

Mr Richard McDonagh
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Our Ref: PS/PM

Your Ref:

Direct Line: 0151 242 1390

Please ask for: Peter Mawdsley

Date: 19 June 2009

APPENDIX 2

Dear Richard,

LOCAL GOVERNMENT PENSION SCHEME - GOVERNANCE COMPLIANCE

I refer to the letter dated 13 May 2009 from Terry Crossley, concerning stakeholders' participation and active involvement in the governance of the LGPS.

The Merseyside Pension Fund administered by Wirral Council is supportive of the Department's aim to extend further the existing high levels of member and non-elected stakeholders' participation and active involvement in the governance of the Scheme.

The Fund has already confirmed that it believes that it complies fully with all of the best practice principles on scheme governance issued by the Department last year.

I am pleased to be able to report that the Fund achieved fourth place in the 2009 review of UK major occupational pension funds carried out by FairPensions a registered charity supported by a number of leading registered charities and trade unions. Having regard to its policy and practice on responsible investment and transparency the Merseyside Fund achieved the highest ranking of any of the local authority funds in England and Wales.

The Fund will regularly review its Governance arrangements and Communications Policy including its website to seek to improve stakeholder involvement. It may be the case however that the Department may need to take further legislative steps to force the very small number of Funds that have so far failed to do so to comply with aspects of the best practice guidelines.

Please do not hesitate to contact me if you require any further information or assistance.

Yours sincerely

Director of Finance