like to thank all of the WPP's Personnel, the Constituent Authorities, advisors and providers who have made this possible. The Officers Working Group and Joint Governance Committee also deserve a special mention for their work and support throughout the year.

Whilst it is important to recognise the achievements of the last 12 months our focus has already shifted to the 12 months ahead. The work due to be carried out over the next 12 months, will see the WPP continue to develop further as a Pool so that it can continue to meet and facilitate the interests and needs of the Constituent Authorities.

A workplan of the areas that WPP will focus on during 2024/25 has been developed and forms part of our 2024-2027 business plan which is available on our website.

Particular highlights over the next year will include:



We hope you enjoyed this year's Annual Report, and we look forward to being able to provide you with a further update next year. Further information on the WPP and ongoing updates on the WPP's progress can be found on the website and LinkedIn page.

Contact Details

If you require further information about anything in or related to this business plan,

please contact the Wales Pension Partnership:

Postal Address - Wales Pension Partnership

Carmarthenshire County Council

Treasury & Pension Investments Section

County Hall

Carmarthen

SA31 1JP

E-mail - WalesPensionPartnership@carmarthenshire.gov.uk

Further information on the WPP and ongoing updates on the WPP's progress can be found on the website and LinkedIn page.

The website and LinkedIn page can be found here:

<https://www.walespensionpartnership.org/>

<https://www.linkedin.com/company/wales-pension-partnership-wpp/>

