

## CLWYD PENSION FUND COMMITTEE

<b>Date of Meeting</b>	Wednesday, 20 March 2024
<b>Report Subject</b>	WPP Draft Business Plan 2024/25 to 2026/27
<b>Report Author</b>	Deputy Head of Clwyd Pension Fund

### EXECUTIVE SUMMARY

The Wales Pension Partnership (WPP) Joint Governance Committee (JGC) held on 13 March 2024 included an agenda item to consider and recommend to the eight Constituent Authorities, the WPP Business Plan 2024/25 to 2026/27.

In accordance with the Inter Authority Agreement the approval of the WPP Business Plan, which includes the strategic objectives and budget, is a reserved matter for the Constituent Authorities.

The draft WPP Business Plan which was presented to the JGC is attached. As this was considered after the writing of this report to the Clwyd Pension Fund Committee meeting, any changes requested by the JGC will be provided verbally at the Committee for consideration.

The WPP Business Plan and budget is constantly monitored by the Officer Working Group (OWG) as well as being updated each year.

### RECOMMENDATIONS

1	To receive an update on the approval of the draft WPP Business Plan at the JGC on 13 March 2024.
2	Noting any changes in 1 above, that the Committee approve the attached draft WPP Business Plan 2024/25 to 2026/27, including the WPP objectives and budget.

## REPORT DETAILS

1.00	<b>Review of the WPP Business Plan</b>
1.01	The draft WPP Business Plan for the three years commencing 2024/25 is attached as Appendix 1. The draft WPP's Business Plan was discussed at the WPP JGC on 13 March 2024. Any changes agreed by the JGC to this draft will be provided verbally to the Clwyd Pension Fund Committee.
1.02	The WPP Business Plan includes <ul style="list-style-type: none"><li>• about the WPP and governance</li><li>• risk management</li><li>• objectives, beliefs and an overview of the policies, (all of which are unchanged from previous years) and</li><li>• work plan</li><li>• training plan</li><li>• financial budget</li><li>• investments and performance.</li></ul>
1.03	Approval of the WPP Business Plan, including the strategic objectives and budget within it, is a reserved matter and requires approval by all eight of the Constituent Authorities. The draft Business Plan was developed in consultation with officers from the eight Constituent Authorities (Officer Working Group) and the WPP Oversight Advisor.
1.04	The main items of interest for the Clwyd Pension Fund contained within the work plan for 2024/25 are: <ul style="list-style-type: none"><li>• The procurement of the oversight advisor.</li><li>• The procurement of the voting &amp; engagement services provider.</li><li>• The availability of Property as an asset class for the first time in 2024/25.</li><li>• Consideration of Levelling up / Impact opportunities.</li><li>• Consideration of Local Investment opportunities.</li><li>• Development &amp; Implementation of Private Market reporting.</li><li>• Ongoing engagement with Constituent Authorities relating to ESG/RI standards and their climate ambitions.</li><li>• Consultation with Constituent Authorities on further Sub-Funds</li></ul> <p>The Committee will continue to receive regular updates on progress against the work plan including the opportunity to provide comments and feedback to the WPP. The Head and Deputy Head of the Clwyd Pension Fund will continue to participate and represent the interests of the Clwyd Pension Fund on the Officer Working Group, Procurement sub-group, Risk sub-group, Responsible Investment sub- group and Private Markets sub-group. This is outlined in the Clwyd Pension Fund Business Plan.</p> <p>Committee and Board members are encouraged to attend the training events available to them within the WPP training plan throughout 2024/25, and these sessions will be incorporated into the Fund's training plan.</p>
1.05	The WPP budget, on page 13 of the Business Plan, excluding operator and allocator services has decreased slightly from £1.648m in 2023/24 to

	<p>£1.642m in 2024/25. The total fees will be shared equally between the eight Pension Funds.</p> <p>Fees due to the operator and allocator services are increasing as more assets are transferred into WPP and are allocated between the Pension Funds dependent on the individual assets under management. The overall budget for operator and allocator services increased from £37.257m in 2023/24 to £47.740m in 2024/25.</p> <p>Furthermore, should it transpire that additional expenditure exceeding 30% of the agreed 2024/25 WPP budget is required, then this is also a reserved matter that will be brought back to the Constituent Authorities.</p>
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	<p>The costs of resources required for delivering the WPP Business Plan are included in the budget section of the WPP Business Plan.</p> <p>A proportion of the costs from the WPP budget is included in the Clwyd Pension Fund budget (within the Business Plan which is a separate agenda item at this Committee).</p> <p>There is considerable time allocated by the Head &amp; Deputy of the Clwyd Pension Fund in delivering and monitoring the WPP Business Plan which is not recognised in the Fund's budget.</p>

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	The WPP Inter Authority Agreement requires all eight Constituent Authorities to approve the WPP Business Plan.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	<p>The key risks are considered as part of the business planning process and articulated within the draft WPP Business Plan. The separate report on Clwyd Pension Fund's Business Plan also highlights the following risks for the Fund:</p> <ul style="list-style-type: none"> <li>• that WPP do not provide CPF with portfolios to deliver the Investment Strategy and</li> <li>• that WPP do not provide CPF with the tools to enable implementation of its RI policies.</li> </ul>

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 – WPP Business Plan 2024/25 to 2026/27

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>WPP Inter Authority Agreement</p> <p><b>Contact Officer:</b> Debbie Fielder, Deputy Head of Clwyd Pension Fund  <b>Telephone:</b> 01352 702259  <b>E-mail:</b> <a href="mailto:debbie.a.fielder@Flintshire.gov.uk">debbie.a.fielder@Flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p>(a) <b>The Fund – Clwyd Pension Fund</b> – The Pension Fund managed by Flintshire County Council for local authority employees in the region and employees of other employers with links to local government in the region</p> <p>(b) <b>Administering authority or scheme manager</b> – Flintshire County Council is the Administering Authority and scheme manager for the Clwyd Pension Fund, which means it is responsible for the management and stewardship of the Fund.</p> <p>(c) <b>The Committee</b> – Clwyd Pension Fund Committee – the Flintshire County Council committee responsible for the majority of decisions relating to the management of the Clwyd Pension Fund</p> <p>(d) <b>LGPS</b> – Local Government Pension Scheme – the national scheme, which Clwyd Pension Fund is part of</p> <p>(e) <b>Inter Authority Agreement (IAA)</b> – the governance agreement between the eight Wales pension funds for purposes of pooling</p> <p>(f) <b>Wales Pension Partnership (WPP)</b> – the name agreed by the eight Wales pension funds for the Wales Pool of investments</p> <p>(g) <b>The Operator</b> – an entity regulated by the FCA which provides both the infrastructure to enable the pooling of assets and fund management advice. For the Wales Pension Partnership, the appointed Operator is Link Fund Solutions Ltd</p>