



## Pensions Committee

<b>Date:</b>	<b>Monday, 4 July 2016</b>
<b>Time:</b>	<b>6.00 pm</b>
<b>Venue:</b>	Committee Room 1 - Wallasey Town Hall

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## AGENDA

### 1. MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Members of the Committee are asked to declare any disclosable pecuniary and non pecuniary interests, in connection with any item(s) on the agenda and state the nature of the interest.

### 2. MINUTES (Pages 1 - 8)

To approve the accuracy of the minutes of the meeting held on 21 March, 2016.

### 3. LGPS UPDATE (Pages 9 - 14)

### 4. BUDGET FINANCIAL YEAR 2016/17, BUDGET OUT-TURN 2015/16 AND ANNUAL REPORT 2015/16 (Pages 15 - 22)

### 5. TREASURY MANAGEMENT ANNUAL REPORT 2015/16 (Pages 23 - 26)

### 6. INVESTMENT PERFORMANCE (Pages 27 - 30)

### 7. LGC INVESTMENT SUMMIT (Pages 31 - 38)

### 8. PLSA ANNUAL CONFERENCE (Pages 39 - 56)

### 9. LAPFF CONFERENCE (Pages 57 - 60)

### 10. PENSION BOARD MINUTES 14/04/2016 (Pages 61 - 66)

- 11. LOCAL INVESTMENT UPDATE (Pages 67 - 70)**
- 12. POOLING UPDATE (Pages 71 - 76)**
- 13. IMWP MINUTES 19/04/16 & 09/06/2016 (Pages 77 - 80)**
- 14. EXEMPT INFORMATION - EXCLUSION OF MEMBERS OF THE PUBLIC**

The following items contain exempt information.

RECOMMENDATION: That, under section 100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information as defined by paragraph 3 of Part I of Schedule 12A (as amended) to that Act. The Public Interest test has been applied and favours exclusion.

- 15. LOCAL INVESTMENT UPDATE (Pages 81 - 102)**
- 16. POOLING UPDATE (Pages 103 - 134)**
- 17. IMWP MINUTES 19/04/16 & 09/06/2016 (Pages 135 - 144)**
- 18. ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR**

# Public Document Pack Agenda Item 2

## PENSIONS COMMITTEE

Monday, 21 March 2016

<u>Present:</u>	Councillor	P Doughty (Chair)
	Councillors	AR McLachlan G Davies T Johnson B Kenny
		G Watt K Hodson C Povall P Cleary
	Councillors	P Lappin, Sefton Council P Cleary, Unison (Active Member) B Ellis, Unison (Former member)

### 69 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Members were asked if they had any pecuniary or non-pecuniary interests in connection with any application on the agenda and, if so, to declare them and state the nature of the interest.

Councillor Paul Doughty declared a pecuniary interest by virtue of his wife being a member of Merseyside Pension Fund.

Councillor Paulette Lappin declared a pecuniary interest by virtue of being a member of Merseyside Pension Fund.

Councillor Geoffrey Watt declared a pecuniary interest by virtue of a relative being a member of Merseyside Pension Fund.

Councillor George Davies declared a pecuniary interest by virtue of his wife being a member of Merseyside Pension Fund.

### 70 MINUTES

**Resolved – That the accuracy of the Minutes of the Pensions Committee held on 25 January, 2016 be approved as a correct record.**

### 71 AUDIT PLAN 2015/16

Fiona Blatcher, Associate Director, Grant Thornton UK, attended the meeting and presented the Audit Plan for Merseyside Local Government Pension Scheme Year ended 31 March 2016.

**Resolved – That;**

**1. Grant Thornton be thanked for their work on the Audit Report.**

## **2. the Audit Plan be noted.**

### **72 LGPS UPDATE**

A report of the Director of Transformation and Resources raised awareness of a further government consultation on public sector exit payments and other forthcoming consultations

The report also informed members on the Fund communications relating to the ending of contracting out as a consequence of the closure of the State Second Pension.

On 5 February 2016, the government had launched a further consultation on public sector exit payments as originally announced in the 2015 Spending Review. This consultation had a 12 week timeframe and would close on 3 May 2016.

The purpose of the consultation was to seek views on options to make public sector exit compensation “fairer, more modern and more consistent with the proposals” as detailed in the report.

Yvonne Caddock, Principal Pension Officer, informed the Committee that officers would keep members informed of developments with regard to the consultation and the impact on the scheme provisions dealing with access to unreduced early retirement pensions.

Members were also informed that the Fund would be writing to all contributing members with a template letter provided by the Local Government Association. This template letter would meet the statutory disclosure requirements and raise awareness of the 50/50 section of the LGPS should the rise in NI contributions place the member into financial difficulty. It was hoped that raising awareness of the 50/50 section would offer an alternative to members other than ‘opting out’ of future pension saving.

The letter would be posted to a contributing member’s last known postal address, for arrival in early April, and would also be used as another means of communicating the availability of the Fund’s online ‘MyPension’ service, encouraging members to register in advance of the production of this year’s Annual Benefit Statements.

**Resolved – That the report be noted.**

### **73 POOLING CONSULTATION**

The Pensions Committee considered a report of the Strategic Director Transformation and Resources that provided Members with details of the Fund’s initial submission to Government in relation to the ongoing consultation in relation to the requirement for the Local Government Pension Scheme to pool investments to deliver significantly reduced costs while maintaining overall investment performance.

The report also sought Members' approval for officers to continue to develop proposals for pooling in consultation with the Chair and for the draft final response to be brought to Committee in June 2016. The Chair informed members that the Fund had met with mainly Northern based Funds and were forging links with Greater Manchester and West Yorkshire Funds.

The Fund's response to the consultation on the LGPS Investment Regulations was appended to the report.

A report to November 2015 and January 2016 Pensions Committees had set out the background to the Government's proposals for pooling of LGPS investments to create up to six British Wealth Funds, each with at least £25bn of assets and the criteria by which those proposals will be assessed by Government.

Funds had been required to submit initial proposals to Government by 19 February 2016. Submissions included a commitment to pooling and a description of progress towards formalising their arrangements with other authorities. Authorities could choose whether to make individual or joint submissions at the first stage.

It was further reported that refined and completed submissions were required by Government by 15 July 2016 which should fully address the criteria set out by Government (and set out in the report of 24 January 2016 to this Committee) and provide any further information that would be helpful in evaluating the proposals. Officers intended to bring a draft final proposal to the Pensions Committee in June 2016.

**Resolved – That**

- 1. the Head of the Pension Fund and officers be thanked for their hard work.**
- 2. the report be noted.**
- 3. officers be authorised to continue developing pooling options.**
- 4. it be noted that future papers for the Committee provide further information on likely costs/benefits and any material costs incurred in working up proposals. Any final decision would be subject to Committee approval.**

**74 PROPERTY VALUER CONTRACT**

A report of the Strategic Director Transformation and Resources informed Members of the appointment of Savills (UK) Ltd with respect to the mandate as Independent Property Valuer to Merseyside Pension Fund. The mandate was for an initial term of five years with the option for up to a further five years to be reviewed on an annual basis.

The appendix to the report contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972, i.e. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

The contract for Independent Property Valuer had last been awarded in 2010 in respect of Merseyside Pension Fund's property portfolio, which had ended with the last valuation on 31 December 2015. Consequently, a procurement exercise had been instigated in the summer to retender the contract. The tender exercise had been conducted in house between the Corporate Procurement Department and Officers of the Fund.

**Resolved - That the appointment of Savills (UK) Ltd in respect of Independent Property Valuer for a period of five years with up to a further five years to be reviewed annually, subject to satisfactory reviews, be noted.**

75      **CARBON RISK - CLIMATE RISK OPTIONS**

A report of the Director of Strategic Director of Transformation and Resources indicated that there were investment actions in line with a decarbonisation approach that may be suitable for the Merseyside Pension Fund to further explore.

A global context of concerted policy action to limit warming to two degrees Celsius above baseline provided a strong impetus for this; guidance from established partners suggested a strategic framework in which decarbonisation and other investment actions may be planned and evaluated.

Pensions Committee had considered the investment implications of climate change at its meeting on 16th November 2015, in particular the view of the imminent COP21 round of climate talks in Paris and growing calls from civil society groups for divestment from fossil fuels companies. Members had noted that Merseyside Pension Fund addressed these implications through its responsible investment strategy and that further investigation of alternative approaches to addressing climate risk was merited. In particular, Members had requested that a subsequent report be brought, exploring options in this regard.

IIGCC, Climate Change Investment Solutions: A Guide for Asset Owners was attached as an appendix to the report.

**Resolved – That;**

- 1. Owen Thorne, Investment Officer, be thanked for his work in this area.**
- 2. Regular updates on progress be brought to the Investment Monitoring Working Party meeting.**
- 3. an initial decarbonisation plan for Merseyside Pension Fund be progressed, to encompass carbon-footprinting of listed equities and reduction of exposure in the passive equities portfolio.**
- 4. a strategic review be initiated, along the lines set out in the IIGCC Investment Solutions: Asset Owner Guide, with an updated policy statement on climate change be included in the forthcoming Investment Strategy Statement.**

76      **TUNSGATE QUARTER UPDATE**

A report of the Director of Transformation and Resources recommended approval for the second phase of the development of the Tunsgate Centre as set out in the report from CBRE.

An exempt report on the agenda, report of CBRE, contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972, i.e. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

On 15 January 2013, Committee had given approval for an extensive redevelopment of Tunsgate Square in accordance with a detailed proposal from the Fund's property advisors, and authorised officers to undertake the implementation of that proposal in conjunction with CBRE.

It was reported that good progress had been made in preparing the design works, achieving the necessary planning approvals, procurements and all the other prerequisites for construction works to begin. CBRE continued to work closely with the developers in managing the project and a status report had been prepared by them (attached to the report) that made recommendations in terms of the key future actions required to take the scheme forward to full implementation.

Members were informed that arrangements were being made for the developers to attend a future Investment Monitoring Working Party to provide members with a further update on plans and progress.

**Resolved – That the recommendations from CBRE as set out in the exempt report be approved.**

## 77 LGPS TRUSTEES CONFERENCE

A report of the Director of Transformation and Resources requested nominations to attend the thirteenth Annual LGPS Trustees' conference organised by the Local Government Pensions Committee from 23 to 24 June 2016.

The LGPC trustees' conferences were specifically aimed at elected members with responsibility for the Local Government Pension Scheme but were open to officers and other scheme member representatives who support pensions committees or hold pension fund investment or administration responsibilities. It was also of interest to local pension board members.

The programme for this year's conference "In at the deep end" had yet to be finalised but was likely to include pooling of investments. Likely topics to be included were outlined in the report. The Chair noted that this conference was close to the date set for the Referendum.

**Resolved – That members wishing to attend the LGPC trustees' conference contact the Head of the Pension Fund's office.**

## 78 PLSA LOCAL AUTHORITY CONFERENCE

A report of the Strategic Director Transformation and Resources requested nominations for members to attend the Pensions & Lifetime Savings (PLSA) (formerly

NAPF)) Local Authority Conference 2016 to be held in Gloucester from 16 May to 18 May 2016.

The PLSA Local Authority Conference was a specialist pension event for Local Authorities, designed to look at the ever-changing Local Government Pension Scheme.

This year's conference would focus on efficiency, transparency and collaboration: the major themes shaping the modern LGPS. The programme would cover many of the challenges associated with the day job but pooling was clearly at the top of the agenda and there would be a number of sessions focusing on how to get pooling right. The Chair noted that the Conference dates would clash with those set for Annual Council.

A draft agenda was attached as an appendix to the report.

**Resolved - That members consider if they wish to attend the LGPC trustees' conference and if so contact the Head of the Pension Fund's office.**

**79 PENSION BOARD MINUTES 14/07/15 & 13/10/15**

A report provided members with the minutes of the Pension Board held on 14 July 2015 and 13 October 2015 for information.

The Pension Board was established in 2015 in accordance with section 5 of the Public Service Pensions Act 2013 to assist the Administering Authority in its role as a scheme manager of the Scheme.

The Pension Board provided reports to the Administering Authority on its activities and, as a part of that reporting, the minutes of its meetings were shared with Pensions Committee.

**Resolved – That the minutes of the Pension Board held on 14 July 2015 and 13 October 2015 be noted.**

**80 IMWP MINUTES 10/03/16**

A report of the Strategic Director Transformation and Resources provided Members with the minutes of the Investment Monitoring Working Party held on 10 March 2016.

The appendix to the report contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of Local Government Act 1972 i.e. information relating to the financial or business affairs of any particular person (including the authority holding that information).

**Resolved – That, subject to the addition of apologies for Councillor Cherry Povall, the minutes of the Investment Monitoring Working Party held on 10 March 2016 be noted.**

**81 GRWP MINUTES 28/01/16**

A report of the Strategic Director Transformation and Resources provided members with the minutes of the Governance & Risk Working Party (GRWP) held 28 January 2016.

An exempt report on the agenda, the minutes of the GRWP on 28 January 2016, contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972, i.e. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

**Resolved – That the minutes of the Governance & Risk Working Party (GRWP) held 28 January 2016 be noted.**

**82 EXEMPT INFORMATION - EXCLUSION OF MEMBERS OF THE PUBLIC**

**Resolved – That in accordance with section 100 (A) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business, on the grounds that it involved the likely disclosure of exempt information as defined by relevant paragraphs of Part 1 of Schedule 12A (as amended) to that Act. The public interest test had been applied and favoured exclusion.**

**83 POOLING CONSULTATION**

The appendices to the report on the Pooling Consultation were exempt by virtue of paragraph 3.

**84 PROPERTY VALUER CONTRACT**

The appendices to the report on Property Valuer Contract were exempt by virtue of paragraph 3.

**85 TUNSGATE QUARTER UPDATE**

The appendices to the report on the Tunsgate Quarter Update were exempt by virtue of paragraph 3.

**86 IMWP MINUTES 10/03/16**

The appendices to the report on IMWP Minutes were exempt by virtue of paragraph 3.

**87 GRWP MINUTES 28/01/16**

The appendices to the report on GRWP Minutes were exempt by virtue of paragraph 3.

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## WIRRAL COUNCIL

### PENSION COMMITTEE

20 JUNE 2016

<b>SUBJECT:</b>	<b>LGPS UPDATE</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>STRATEGIC DIRECTOR TRANSFORMATION AND RESOURCES</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	
<b>KEY DECISION?</b>	<b>NO</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 This report provides an update on the preparations for the 2016 Triennial Valuation and the proposed approach to setting employer contribution schedules.
- 1.2 It also raises awareness of a number of current issues facing the LGPS.

#### 2.0 BACKGROUND AND KEY ISSUES

##### TRIENNIAL VALUATION

###### Strategic Overview

- 2.1 The effective date of the actuarial valuation is 31 March 2016. The principal aim of the process is to monitor assets against the current value of the liability of members' pension benefits earned to date, followed by a review the employers' contribution rates payable for the financial period 1 April 2017 to 31 March 2020.
- 2.2 The review takes account of the Funding Strategy assumptions and principles adopted by the Fund, including any Deficit Recovery strategy, Investment Strategy and individual employer characteristics. There is a statutory requirement for employers to be consulted as part of the valuation process.
  - 2.3.1 Officers have met with the actuary to discuss initial strategies and have scheduled further meetings with the Merseyside Finance Director Group, to

discuss indicative results based on a roll forward approach from the previous valuation.

This meeting is subsequent to the meeting of 17 November 2015, referenced at Pensions Committee on 25 January 2016, minute 53 refers.

- 2.4 The Reasonableness of the application of a bespoke investment strategy is being considered for certain employers, where the whole Fund strategy may not support funding objectives and the duration of specific employer profiles.

The Actuary's opinion is that the majority would follow the overall Fund risk strategy with a small number of employers adopting a lower risk strategy to reduce funding volatility, in order to provide greater certainty of future liabilities and employer contributions.

- 2.5 The bespoke investment strategy would be applied by the Fund following analysis of an individual employer's risk profile, covenant and funding position.

### **Operational Process**

- 2.6 In order to facilitate the valuation process, employers are required to submit an annual year end data return in respect of the 2015/16 scheme year by 30<sup>th</sup> April.

- 2.7 The Administration and Accounts teams must then process and reconcile the return and undertake a resource intensive data quality testing and cleansing exercise.

- 2.8 The purpose of the data quality work is to provide empirical evidence of the valuation outcome and resultant contribution schedules; particularly given the current pressures on employer's budgets.

- 2.9 There is a short window of two months for Fund Officers to complete this exercise following receipt of the employer returns at the end of April as the Fund has a deadline to submit its complete data set to the Actuary by 30 June 2016.

- 2.10 Upon receipt of the Fund's complete data extracts, the Actuary will undertake full calculations, including demographic analysis of mortality experience, ill health retirement rates, commutation, proportion of deaths giving rise to dependants' pensions and will provide advice on all aspects of the funding assumptions, identifying the level of prudence in each assumption.

- 2.11 This will allow Pension Committee to make informed decisions when consulting and finalising the Funding Strategy. It is noteworthy that although the financial and employer risk will dominate discussions, the demographic factors are instrumental in developing a robust funding plan.

- 2.12 Officers will keep Members apprised on progress of the valuation until final certification of the Rates and Adjustment Certificate on 31 March 2017

## **CURRENT LGPS ISSUES**

### **Guaranteed Minimum Pension (GMP) Indexation**

- 2.13 On 1 March 2016, HM Treasury announced their decision on the interim solution regarding the indexation of GMPs in the Public Sector; following the introduction of the new single tier state pension from 6 April 2016.
- 2.14 It has been confirmed that public service pension schemes will be responsible for paying full pensions increases on both pre and post 1988 GMP for members who reach State Pension Age between 6 April 2016 and 5 December 2018.
- 2.15 For members who attained State Pension Age prior to 5 April 2016, the Fund pay CPI (capped at 3%) on the post-88 element of a GMP and the Government pays for the top-up on both pre and post 1988 elements to the full CPI, via the additional state pension.
- 2.16 For members reaching State Pension Age beyond 5 December 2018, HM Treasury intends to consult later this year on a solution to the indexation issue going forward.

### **Academies**

- 2.17 The 2016 Budget saw the Chancellor confirm his plans that all authority maintained schools will be required to become academies by 2022. However, following opposition to the proposal the plan has now been modified, and there will not be legislation to bring about a blanket conversion of all schools by 2022.
- 2.18 However, the Government has stated it is still planning on compelling academy conversions in two areas, where the local education authority:
  - can no longer viably support its remaining schools because too many schools have already become academies, or;
  - consistently fails to meet a minimum performance threshold across its schools.
- 2.19 Whilst the Government has rebased its plans, it has still formally reaffirmed its determination to push academisation in certain areas.

### **State Pension Age Review**

- 2.20 The 2014 Pensions Act requires the results of an independent review of the State Pension Age to be published at least every six years, with the first review and report to be completed by 7 May 2017.
- 2.21 The Government has recently published the terms and conditions of the first review.

*"The purpose of the review is to make recommendations to the Secretary of State for Work and Pensions on future state pension arrangements. The review should consider whether the status quo of the State Pension Age increasing over time is affordable in the long term, fair to current and future generations of pensioners, and consistent with supporting fuller working lives."*

- 2.22 The terms and conditions state that the review is to have regard to variations between groups, but as yet there is no further detail on the specific groupings or the possible formula that may apply. The Government intend to consult widely as part of the process to provide opportunity for comments from all stakeholders.
- 2.23 Whilst this review is very relevant to the LGPS given the retirement age link to the State Pension Age, the Government has said that the review and subsequent report will not affect the current timetables for increases to the State Pension age, which will take place between now and 2028.

### **Consultation: Local Government Pension Scheme Regulations**

- 2.24 A consultation has been published by the Department for Communities and Local Government setting out draft changes to the LGPS regulations to introduce New Fair Deal, along with a range of other amendments to the regulations .
- 2.25 The closing date for responses is 20 August 2016 and Officers will seek the Chairs approval before submitting the Fund's proposed response.

## **3.0 RELEVANT RISKS**

- 3.1 As academy conversions move active contributor liabilities from the Local Education Authority to the academy within the Fund, the host council's own liability profile will progressively mature.

This could have a range of implications for funding and investment strategies, depending upon the degree of local authority schools converting to academies; specifically the risk of further pressures on employer budgets and a direct adverse impact on local taxpayers.

- 3.1 As the Fund intends to implement bespoke investment strategies following review of the Funding Strategy Statement, there is a risk of failing to actively engage with employers' at the most opportune time. Failing to capture positive market changes may result in potential claims of mismanagement in regard employer liabilities.

## **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 Not relevant for this report

## **5.0 CONSULTATION**

- 5.1 Not relevant for this report

## **6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS**

- 6.1 None associated with the subject matter.

## **7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 7.1 There are none arising from this report

## **8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 8.1 The Fund's Actuary (Mercer) have stated the impact on the LGPS for picking up the cost of full indexation of GMPs for members attaining state Pension Age between 6 April 2016 and 5 December 2018 will incur additional liabilities of the order of £225 million, which will have to be reflected in the forthcoming valuation. The burden for individual employers will vary depending on membership profiles.
- 8.2 From a pensioner payroll perspective, there will be a need to identify affected members and set-up administrative processes in order to apply the correct increases going forward as they reach State Pension Age.
- 8.3 The Government commitment for the academisation programme will result in an increasing number of schools leaving local authorities. The implications for the LGPS, is significant in terms of the operational work needed, given the classification of academies as Scheme Employers. Any rapid increase in the number of schools becoming academies will require additional administration resources.

## **9.0 LEGAL IMPLICATIONS**

- 9.1 There are none arising from this report

## **10 EQUALITIES IMPLICATIONS**

- 10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

No, because Department of Communities and Local Government undertake equality impact assessments with regard to the statutory reform of the LGPS.

## **11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS**

- 11.1 There are none arising from this report

## **12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

12.1 There are none arising from this report

## **13.0 RECOMMENDATION**

13.1 That members note the report.

## **14.0 REASON/S FOR RECOMMENDATION/S**

14.1 There is a requirement for Members of the Pension Committee to be kept up to date with legislative developments as part of their decision making role.

**REPORT**

Yvonne Caddock

**AUTHOR**

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**BRIEFING NOTES HISTORY**

<b>Briefing Note</b>	<b>Date</b>
<b>The LGPS update is a standing item on the Pensions Committee agenda.</b>	

**WIRRAL COUNCIL  
PENSIONS COMMITTEE  
4 JULY 2016**

<b>SUBJECT:</b>	<b>BUDGET FINANCIAL YEAR 2016/17 BUDGET OUT-TURN 2015/16 AND ANNUAL REPORT 2015/16</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>STRATEGIC DIRECTOR TRANSFORMATION AND RESOURCES</b>
<b>KEY DECISION</b>	<b>NO</b>

## **1.0 EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to request that Members note and approve:
- The out-turn for the financial year 2015/16.
  - The finalised budget for the financial year 2016/17.
  - The 3 year budget for MPF as required for the annual report.
- 1.2 The actual out-turn for 2015/16 is £17.7m, lower than the original budget approved 22 June 2015 of £19.5m and higher than the projected out-turn of £17.2m as reported at Pensions Committee on 25 January 2016.
- 1.3 There are no significant changes from the original 2016/17 budget reported in January; the finalised 2016/17 budget is £19.2m.

## **2.0 BACKGROUND AND KEY ISSUES**

- 2.1 Pensions Committee, at its meeting on 25 January 2016, received an estimate of the out-turn for 2015/16 and it was also agreed that I would report back on the final out-turn. The finalised out-turn is included in appendix 1. The actual out-turn for 2015/16 is higher than the projected out-turn reported in January 2016, due to the number of estimates required for the January report. The main changes are as follows:
- Actual salary related recharges have now been included within other staffing costs.
  - The actual out-turn for third party payments is higher than the projection. The main reason is the actual expenditure for investment management fees is above that projected, however, below the original budget. Third party payments overall are lower than the budget set.
  - Reduction in central establishment charges from estimated to actual.

- 2.2 Pensions Committee at its meeting on 25 January 2016 agreed the budget for 2016/17 subject to confirmation of departmental & central support charges. It was agreed to report back to Committee with the finalised budget.
- 2.3 The finalised budget is included in this report in appendix 1, the variances from that reported in January are:
- Staffing now reflects updated salary and salary related recharges.
  - Updated estimate for central establishment charges.
  - Updated investment performance measurement fees and a budget allocation for costs associated with pooling.
- 2.4 CIPFA have published a document outlining best practice for the contents of the annual reports of LGPS Funds, this includes financial performance including 3 year budgets.
- 2.5 The projected 3 year budget for MPF is detailed in the table below:

	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
Employees	£3,326,033	£3,359,293	£3,392,886
Premises	£284,042	£287,735	£291,475
Transport	£52,914	£53,602	£54,299
Investment fees	£12,611,442	£13,481,631	£14,411,864
Other Supplies and Services	£1,783,972	£1,807,164	£1,830,657
Third Party	£658,255	£666,812	£675,481
Recharges	£529,700	£529,700	£529,700
<b>Total</b>	<b>£19,246,358</b>	<b>£20,185,937</b>	<b>£21,186,362</b>

- 2.6 The assumptions used in the preparation of these 3 years budgets are as follows:

Staffing	Current Structure to be fully staffed throughout year 1% pay rises in subsequent years plus growth.
Investment management Fees	Estimate based on normal market conditions and 50% of investment mandates achieving performance targets.
Rent	Agreed as a notional charge based on market rates (MPF owns building).
Transport, Conferences and Subsistence	Estimated requirements for current year.
Services and Supplies	Contracts where usage and cost is fixed, plus estimate for variable elements.
Inflation adjustments	RPI 1.3% as at April 2016.
Investment Performance	This has been derived from the long-term return assumptions for MPF by the Actuary.

### **3.0 RELEVANT RISKS**

- 3.1 This has not changed since the report in January as below.

The Fund has recently reviewed its Risk Register and identified key risks and mitigating controls for these risks. A key feature of the controls is having appropriate resources available to administer the fund adequately and to manage investments. This budget provides adequate resources for these two core functions.

### **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 This has not changed since the report in January as below.

The majority of the Pension Fund budget is taken up by investment management costs and staffing. The investment management arrangements have recently been subject to review and the Fund is part of the “Northern Pool” working on proposals for pooling LGPS investments to deliver reduced costs. Staffing arrangements remain under review.

### **5.0 CONSULTATION**

- 5.1 Not relevant for this report.

### **6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 6.1 There are no implications arising directly from this report.

### **7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 7.1 The costs of the Pension Fund are charged directly to the Pension Fund and are then ultimately covered by investment income and employee and employer contributions. The proposed costs of £19.2m including £12.6m of investment management charges to external managers represent a cost of £146.83 per member of the scheme. Taken separately the investment management costs of £12.6m are £96.21 per member of the scheme and 0.19% of total assets under management.

### **8.0 LEGAL IMPLICATIONS**

- 8.1 There are no implications arising directly from this report.

### **9.0 EQUALITIES IMPLICATIONS**

- 9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) No because there is no relevance to equality.

### **10.0 CARBON REDUCTION IMPLICATIONS**

- 10.1 There are no carbon usage implications, nor any other relevant environmental issues arising from this report.

## **11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

11.1 There are no planning or community safety implications arising from this report.

## **12.0 RECOMMENDATION/S**

12.1 Members note the out turn for 2015/16.

12.2 Members approve the finalised budget for 2016/17.

12.3 Members approve other issues for inclusion in the 2015/16 Annual Report including 3 year financial estimates.

## **13.0 REASON FOR RECOMMENDATIONS**

13.1 The approval of the budget and annual report for Merseyside Pension Fund by Pensions Committee forms part of the governance arrangements of Merseyside Pension Fund.

**REPORT AUTHOR:** **Donna Smith**  
Group Accountant  
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## **APPENDICES**

*The budget for 2016/17 including the out-turn for 2015/16 is attached as appendix 1 to this report.*

*The original appendix as reported to Members on 25 January 2016 is attached as appendix 2 to this report for information.*

## **REFERENCE MATERIAL**

Internal working papers were used in the production of this report.

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Pensions Committee :</b>	
<b>Pension Fund Budget</b>	<b>25 January 2016</b>
<b>Pension Fund Budget</b>	<b>22 June 2015</b>
<b>Pension Fund Budget</b>	<b>19 January 2015</b>
<b>Pension Fund Budget</b>	<b>1 July 2014</b>
<b>Pension Fund Budget</b>	<b>20 January 2014</b>
<b>Pension Fund Budget</b>	<b>24 June 2013</b>

**Appendix 1**

<b>Value of the Fund</b>	£6.8bn	31/03/2016
<b>Investment income Received</b>	£135m	Projected 2016/17
<b>Pensions Paid</b>	£272m	Projected 2016/17
<b>Contributions Received</b>	£196m	Projected 2016/17
<b>Active Contributing members</b>	46,221	31 <sup>st</sup> March 2016
<b>Deferred members</b>	37,136	31 <sup>st</sup> March 2016
<b>Pensioners</b>	47,724	31 <sup>st</sup> March 2016
<b>Total Members</b>	131,081	31 <sup>st</sup> March 2016

	Budget 2015/16 £	Actual Out-Turn 2015/16	Budget 2016/17 £
<b>Employees</b>			
Pay, NI and Pension	2,744,181	2,419,911	3,007,867
Training	20,000	2,049	20,000
Other Staffing Costs	376,195	249,180	298,166
	<b>3,140,376</b>	<b>2,671,140</b>	<b>3,326,033</b>
<b>Premises</b>			
Rents	252,187	252,187	284,042
	<b>252,187</b>	<b>252,187</b>	<b>284,042</b>
<b>Transport</b>			
Public Transport Expenses	39,900	26,122	51,614
Car Allowances	1,200	1,137	1,300
	<b>41,100</b>	<b>27,259</b>	<b>52,914</b>
<b>Supplies</b>			
Furniture and Office Equipment	20,000	985	18,000
Printing and Stationery	90,000	29,668	67,000
Computer Development and Hardware	432,000	229,400	532,500

Postages and Telephones	109,000	77,191	109,250
External Audit	41,000	39,634	41,000
Services and Consultants			
Fees	545,980	635,804	742,564
Conferences and Subsistence	67,170	27,949	41,165
Subscriptions	138,353	144,833	153,993
Other	78,500	50,288	78,500
	<b>1,522,003</b>	<b>1,235,752</b>	<b>1,783,972</b>
<b>Third Party</b>			
Medical Fees	8,500	3,611	5,500
Bank Charges	15,000	13,179	15,000
Investment Management Fees	13,379,890	12,560,172	12,611,442
Custodian Fees	250,000	245,947	250,000
Actuarial Fees	203,950	92,529	260,000
Other Hired and Contracted Services	141,435	172,623	127,755
	<b>13,998,775</b>	<b>13,088,061</b>	<b>13,269,697</b>
<b>Departmental &amp; Central Support Charges</b>			
	500,600	460,684	529,700
	<b>500,600</b>	<b>460,684</b>	<b>529,700</b>
<b>Total Expenditure</b>	<b>19,455,041</b>	<b>17,735,083</b>	<b>19,246,358</b>

**Appendix 2 As reported on 25 January 2016**

<b>Value of the Fund</b>	£6.5bn	30/09/2015
<b>Investment income Received</b>	£135m	Projected 2016/17
<b>Pensions Paid</b>	£272m	Projected 2016/17
<b>Contributions Received</b>	£196m	Projected 2016/17
<b>Active Contributing members</b>	45,417	31 <sup>st</sup> March 2015
<b>Deferred members</b>	36,237	31 <sup>st</sup> March 2015
<b>Pensioners</b>	46,600	31 <sup>st</sup> March 2015
<b>Total Members</b>	128,254	31 <sup>st</sup> March 2015

	Budget 2015/16 £	Probable Out-Turn 2015/16 £	Budget 2016/17 £
<b>Employees</b>			
Pay, NI and Pension	2,744,181	2,433,727	2,964,015
Training	20,000	5,000	20,000
Other Staffing Costs	376,195	335,216	325,966
	<b>3,140,376</b>	<b>2,773,943</b>	<b>3,309,981</b>
<b>Premises</b>			
Rents	252,187	252,187	284,042
	<b>252,187</b>	<b>252,187</b>	<b>284,042</b>
<b>Transport</b>			
Public Transport Expenses	39,900	20,003	48,614
Car Allowances	1,200	1,054	1,300
	<b>41,100</b>	<b>21,057</b>	<b>49,914</b>
<b>Supplies</b>			
Furniture and Office Equipment	20,000	134	18,000
Printing and Stationery	90,000	25,858	67,000

Computer Development and Hardware	432,000	268,114	532,500
Postages and Telephones	109,000	112,632	109,250
External Audit	41,000	39,170	41,000
Services and Consultants			
Fees	545,980	576,049	600,814
Conferences and Subsistence	67,170	31,500	41,525
Subscriptions	138,353	119,260	153,993
Other	78,500	27,623	78,500
	<b>1,522,003</b>	<b>1,200,340</b>	<b>1,642,582</b>
<b>Third Party</b>			
Medical Fees	8,500	3,798	5,500
Bank Charges	15,000	13,628	15,000
Investment Management Fees	13,379,890	11,920,494	12,611,442
Custodian Fees	250,000	256,049	250,000
Actuarial Fees	203,950	171,268	260,000
Other Hired and Contracted Services	141,435	91,214	127,755
	<b>13,998,775</b>	<b>12,456,451</b>	<b>13,269,697</b>
<b>Departmental &amp; Central Support Charges</b>			
	500,600	500,600	500,600
	<b>500,600</b>	<b>500,600</b>	<b>500,600</b>
<b>Total Expenditure</b>	<b>19,455,041</b>	<b>17,204,578</b>	<b>19,056,816</b>

## WIRRAL COUNCIL

### PENSIONS COMMITTEE

4 JULY 2016

<b>SUBJECT:</b>	<b>TREASURY MANAGEMENT ANNUAL REPORT 2015/16</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>STRATEGIC DIRECTOR TRANSFORMATION AND RESOURCES</b>
<b>KEY DECISION?</b>	<b>NO</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 This report presents a review of treasury management activities within Merseyside Pension Fund (MPF) for the 2015/16 financial year and reports any circumstances of non-compliance with the treasury management strategy and treasury management practices. It has been prepared in accordance with the revised CIPFA Treasury Management Code.

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 Treasury Management in Local Government is governed by the CIPFA Code of Practice on Treasury Management in the Public Services and in this context is the “management of the Fund’s investments and cash flows, its banking, money market transactions, the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those risks”.
- 2.2 On 19 January 2015 Pensions Committee approved the Treasury Management Policy and Strategy 2015/16.
- 2.3 This report relates to money managed in-house during the period. It excludes cash balances held by investment managers in respect of the external mandates and the internal UK and European investment managers.

#### TREASURY MANAGEMENT

- 2.4 As at 31 March 2016, MPF had a cash balance of £40.0 million as against £50.9 million at 31 March 2015. All of these funds were held on call (instant access) accounts with Lloyds, Northern Trust, and an Icelandic escrow account.
- 2.5 Managing counterparty risk continued to be the overarching investment priority. Investments during the year included:
- Call (instant access) accounts and deposits with UK banks
  - Investments in AAA rated money market funds with a constant Net Asset Value.
- 2.6 The rate at which MPF can invest money continues to be low, reflecting the record low Bank of England base rate which remained at 0.5% throughout 2015/16.

- 2.7 Over the twelve month period, WM calculated the cash performance to be 0.9% against a benchmark performance (7 day LIBID) of 0.3%.
- 2.8 Transactions were undertaken to reflect the day-to-day cash flows of the Fund, matching inflows from receipts to predicted outflows.
- 2.9 The detailed cash flow plans were managed so as to be compliant with the deposit limits agreed for individual financial institutions as reflected in the Treasury Management Policy for 2015/16, apart from the limit with our current bankers Lloyds. There was one incident where MPF was non-compliant with this limit due to the receipt of significant funds during the unpaid leave closedown. The anomaly was rectified the first working day, with no financial disadvantage to the Fund.

### **3.0 RELEVANT RISKS**

- 3.1 All relevant risks have been discussed within section 2 of this report.

### **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 There are no other options considered in this report

### **5.0 CONSULTATION**

- 5.1 There has been no consultation undertaken or proposed for this report. There are no implications for partner organisations arising out of this report.

### **6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS**

- 6.1 There are no outstanding previously approved actions

### **7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 7.1 There are none arising out of this report.

### **8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 8.1 The financial implications are stated above.

### **9.0 LEGAL IMPLICATIONS**

- 9.1 The legal implications have been discussed within section 2 of this report.

### **10.0 EQUALITIES IMPLICATIONS**

- 10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) No because there is no relevance to equality.

### **11.0 CARBON REDUCTION IMPLICATIONS**

- 11.1 There are none arising out of this report.

## **12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

12.1 There are none arising out of this report.

## **13.0 RECOMMENDATION/S**

13.1 That the Treasury Management Annual Report for 2015/16 be agreed.

## **14.0 REASON/S FOR RECOMMENDATION/S**

14.1 The Treasury Management Code requires public sector authorities to determine an annual Treasury Management Strategy and, as a minimum to report formally on their treasury activities and arrangements mid-year and after the year-end. These reports enable those tasked with implementing policies and undertaking transactions to demonstrate that they have properly fulfilled their responsibilities and enable those with responsibility/governance of the treasury management function to scrutinise and assess its effectiveness and compliance with policies and objectives. The requirement to report mid-year is met via regular reports to the Investment Monitoring Working Party (IMWP).

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## **APPENDICES**

*None.*

## **REFERENCE MATERIAL**

*Code of Practice for Treasury Management in Public Services – CIPFA 2009*

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Pensions Committee</b>	<b>15 January 2013</b>
<b>Pensions Committee</b>	<b>24 June 2013</b>
<b>Pensions Committee</b>	<b>20 January 2014</b>
<b>Pensions Committee</b>	<b>1 July 2014</b>
<b>Pensions Committee</b>	<b>19 January 2015</b>
<b>Pensions Committee</b>	<b>22 June 2015</b>
<b>Pensions Committee</b>	<b>25 January 2016</b>

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**WIRRAL COUNCIL  
PENSIONS COMMITTEE  
4 JULY 2016**

<b>SUBJECT:</b>	<b>INVESTMENT PERFORMANCE</b>
<b>WARD/S AFFECTED:</b>	<b>NONE</b>
<b>REPORT OF:</b>	<b>STRATEGIC DIRECTOR TRANSFORMATION &amp; RESOURCES</b>
<b>KEY DECISION?</b>	<b>NO</b>

## **1.0 EXECUTIVE SUMMARY**

1.1 This report sets out the investment performance of Merseyside Pension Fund for the fiscal year ended March 2016 as computed and reported by the WM Company.

## **2.0 BACKGROUND AND KEY ISSUES**

- 2.1 The Fund returned 1.2 per cent in the financial year to the end of March 2016 compared to its bespoke benchmark return of -0.4 per cent, an outperformance of 1.6 per cent.
- 2.2 Over the financial year to the end of March 2016, asset markets were buffeted by concerns over slowing global growth and the response of many central banks acting over the year to support economic activity. At the beginning of the year investors were anguishing over a possible Grexit from the EU. Relief finally came in July when a resolution to the Greek bail-out program was accepted by both the Greek Government and its creditors. There were positive developments elsewhere in Europe as economic growth surprised on the upside, the unemployment rate moved lower.

In August, however, there was a sharp reversal in mood. Evidence of a slowing Chinese economy became more pronounced and this prompted the Chinese regime to pursue a significant devaluation of the Yuan. Slowing Chinese growth caused particular pain for the global commodity markets and the price of oil fell to a decade low of \$27 per barrel. Amidst the turmoil the European Central Bank suggested that, if necessary, it could increase its quantitative easing programme. In the US the Federal Reserve postponed a rise in interest rates that had been anticipated for the September meeting; A small increase of a quarter of a percentage point to 0.5% was voted through in December once markets and commodity prices had rebounded from their low levels.

Concerns over China continued to dominate investors' attention through the first quarter of 2016 causing another sell off in equities and corporate bonds and a flight to the traditional 'safe-haven' assets such as developed market government bonds and precious metals. However, concerns abated somewhat into the end of quarter end as central banks detailed yet further monetary policy accommodation.

Against the challenging economic backdrop global equity markets struggled to deliver positive returns. For UK based investors the UK and European stock markets both delivered negative 4% returns, Asia Pacific including Japan delivered a negative return of 5.9% and Emerging Markets suffered the most with a negative return of 10%. Of the major regions only the US S&P 500 Index delivered positive returns of +4%, but this was driven by the strength of the US dollar against Pounds Sterling rather than a broad positive move in the underlying US stock prices.

The property market sector continued to deliver strong returns rising over 11% during the year with capital value growth contributing 6.4% and income 5%.

In fixed income, renewed demand for safe-haven assets helped to send long-term interest rates near historic lows across developed markets. This drove a positive performance from UK government bonds with returns over the year of 2.9%.

- 2.3. The performance of the Fund against its benchmark and against CPI and UK average weekly earnings indices for 1, 3, and 5 year periods is tabulated below.

	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>
MPF	<b>1.2</b>	<b>6.5</b>	<b>7.1</b>
Benchmark	<b>-0.4</b>	<b>4.8</b>	<b>5.9</b>
Relative Return	<b>1.2</b>	<b>1.7</b>	<b>1.2</b>
CPI	<b>0.2</b>	<b>0.6</b>	<b>1.5</b>
Average Earnings	<b>1.8</b>	<b>2.5</b>	<b>1.6</b>

Source: WM Quarterly Review Periods to End March 2016

### **3.0 RELEVANT RISKS**

- 3.1 The performance of the Fund, relative to its benchmark, is a key indicator of the successful implementation of the Fund's investment strategy which is established with a view to meeting the Fund's liabilities over the long-term.

### **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 Not relevant for this report

### **5.0 CONSULTATION**

- 5.1 Not relevant for this report

### **6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS**

- 6.1 None associated with the subject matter.

## **7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

7.1 There are no implications arising directly from this report

## **8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

8.1 The Fund returned 1.2 percent in the financial year ending March 31 2016 and outperformed its bespoke benchmark which returned -0.4 per cent over the comparable period.

## **9.0 LEGAL IMPLICATIONS**

9.1 There are no implications arising directly from this report

## **10.0 EQUALITIES IMPLICATIONS**

10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) No because there is no relevance to equality.

## **11.0 CARBON REDUCTION IMPLICATIONS**

11.1 There are no carbon usage implications, nor any other relevant environmental issues arising from this report.

## **12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

12.1 There are no planning or community safety implications arising from this report.

## **13.0 RECOMMENDATION/S**

13.1 Members note the report.

## **14.0 REASON/S FOR RECOMMENDATION/S**

14.1 The performance of the Fund, relative to its benchmark, is a key indicator of the successful implementation of the Fund's investment strategy which is established with a view to meeting the Fund's liabilities over the long-term.

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## **APPENDICES**

NONE

## **BACKGROUND PAPERS/REFERENCE MATERIAL**

The WM Company – Merseyside Pension Fund Quarterly Performance Review.

## **BRIEFING NOTES HISTORY**

<b>Briefing Note</b>	<b>Date</b>

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
A report on the Fund's investment performance is brought annually to Pensions Committee	

## WIRRAL COUNCIL

### PENSIONS COMMITTEE

4 JULY 2016

SUBJECT:	LGC INVESTMENT SUMMIT
WARD/S AFFECTED:	NONE
REPORT OF:	STRATEGIC DIRECTOR TRANSFORMATION & RESOURCES
KEY DECISION	NO

#### 1.0 EXECUTIVE SUMMARY

- 1.1 This report requests nominations for members to attend the Local Government Chronicle (LGC) Investment Summit, to be held in Newport from 7 to 9 September 2016.

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 The conference is themed “Adapting to changing times” and will provide critical insight to the ongoing debate about the future investment of pension funds in Local Government.

Attendees will benefit from essential keynote presentations and topical breakout sessions on investment themes, as well as valuable networking opportunities to share your concerns with your peers and fund managers.

Learning through shared experiences, expert advice and establishing good practice sets the scene for the 2016 Summit. The whole investment landscape is changing with individual funds re-setting asset allocations under a new regulatory regime through newly structured pooled vehicles. There are tremendous opportunities to collaborate, invest ‘smarter’, achieve more cost efficient implementation, and to open up to investment solutions that meet our needs.

- 2.2 A draft agenda for the conference is attached.

- 2.3 MPF has been represented at all previous LGC Investment Summits usually by the Chair of Pensions Committee and party spokespersons.

#### 3.0 RELEVANT RISKS

- 3.1 There are none arising from this report.

#### 4.0 OTHER OPTIONS CONSIDERED

- 4.1 No other options have been considered.

#### 5.0 CONSULTATION

- 5.1 There has been no consultation undertaken or proposed for this report. There are no implications for partner organisations arising from this report.

## **6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS**

6.1 N/A

## **7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

7.1 There are none arising from this report.

## **8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

8.1 Attendance plus two nights' accommodation will be £949 per delegate plus VAT (excluding travel), which can be met from the existing Pension Fund budget.

## **9.0 LEGAL IMPLICATIONS**

9.1 There are none arising from this report

## **10.0 EQUALITIES IMPLICATIONS**

10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) No because there is no relevance to equality.

## **11.0 CARBON REDUCTION IMPLICATIONS**

11.1 There are no carbon usage implications, nor any other relevant environmental issues arising from this report.

## **12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

12.1 There are none arising from this report.

## **13.0 RECOMMENDATION/S**

13.1 That Committee considers if it wishes to send a delegation to attend this conference and, if so, to determine the number and allocation of places.

## **14.0 REASON/S FOR RECOMMENDATION/S**

14.1 Attendance at this conference is a part of the development programme approved by Members in January 2016.

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## **APPENDICES**

Appendix 1 - Programme

## **BACKGROUND PAPERS/REFERENCE MATERIAL**

## **BRIEFING NOTES HISTORY**

<b>Briefing Note</b>	<b>Date</b>

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>

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## “Adapting to changing times”

### DAY 1 – THURSDAY, 8 SEPTEMBER 2016

**08:30-09:30** Registration and visit the presentation suites

**09:30** Welcome: **Rachel Dalton**, Features Editor, LGC

Chairman sets the scene

**Mike Ellsmore**

Independent Adviser

#### 09:40 SESSION 1

##### New approach to investment strategy

A high level perspective on outsourcing asset management and on adapting strategy in a low interest rate, low return environment

**Chris Hitchen**, Chief Executive, RPMI and Railpen Investments

#### 10:15 SESSION 2

##### Investment solutions Vol. I - fixed income and credit

Mitigating risks of investing in fixed income and identifying opportunities to improve returns in a low yield environment and on the path to interest rate ‘normalisation’

**David Buckle**, Head of Quantitative Research, Fidelity International

**Stephen Marsh**, Global Fixed Income Specialist, T. Rowe Price

**Stephen Thariyan**, Head of Global Credit, Henderson Global Investors

**11:15-12:00** Visit the presentation suites for refreshments

#### 12:00 SESSION 3

##### Managing liabilities in the new pooling structures

The impact of the recent valuation, future funding issues, managing liabilities within the investment pools, and infrastructure as a liability matching investment

**Andy Green**, Chief Investment Officer, Hymans Robertson

**12:45-14:00** Lunch followed by a visit to the presentation suites

## SESSION 4 - Investment theme break-outs

Attend Focus session 1 or 2

14:00-14:40

### FOCUS 1

**Asset pools that achieve benefits of scale**

Legal & General Investment Management

### FOCUS 2

Maximising the impact of your Asset Allocation decision in a pooled world

Matt Bullock, Investment Director,  
Wellington Management

14:45-15:25

### FOCUS 3

**Investing to meet cash flows**

Ren Lin, Client Solutions Group,  
Insight Investment

### FOCUS 4

Smart beta - using the indices

15:30-16:15 Visit the presentation suites for refreshments

16:15-17:30

## SESSION 5 - INFORMATION EXCHANGE

**Large pools and governance**

How the new pooling structures and their governance arrangements are shaping up

Gavin Ralston, Head of Official Institutions, Schroders

Jeff Houston, Head of Pensions, LGA

An opportunity for debate on the latest relevant issues and concerns.

Delegate tables will be arranged for each pool to focus participation

19:30 Drinks reception and networking

20:00 Dinner

## DAY 2 – FRIDAY, 9<sup>th</sup> SEPTEMBER

08:30-09:30 Visit the presentation suites for refreshments

09:30 Chairman's opening remarks  
**Nicola Mark**, Head, **Norfolk Pension Fund**

### 09:35- 10:25 SESSION 6

#### **Investment solutions Vol.II - growth assets and alternatives**

Lower costs solutions for gaining exposure to growth and alternative assets using active and systematic strategies, including 'Alternative Beta' and Alternative Risk Premia'

**Bill Landes**, Head of Alternatives, **Columbia Threadneedle Investments**

**Vis Nayar**, Deputy CIO, Equities, **HSBC Global Asset Management**

### 10:25-11:00 SESSION 7

#### **Case study - the USS experience**

The pros and cons, scale needed, and other considerations for in house investment management. Developing effective strategies for employers with different risk / return profiles, on a default option glide path, and pooled vehicles for in-house investment

**Howard Brindle**, Chief Operating Officer, **USSIM**

11:00-11:30 Visit the presentation suites for refreshments

### 11:30-12:15 SESSION 8

#### **Investment solutions Vol. III - the search for income**

With pension funds maturing and net negative cash becoming an increasing threat, funds need to maximise the income from their investments

**Martyn Hole**, Capital Group,  
**Matthew Bance**, Director **Peter Cazalet**, Executive Director, **UBS Asset Management**

### 12:15-12:50 SESSION 9

#### **Changes to come in the LGPS world**

The Board's plans for the coming year including proposals for separation to improve governance, the funding landscape post valuation, cost management and Scheme design, data collection and comparison

**Cllr Roger Phillips**, Chairman, **LGPS Advisory Board**

12:50 Chairman's closing remarks

13:00 Close of Summit and lunch

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## WIRRAL COUNCIL

### PENSIONS COMMITTEE

4 JULY 2016

SUBJECT:	NAPF ANNUAL CONFERENCE & EXHIBITION
WARD/S AFFECTED:	NONE
REPORT OF:	STRATEGIC DIRECTOR TRANSFORMATION & RESOURCES
KEY DECISION	NO

#### 1.0 EXECUTIVE SUMMARY

- 1.1 This report requests nominations for members to attend the Pensions & Lifetime Savings Association (PLSA) formerly National Association of Pension Funds (NAPF) Annual Conference & Exhibition 2016 to be held in Liverpool from 19 October to 21 October 2016.

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 The PLSA Annual Conference provides a helpful insight to developments in the broader pensions industry. The Conference venue alternates between Liverpool and Manchester. The agenda is attached as an appendix to this report.
- 2.2 Merseyside Pension Fund MPF is a member of the PLSA and its annual conference provides a forum for topical issues affecting public and private pension funds to be discussed and addressed.
- 2.3 Attendance would be beneficial to Members in fulfilling the Committee's Knowledge and Skills objectives as set out by CIPFA.
- 2.4 MPF has been represented at all previous PLSA Annual Conferences. Whilst not all topics and presentations are necessarily relevant to Members, there are a number of useful subjects on the agenda. The Thursday of the conference has a focus on "freedom and choice" which is topical following the changes to pensions introduced in April of this year.
- 2.5 Members must be registered for the event in order to attend. Although the event is complimentary for PLSA members, a charge is made for non-attendance.

#### 3.0 RELEVANT RISKS

- 3.1 There are none arising from this report.

#### 4.0 OTHER OPTIONS CONSIDERED

- 4.1 No other options have been considered.

## **5.0 CONSULTATION**

- 5.1 There has been no consultation undertaken or proposed for this report. There are no implications for partner organisations arising from this report.

## **6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS**

- 6.1 N/A

## **7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 7.1 There are none arising from this report.

## **8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 8.1 As MPF is a member of the PLSA, attendance is free. However, a charge is levied if registrants do not attend. The costs of travel can be met from the existing Pension Fund budget.

## **9.0 LEGAL IMPLICATIONS**

- 9.1 There are none arising from this report

## **10.0 EQUALITIES IMPLICATIONS**

- 10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) No because there is no relevance to equality.

## **11.0 CARBON REDUCTION IMPLICATIONS**

- 11.1 There are no carbon usage implications, nor any other relevant environmental issues arising from this report.

## **12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

- 12.1 There are none arising from this report.

## **13.0 RECOMMENDATION/S**

- 13.1 That Committee considers if it wishes to send a delegation to attend this conference and, if so, to determine the number and allocation of places.

## **14.0 REASON/S FOR RECOMMENDATION/S**

- 14.1 Attendance at this conference is a part of the development programme approved by Members in January 2016.

**REPORT AUTHOR:** **PETER WALLACH**  
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## **APPENDICES**

Appendix 1 and 1(a). Conference Agenda

## **BACKGROUND PAPERS/REFERENCE MATERIAL**

None

## **BRIEFING NOTES HISTORY**

<b>Briefing Note</b>	<b>Date</b>

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>

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## PENSIONS AND LIFETIME SAVINGS

### ANNUAL CONFERENCE & EXHIBITION 2016

**Reinventing saving**  
The new era for pensions and lifetime savings

**19-21 October**  
ACC Liverpool



09.30 Registration Open

10.00 Exhibition Open, refreshments served in the exhibition hall

10:00-12:50 TRUSTEE LEARNING ZONE  
Details coming soon... 10:00-12:50 FRINGE MEETINGS  
Please see appendix 2

12.00-13.15 Lunch served in the exhibition hall

### Plenary 1 - 13:15-13:30

Chair's introduction and welcome

Lesley Williams, Chair, PLSA

### Plenary 2 - 13:30-14:10

KEYNOTE ADDRESS

Details coming soon...

## **Plenary 3 - 14:10-14:50**

SAVING MORE - THE CONFERENCE CHALLENGE

ROUND I - THE BRIEF

Which groups in our society are most likely to face low retirement incomes and what would help them understand the need to save more? We meet two teams of people from outside our industry and their expert coaches as they get to work on a 3-day 'conference challenge' to help people like them save more.

Gregg McClymont, Head of Retirement Savings, Aberdeen Asset Management

Graham Vidler, Director of External Affairs, PLSA

Steve Webb, Director of Policy, Royal London

14:50-15:35

Refreshments served in the exhibition hall

## **Plenary 4 15.35-16.25**

### **LIVE LONGER, WORK LONGER AND PROSPER?**

Work longer, retire later. That's been the clear direction of government policy for decades. As the government considers a further increase to the state pension age we ask: what does this really mean for the shape of society? What are the intergenerational implications? Can it work for all?

John Cridland, Independent Reviewer, State Pension Age

Co-speakers tbc

**16:30-17:45**

Fringe Meetings (please see appendix)

17:45-18:30

LAUNCH OF PENSION REINVENTION ON THE PLSA STAND

Pension Reinvention is an in-depth, online programme in partnership with ITN Productions

18.30

Close of conference for the day

## Thursday 20 October

07:45	Registration open
08:00-08:45	<p><b>PLSA FUND MEMBER BREAKFAST - ANNUAL CONFERENCE SPECIAL</b> <b>Hear PLSA FUND MEMBER BREAKFAST - ANNUAL CONFERENCE SPECIAL</b></p> <p>Hear the latest policy updates and share your own scheme's perspective with the PLSA's in-house team. Buffet breakfast and good conversation included.</p> <p>Open to PLSA fund members only. Pre-registration essential latest policy updates and share your own scheme's perspective with the PLSA's in-house team. Buffet breakfast and good conversation included.</p> <p>Open to PLSA fund members only. Pre-registration essential</p>
08.45	Exhibition open
<p><b>Plenary 5 - 09:00 - 09:50</b></p> <p><del>Untying the Gordian Knot</del></p> <p>The Chair of the DB Taskforce presents the Taskforce's findings on the challenges facing DB schemes and debates the potential impact of these challenges on members' benefits, the health of sponsoring employers, workplace pension provision and the wider economy.</p> <p>Ashok Gupta, Chair, DB Taskforce Co-speakers tbc</p>	
<p><b>STREAM SESSION 1 - 09:55 - 10:50</b></p> <p><b>BEHIND THE INSURANCE CURTAIN - DEMYSTIFYING BUYOUTS</b></p> <p>What key factors are affecting insurer pricing in 2016? How do insurers price a transaction and how can you structure a transaction to make the economics work for the pension scheme?</p> <p>Uzma Nazir, Actuary, Origination, Pension Insurance Corporation Elizabeth Sumner, Head of Pensions Operations, Total UK Pension Scheme</p>	

## **DC PENSIONS – WHAT DO MEMBERS REALLY WANT?**

In 2016 we take stock of how member demands have changed since the introduction of pension freedoms. We need to understand when people expect to retire and how they expect to take their funds. What support do individuals want and what do they need? We also need to consider how individuals think about DC pensions in the context of their broader finances.

Sophia Singleton, Partner and Head of DC Consulting, Aon Hewitt

Co-speaker tbc

## **LIFETIME ISA – THE WHAT AND THE HOW**

The Chancellor has set out the basic framework of the Lifetime ISA, but what will it look like in practice and how can we expect it to develop?

 Marco Hurd, Head of Account Management, Xerox HR Services

Co-speaker tbc

## **INTER-GENERATIONAL ISSUES – BALANCING IMMEDIATE COMMITMENTS WITH FUTURE RESPONSIBILITIES**

Many employers have generous pension commitments to older employees that will differ markedly from terms offered to younger workers. What questions does this raise around intergenerational fairness? Does it affect the competitiveness of established firms against newer rivals? What can finance directors do to manage the situation and how should policymakers help?

Dr Paul Redmond, Director of Student Life, Manchester University

Co-speakers tbc

10:50 - 11:30

Refreshments served in the exhibition hall

11:30-12:05

**THE WISDOM OF THE CROWD**

One of the key challenges facing 21st century DB pension provision is the lack of scale. But scaling up isn't easy and there are different ways you can do it. What are the key considerations and the potential benefits?

Speaker tbc

**DIVERSIFIED GROWTH FUNDS – IS TIMING EVERYTHING FOR DC SAVERS?**

The use of Diversified Growth Funds (DGFs) in DC lifestyle strategies has grown rapidly over the past few years. However, for many members the results have been underwhelming. By examining the structure of lifestyle strategies we will consider whether DGFs are likely to be a disappointment or good deal for DC savers in the future. Robert Bennett, Head of Pensions, Siemens UK

A representative from Aon Hewitt

**SAFEGUARDING ALL SAVERS**

If good governance is so important for some pension schemes, should we apply the same lessons across the full range of retirement savings? If so, how? What should governance look like in the new generation of master trusts? And what difference can we expect it to make? Emma Douglas, Head of DC, Legal & General Investment Management

Fiona Matthews, Managing Director, Lifesight, Willis Towers Watson

Co-speaker tbc

**HANDLING HAZARDS AND HOTSPOTS**

We offer practical help on potential disputes in a risk-management journey plan. This includes new breeding grounds for pension disputes and managing and mitigating emerging trouble spots. Speakers tbc

**Plenary 6 - 12:10-12:50**

## **THE STATE OF THE NATION**

Migration, China, the US Presidency, the aftermath of that referendum - the politics and economics of 2016 could hardly have done more to generate uncertainty for long-term investors. One of the most experienced observers of the global scene asks – where does Britain stand today?

Andrew Neil, Journalist and Broadcaster

12:50 - 14:00 - Lunch served in the exhibition hall

## **STREAM SESSION 3 - 14:00-14:55**

### **THE SIZE OF THE CHALLENGE - 21ST CENTURY DB**

DB Taskforce members set out their assessment of the size of the challenges facing DB and the proposed solutions.

Joe Dabrowski, Head of Investment & Governance, PLSA

Stephen Soper, Senior Pensions Adviser, PwC

Paul Trickett, Trustee, Legal and General Mastertrust and Zurich UK pension scheme

Co-speaker tbc

### **PENSION SCAMS: PROTECTING MEMBERS' INTERESTS**

The “Royal London” judgement has complicated the protection of member assets by trustees. How should schemes respond and what can schemes do to stem any flow of member money to dubious pension schemes?

Ian Bell, Head of Pensions, RSM

Co-speakers tbc

## **WEALTH IN THE WORKPLACE – WHAT DO PEOPLE REALLY WANT?**

A group of employees give their own views on how they would like to save through the workplace – and how they would like their employers and government to help.

Minh Tran, Senior Consultant, Willis Towers Watson

## **INSIGHT INTO INFRASTRUCTURE INVESTMENT**

As increasing numbers of pension funds look at infrastructure to diversify assets to better match longer term liabilities, what new themes are there in accessing this asset class? We consider fund pooling, direct and co-investment infrastructure solutions and review what lessons can be learned from the UK and other countries.

Speakers tbc

## **STREAM SESSION 4 15:00-15:35**

### **BUY-INS AND BUYOUTS - THE INSIDE TRACK**

Considering a buy-in or buyout for your scheme? This is your opportunity to get bang up-to-date on the latest case studies from the bulk annuity market.

Jay Shah, Head of Origination, Pension Insurance Corporation

### **PENSIONS DASHBOARD – GETTING IT TOGETHER**

The Chancellor has announced that the pensions industry must create a pensions dashboard by 2019. This will allow members to see all their pension savings from different schemes and providers in the same place. This is a challenging task but has the potential to offer real benefits to savers. We discuss how the industry can bring the dashboard to life.

Darren Philp, Head of Policy, The People's Pension

## **GOOD BEHAVIOUR**

How can we use behavioural interventions to help people help themselves by saving more and taking good decisions about their personal finances?

Chris Wagstaff, Head of Pensions and Investment Education, Columbia Threadneedle, and Senior Visiting Fellow, Finance Faculty, Cass Business School

Professor James Devlin, Professor of Financial Decision-making, Nottingham University Business School

## **FROM NERO TO ZERO: ARE WE FIDDLING WHILE GILTS BURN?**

We will consider the impact of zero and negative interest rate policy on economic volatility, and what this means for our capital markets and ultimately for pension savers. Leveraging the work done as part of our annual construction of long-term capital market assumptions, we will look at the structural impact of current interest rate policy.

Sorca Kelly-Scholte, EMEA Head of Pensions Solutions and Advisory, J.P. Morgan Asset Management

Co-speaker tbc

Refreshments served in the exhibition hall - 15:35-16:20

## **Plenary 7 - 16:20 - 16:30**

### **SAVING MORE – THE CONFERENCE CHALLENGE**

#### **PROGRESS REPORT**

With less than 24 hours to go in the conference challenge one of our teams gives us an update. What are the barriers to saving more and what are the emerging ideas for tackling them?

16:30-16:50	<b>REINVENTING SAVING</b> 12 months on from the launch of the Pensions and Lifetime Savings Association and the pace of change in retirement savings has been even faster than anyone could have expected. The PLSA's Chief Executive considers what the future of pensions and lifetime savings looks like now and sets out the PLSA's plans to help its members prepare.  Joanne Segars, Chief Executive, PLSA
16:50-17:00	<b>SAVING MORE – THE CONFERENCE CHALLENGE</b>  PROGRESS REPORT  With less than 24 hours to go in the conference challenge the second of our teams gives us an update. What are the barriers to saving more and what are the emerging ideas for tackling them?
<b>Plenary 8 17:00-17:30</b>	
<b>KEYNOTE ADDRESS</b>  Details coming soon...	
17:35-18:00	<b>LAUNCH OF NEW MADE SIMPLE GUIDE SPONSORED BY BLACKROCK</b>
18:00 - Close of conference for the day	
19:30-23:00	CONFERENCE GALA DINNER AT LIVERPOOL ANGLICAN CATHEDRAL SPONSORED BY AHC After-dinner entertainment: The Overtones Dress code: lounge suits

## **Friday 21 October**

08:15	Registration open
08:30-09:00	PLSA AGM
09:00	Exhibition open

## **Plenary 9 - 09:20-10:05**

### WHAT WE CANNOT KNOW

Is it possible that we will one day know everything? Or are there fields of research that will always lie beyond the bounds of human comprehension? Knowing when we can't know can be as important as knowledge itself for an industry that seeks certainty.

Marcus du Sautoy, Simonyi Professor for the Public Understanding of Science and Professor of Mathematics, New College, Oxford

## **Plenary 10 - 10:05-10:45**

### SAVING MORE – THE CONFERENCE CHALLENGE

### ROUND II – THE PITCH

Time's up! Our two teams pitch their ideas on helping people like them understand the need to save more and you vote to choose the winner.

10:45 - 11:30 - Refreshments served in the exhibition hall

## **Plenary 11 - 11:30-12:10**

### KEYNOTE ADDRESS

Details coming soon...

**Plenary 12 - 12:10-12:55****KEYNOTE ADDRESS**

**Details coming soon...**

12:55-13:00	<b>CLOSING COMMENTS</b> Lesley Williams, Chair, PLSA
13:00-14:00	Lunch in the exhibition hall and close of conference

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**FRINGE MEETINGS: WEDNESDAY AM**

10:00 - 11:15

**FRINGE MEETING 1**

Details coming soon...

**Break 11:15 - 11:35**

11:35 - 12:50

**FRINGE MEETING 2**

Do androids dream of electric sheep? The problems of being human and what that means for our DC happiness

Following our 2014 Pensions Revolution fringe meeting and 2015's 'Pensions meets Star Wars' focus on default design pitfalls, join us to complete our DC trilogy. Together we'll map out how robots would maximise their DC outcomes, how human intelligence is flawed and what that means for designing end-to-end DC lifecycles. We will take you on an interactive journey into the unknown, combining investment analysis, behavioural finance and ethical questions on how to balance doing what is objectively right for people and how they subjectively judge their own happiness.

Emma Douglas, Head of DC, Legal & General Investment Management

John Roe, Head of Multi-Asset Funds, Legal & General Investment Management

Lunch 12:50 - 13:15

## **FRINGE MEETINGS: WEDNESDAY PM**

16:50 - 18:05

### **FRINGE MEETING 3**

Details coming soon...

### **FRINGE MEETING 4**

De-risking and income generation – how to have it all

Trustees of maturing schemes face the challenge of generating income to meet near-term liabilities while still de-risking the scheme and managing volatility. We examine how trustees can answer short-term demands while staying on track to meet the scheme's wider objectives.

Matthew Bance, Strategist, Global Investment Solutions Director, UBS Asset Management

Peter Cazalet, Business Development Director, UK & Ireland, UBS Asset Management

### **FRINGE MEETING 5**

Currency risks and opportunities: what your scheme needs to know

Managing the currency risk that goes with investing in non-UK assets is a key challenge for pension funds – especially at a time of political and economic uncertainty. This session will provide a guide to the latest currency-related risks, opportunities and regulatory developments, leaving you and your scheme better placed to handle them.

## WIRRAL COUNCIL

### PENSIONS COMMITTEE

4 JULY 2016

SUBJECT:	LAPFF CONFERENCE
WARD/S AFFECTED:	NONE
REPORT OF:	STRATEGIC DIRECTOR TRANSFORMATION & RESOURCES
KEY DECISION	NO

#### 1.0 EXECUTIVE SUMMARY

- 1.1 This report recommends that the Committee approves attendance by the Chair and party spokespersons at the Local Authority Pension Fund Forum (LAPFF) Annual Conference, organised by PIRC, to be held in Bournemouth from 7 to 9 December 2016.

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 MPF is a member of LAPFF and its Annual General Meeting and annual conference provides a forum for Responsible Investment matters and topical issues affecting Local Authority Pension Funds to be discussed and addressed. With sustainability issues gaining a higher profile it is proposed that the arrangements pertaining last year are continued and invitations extended to party spokespersons as well as the Chair.
- 2.2 An agenda for the conference has not been published and will be circulated when available. However, the format is changing slightly with the conference commencing on the Wednesday at 14.30 and concluding at 12.00 on the Friday.

#### 3.0 RELEVANT RISKS

- 3.1 There are none arising from this report.

#### 4.0 OTHER OPTIONS CONSIDERED

- 4.1 No other options have been considered.

#### 5.0 CONSULTATION

- 5.1 There has been no consultation undertaken or proposed for this report. There are no implications for partner organisations arising from this report.

#### 6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

- 6.1 N/A

#### 7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 7.1 There are none arising from this report.

## **8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

8.1 LAPFF membership allows for two free conference places. Additional places will cost around £800 per head with travel costs an additional expense.

## **9.0 LEGAL IMPLICATIONS**

9.1 There are none arising from this report

## **10.0 EQUALITIES IMPLICATIONS**

10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) No because there is no relevance to equality.

## **11.0 CARBON REDUCTION IMPLICATIONS**

11.1 There are no carbon usage implications, nor any other relevant environmental issues arising from this report.

## **12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

12.1 There are none arising from this report.

## **13.0 RECOMMENDATION/S**

13.1 That attendance at the LAPFF conference by the Chair and party spokespersons be approved

## **14.0 REASON/S FOR RECOMMENDATION/S**

14.1 Attendance at this conference is a part of the development programme approved by Members in January 2016.

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## **APPENDICES**

None

## **BACKGROUND PAPERS/REFERENCE MATERIAL**

## **BRIEFING NOTES HISTORY**

<b>Briefing Note</b>	<b>Date</b>

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Pensions Committee</b>	<b>September 2015</b>
<b>Pensions Committee</b>	<b>September 2014</b>
<b>Pensions Committee</b>	<b>September 2013</b>

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# Agenda Item 10

## LOCAL PENSIONS BOARD

Thursday, 14 April 2016

Present: J Raisin (Chair)

G Broadhead	P Goodwin
M Hornby	P Wiggins
R Dawson	P Maloney
K Beirne	

Apologies D Ridland

### 20 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Members were asked to declare any disclosable pecuniary and non-pecuniary interests, in connection with any item(s) on the agenda and state the nature of the interest.

No such declarations were made.

### 21 MINUTES

Mr P Wiggins commented that Members would find it helpful if a glossary of acronyms could be included where appropriate. Members having agreed this it was:-

**Resolved – That the accuracy of the Minutes of the Local Pension Board held on 13 October, 2015 be approved as a correct record.**

### 22 LGPS UPDATE

Members considered the LGPS update reports that had been taken to Pensions Committee (25 January and 21 March 2016) since the last Pension Board meeting and were attached as appendices to the report.

**Resolved – That the reports be noted.**

### 23 ADMINISTRATION REPORT

A report of the Principal Pensions Officer provided the Pension Board with monitoring information on the key performance indicators in respect of the work undertaken by the administration team during the period 1 April 2015 – 31 March 2016.

The appendix to the report, the Pensions Administration Monitoring Report, contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972, i.e. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

**Resolved – That;**

- 1) the report be noted.**
- 2) the Board offer its thanks to the Officers and in particular Yvonne Caddock and Guy Hayton for their work in preparing the Administration Report.**

## **24 POOLING UPDATE**

Members considered a report of the Head of the Pensions Fund that provided details of the Fund's initial submission to Government in relation to the ongoing consultation in relation to the requirement for the Local Government Pension Scheme to pool investments to deliver significantly reduced costs while maintaining overall investment performance.

The initial pooling submission to DCLG which had been reported to March Pensions Committee was attached an appendix to the report.

Appendix 4 – to the report – Cost Analysis and Appendix 5 – Legal Advice contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972, i.e. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

On a motion by Geoffrey Broadhead and seconded by Robin Dawson it was: -

**Resolved: (Unanimously) -That;**

- 1) the Local Pension Board of the Merseyside Pension Fund commends and supports the overall approach adopted by the Northern Powerhouse Pool in their February 2016 submission to the DCLG and the Memorandum of Understanding between the Administrating Authorities of the Merseyside, Greater Manchester and West Yorkshire Funds of 19 February 2016.**
- 2) in particular the Board commends**
  - i) the proposed approach to the structure and Governance of the Northern Powerhouse Pool noting in particular the intent to seek to retain genuine Elected Member oversight through a Joint Committee**

- ii) the Pool's proposed approach to the management of alternative/illiquid assets
  - iii) the intention to explore a range of options for the management of listed assets
- 3) the Pool's governance arrangements should ideally facilitate the genuine involvement and participation of non-district employer, employee and pensioner representatives.

25 **LGPS INVESTMENT REGULATIONS CONSULTATION**

The report of the Head of the Pension Fund provided Members with details of a consultation on proposals to revoke and replace the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 and the Fund's submission to that consultation.

**Resolved – That the report be noted.**

26 **THE PENSIONS REGULATOR BREACHES POLICY**

The Board gave consideration to the policy that had been taken to Pensions Committee in relation to the requirement to report breaches of pension law as defined within section 13 (7) and 70 (2) a of the Pension Act 2004 to the Pension Regulator.

The report of the Head of the Pension Fund informed that under the Pension Act 2004, Wirral Council as administering authority of Merseyside Pension Fund, were under a legal obligation to consider making a report to the Regulator, if they become aware that there had been a breach of the legal requirements, relating to the administration and management of Merseyside Pension Fund. Failure to report a breach when required to do so was a civil offence which could result in a fine on the persons who failed to report.

Merseyside Pension Fund's proposed Breaches Policy and operational procedure for identifying breaches under both the jurisdiction of the Pension Regulator, and any non-compliance under the Local Government Pension Regulations, was attached as an appendix to the report. A decision tree based on the traffic light system of Red, Amber and Green was included within the policy to assess whether the breach was materially significant and the process for reporting the breach to the Regulator.

Members sought clarification of the timescales involved in the reporting of potential breaches and it was agreed that officers would revise the wording of the responsibilities of the responsible officer to clarify the policy intent.

**Resolved – That;**

- 1) the report be noted.**

**2) officers revise the wording of the responsibilities of the responsible officer to clarify the policy intent.**

**27 REVISED POLICIES**

A report of the Head of the Pension Fund provided Board members with details of any Fund policies that had been revised since the last Pension Board meeting. The reports to Pensions Committee were attached as appendices to the report. Fund policies were subject to regular review and approval by Pensions Committee. Members commented that they were pleased to note the positive management and governance structure.

**Resolved – That the report be noted.**

**28 MEMBER DEVELOPMENT PROGRAMME**

A report of the Head of the Pension Fund outlined the development programme for Members of Pensions Committee that was attached an appendix to the report.

It was a regulatory requirement for LGPS funds to outline in their Statement of Investment Principles the extent of their compliance with the 2008 Myners Principles and associated guidance. Myners emphasises the importance, for effective governance of pension funds, of adequate training for those acting in a trustee-like role.

The Fund's Statement of Investment Principles stated that “an ongoing training programme (updated annually) for Committee Members and Fund officers [is provided] to ensure that decision-making is on an informed basis”.

A number of these development opportunities would also be made available to Pension Board members.

The Head of the Pension Fund indicated that he would be happy to hear about any other training Members had attended.

**Resolved – That the report be noted.**

**29 IMWP MINUTES**

The IMWP minutes taken to Pensions Committee since the last Pension Board meeting were attached as exempt appendices to the report.

The appendices to the report, the minutes of IMWPs, contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972, i.e. Information relating to the financial or

business affairs of any particular person (including the authority holding that information).

Members who had already attended IMWP meetings commented on their usefulness. The Head of the Pension Fund agreed he would circulate the date of the next meeting and bring dates to future meetings of the Board for members' information.

**Resolved – That the report be noted.**

**30 GRWP MINUTES**

Members considered the GRWP minutes that had been taken to September Pensions Committee and were attached as an exempt appendix to the report.

The appendix to the report, the minutes of the GRWP on 30 June 2015, contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972, i.e. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

**Resolved – That the report be noted.**

**31 DRAFT PENSION BOARD REPORT**

The Chair reported that this item would be discussed at the June meeting of the Pensions Board. The Chair and Head of the Pension Fund would prepare a report on the annual review of effectiveness a draft of which would come to the next meeting of the Board.

**32 EXEMPT INFORMATION - EXCLUSION OF MEMBERS OF THE PUBLIC**

**Resolved – That in accordance with section 100 (A) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business, on the grounds that it involved the likely disclosure of exempt information as defined by relevant paragraphs of Part 1 of Schedule 12A (as amended) to that Act. The public interest test had been applied and favoured exclusion.**

**33 POOLING UPDATE**

The appendix to the report on Pooling Update was exempt by virtue of paragraph 3.

**34 IMWP MINUTES**

The appendix to the report on IMWP Minutes was exempt by virtue of paragraph 3.

**35 GRWP MINUTES**

The appendix to the report on GRWP Minutes was exempt by virtue of paragraph 3.

**36 ADMINISTRATION REPORT**

The appendix to the report on the Administration Report was exempt by virtue of paragraph 3.

Members requested additional performance indicators in relation to staff absences and turnover.

**Resolved – That Officers include an additional monitoring measure covering staff absence and turnover.**

**37 ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR**

In accordance with the Breaches Policy (Minute 26 ante refers) members considered details of two breaches logged in the Register of Internal Breaches as T001 and T002 and were advised of the subsequent action taken.

**Resolved – That the Breaches as T001 and T002 in the Register of Internal Breaches logged as Green – Non-reportable be agreed.**

## WIRRAL COUNCIL

### PENSIONS COMMITTEE

4 JULY 2016

SUBJECT:	MPF - LOCAL INVESTMENT UPDATE
WARD/S AFFECTED:	NONE
REPORT OF:	STRATEGIC DIRECTOR TRANSFORMATION & RESOURCES
KEY DECISION?	NO

#### 1.0 EXECUTIVE SUMMARY

- 1.1 This report informs Members of the arrangements put in place with CBRE in respect of local investments.
- 1.2 The appendix to this report contains exempt information. This is by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of Local Government Act 1972 i.e. information relating to the financial or business affairs of any particular person (including the authority holding that information).

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 A report was brought to this Committee in January of this year which set out MPF's approach to investment in the local area and Members agreed that officers should develop the Fund's capacity to undertake further regional investments consistent with the Fund's investment criteria.
- 2.2 Officers have been working with their advisors, including CBRE, to develop a framework for identifying potential opportunities, assessing them and, where viable, working with other parties to fund and undertake them.
- 2.3 CBRE attended the Investment Monitoring Working Party on 9 June to present proposals for the MPF Catalyst Fund which seeks to stimulate investments in the region. The presentation is attached as an appendix to this report.

#### 3.0 RELEVANT RISKS

- 3.1 Regional investments bring greater potential for conflicts of interest which must be managed appropriately through suitable governance arrangements.
- 3.2 It is important that all the Fund's investments are subject to rigorous assessment and suitably diversified.

#### 4.0 OTHER OPTIONS CONSIDERED

- 4.1 There are no other options under consideration.

## **5.0 CONSULTATION**

5.1 MPF has discussed the Fund with some stakeholders including the Merseyside Directors of Finance.

## **6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS**

6.1 N/A

## **7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

7.1 There are none arising from this report.

## **8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

8.1 It is recognised that regional investments tend to be more resource-intensive than conventional investment practice, in terms of management and the knowledge requirement. This will be factored in to the assessment of opportunities. Appropriate staffing resource is being put in place along with external advice.

## **9.0 LEGAL IMPLICATIONS**

9.1 There are none arising from this report

## **10.0 EQUALITIES IMPLICATIONS**

10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) No because there is no relevance to equality.

## **11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS**

11.1 There are no carbon usage implications, nor any other relevant environmental issues arising from this report.

## **12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

12.1 There are none arising from this report.

## **13.0 RECOMMENDATION/S**

13.1 That Members note the report and approve the intention to establish the Catalyst Fund to undertake regional investments consistent with the Fund's investment criteria.

## **14.0 REASON/S FOR RECOMMENDATION/S**

14.1 Devolution and the City Region are expected to enable suitable investments to be identified, developed and completed.

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## **APPENDICES** Presentation to IMWP

### **BACKGROUND PAPERS/REFERENCE MATERIAL**

#### **BRIEFING NOTES HISTORY**

<b>Briefing Note</b>	<b>Date</b>

#### **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Pension Committee</b>	<b>January 2016</b>
<b>Pension Committee</b>	<b>November 2015</b>
<b>Pension Committee</b>	<b>September 2015</b>

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## WIRRAL COUNCIL

### PENSIONS COMMITTEE

4 JULY 2016

<b>SUBJECT:</b>	<b>POOLING UPDATE</b>
<b>WARD/S AFFECTED:</b>	<b>NONE</b>
<b>REPORT OF:</b>	<b>STRATEGIC DIRECTOR TRANSFORMATION &amp; RESOURCES</b>
<b>KEY DECISION?</b>	<b>NO</b>

#### 1.0 EXECUTIVE SUMMARY

- 1.1 This report updates Members with the progress made in developing pooling arrangements in relation to the Northern Pool and Government's requirement for the Local Government Pension Scheme to pool investments to deliver significantly reduced costs while maintaining overall investment performance.
- 1.2 As feedback from HM Treasury is awaited, the submission cannot be finalised at the time of writing. However, it is expected that the submission should be complete by the time of Pension Committee and a briefing will be provided at the time.
- 1.3 The appendix to the report, appendix 2, contains exempt information. This is by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972, i.e. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

#### 2.0 BACKGROUND AND KEY ISSUES

- 2.1 Following its initial pooling submission in February, Merseyside Pension Fund has been working towards the final submission due 15 July 2016. On 19 May, the Pool was requested to meet, on 16 June, with a senior evaluation panel convened by HM Treasury, to provide officials with an update on the Pool's current thinking on its July submission. The topics addressed in the presentation are set out in appendix 1.
- 2.2 Appendix 2 provides the Board with details of the Northern Pool's presentation to HM Treasury, DCLG and their advisors on 16 June 2016.
- 2.3 Following the presentation, HM Treasury will be communicating with the Northern Pool to advise of any areas where officials feel further consideration or work is required. The Pool's submission cannot be finalised until that communication has been received but the Pool's intentions are clearly set out in the presentation.

- 2.4 On 8 June, DCLG wrote to the Chairs of Pensions Committees advising that funds will not be expected to make individual submissions in July as set out in the Investment Reform Criteria and Guidance (paragraph 2.2). Instead DCLG will require only a single submission from each pool with an annex from each participating fund on assets to be held outside the pool.

### **3.0 RELEVANT RISKS**

- 3.1 There are none arising from this report.

### **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 No other options have been considered.

### **5.0 CONSULTATION**

- 5.1 There has been no consultation undertaken or proposed for this report. There are no implications for partner organisations arising from this report.

### **6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS**

- 6.1 There are no previously approved actions outstanding.

### **7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 7.1 There are none arising from this report.

### **8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 8.1 There are none arising directly from this report.

### **9.0 LEGAL IMPLICATIONS**

- 9.1 There are none arising from this report.

### **10.0 EQUALITIES IMPLICATIONS**

- 10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?  
(b) No because there is no relevance to equality.

### **11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS**

- 11.1 There are no carbon usage implications, nor any other relevant environmental issues arising from this report.

### **12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

- 12.1 There are none arising from this report.

## **13.0 RECOMMENDATION/S**

- 13.1 That Members note the report and that officers are preparing a final submission in consultation with the Chair.
- 13.2 That Members approve the final submission which is expected to be available at this meeting.

## **14.0 REASON/S FOR RECOMMENDATION/S**

- 14.1 The Fund and the Northern Pool is required to submit a response to the Government's consultation by 15 July 2016.

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## **APPENDICES**

- Appendix 1. LGPS Pooling Presentation requirements  
Appendix 2. Exempt – Presentation to HM Treasury

## **BACKGROUND PAPERS/REFERENCE MATERIAL**

## **BRIEFING NOTES HISTORY**

<b>Briefing Note</b>	<b>Date</b>

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Pension Committee</b>	<b>21 March 2016</b>
<b>Pension Committee</b>	<b>25 January 2016</b>
<b>Pension Committee</b>	<b>16 November 2015</b>

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## **LGPS Pool presentations**

### **SCALE**

1. Please state the total value of assets (£b) to be invested via the pool once transition is complete (based on asset values as at 31.3.2015).

### **COMMITMENT**

2. Please confirm that the pool structure has been formally signed off by all participating funds, (or if necessary when formal sign off is expected) and include:
  - a. details of the FCA authorised structure that will be put in place, and has been signed off by the participating funds;
  - b. outline of tax treatment and legal position, including legal and beneficial ownership of assets;
  - c. the work that will be carried out internally and services to be hired from outside; and
  - d. a brief overview explaining how the cost benefits of pooling will be measured, evaluated and reported.

### **TRANSITION**

3. The timeline for establishing the pool up to 1<sup>st</sup> April 2018 and the plan for transparently reporting progress.
4. Please provide a summary of the estimated value of assets (in £b based on asset values at 31.3.15 and assuming no change in asset mix) to be held inside and outside the pool at the end of each 3 year period starting from 1st April 2018.
5. An outline rationale for holdings outside the pool and plans for transition.

### **GOVERNANCE AND DECISION MAKING**

6. Please describe briefly how the governance structure will ensure that the operator of the pool can be held to account and in particular the provisions for reporting back to funds, at both a local and a pool level, on the implementation and performance of their investment strategy. Please set out the composition of the supervisory body.
7. Outline the decision-making procedures within the governance structure, in particular confirm that manager selection and implementation of investment strategy will be carried out at the pool level - please provide assurance that this structure will be in place by 1st April 2018 and any assumptions on which this is based.
8. Please explain how the pool will operate, the work to be carried out internally and services to be hired from outside.
9. Set out how net performance of each asset class will be reported publicly by the pool and the extent to which benchmarking will be used by authorities to assess their own

governance and performance and that of the pool, including how fees and net performance in each listed asset class will be compared to a relevant passive index.

## **COSTS AND SAVINGS**

10. Please provide an assessment of investment costs and fees as at 31 March 2013 and also current investment costs prepared on the same basis for comparison.
11. Please provide an estimate of the governance and regulatory cost (including regulatory capital and breakdown of costs by source) of the pool split between implementation and ongoing. Please list any assumptions made to arrive at that estimate. Please include details of where new costs are set off by reduced existing costs.
12. Please provide an estimate of the staffing cost of the pool split between implementation and ongoing. Please state any assumptions made to arrive at that estimate. Please include details of where new costs are set off by reduced existing costs.
13. Please provide a summary of the estimated savings (per annum) over the next 15 years to be achieved by the pool at the end of each 3 year period starting from 1st April 2018. Please explain how you've arrived at these figures.
14. Please explain how authorities and/or the pool (as appropriate) will transparently report:
  - a. actual transition costs compared to forecasts;
  - b. actual savings compared to forecasts; and
  - c. fees and other ongoing costs (including costs not previously reported).

## **INFRASTRUCTURE**

15. Please confirm that the pool is committed to working with other pools to develop the capability and capacity to access infrastructure opportunities appropriate to the risk appetite and return requirements of its participating funds. The definition of infrastructure should be that set by participating funds and is not restricted to the UK.
16. Please explain the proportion of funds in the pool currently allocated to infrastructure and state the pool's ambition for infrastructure investment, i.e. the estimated total allocation to infrastructure, subject to suitable opportunities, and once the capacity and capability referred to above is in full operation.

**WIRRAL COUNCIL  
PENSIONS COMMITTEE  
4 JULY 2016**

<b>SUBJECT:</b>	<b>MINUTES OF INVESTMENT MONITORING WORKING PARTY MEETING</b>
<b>WARD/S AFFECTED:</b>	<b>NONE</b>
<b>REPORT OF:</b>	<b>STRATEGIC DIRECTOR TRANSFORMATION &amp; RESOURCES</b>
<b>KEY DECISION?</b>	No

## **1.0 EXECUTIVE SUMMARY**

- 1.1 The purpose of this report is to provide Members with the minutes of the Investment Monitoring Working Party held on 19 April 2016 and 9 June 2016.
- 1.2 The appendix to this report contains exempt information. This is by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of Local Government Act 1972 i.e. information relating to the financial or business affairs of any particular person (including the authority holding that information).

## **2.0 BACKGROUND AND KEY ISSUES**

- 2.1 The IMWP meets at least six times a year to enable Members and their advisors to consider investment matters relating to Merseyside Pension Fund in greater detail.

## **3.0 RELEVANT RISKS**

- 3.1 There are none arising from this report.

## **4.0 OTHER OPTIONS CONSIDERED**

- 4.1 No other options have been considered.

## **5.0 CONSULTATION**

- 5.1 There has been no consultation planned or undertaken for this report. There are no implications for partner organisations arising from this report.

## **6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

- 6.1 There are none arising from this report.

## **7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

- 7.1 There are none arising from this report.

## **8.0 LEGAL IMPLICATIONS**

8.1 There are none arising from this report.

## **9.0 EQUALITIES IMPLICATIONS**

9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) no, because there is no relevance to equality.

## **10.0 CARBON REDUCTION IMPLICATIONS**

10.1 There are none arising from this report.

## **11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

11.1 There are none arising from this report.

## **12.0 RECOMMENDATIONS**

12.1 That Members approve the Minutes of the IMWP meeting which are attached as an appendix to this report.

## **13.0 REASONS FOR RECOMMENDATIONS**

13.1 The approval of IMWP minutes by Pensions Committee forms part of the governance arrangements of Merseyside Pension Fund. These arrangements were approved by Pensions Committee as part of the Fund's Governance Statement at its meeting on 27th June 2011.

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## **APPENDICES**

*Exempt appendix*

## **REFERENCE MATERIAL**

*None.*

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Minutes of all IMWP meetings are brought to the subsequent Pensions Committee meeting.</b>	

## **Minutes of Investment Monitoring Working Party, 19 April 2016**

### ***In attendance:***

Councillor Paul Doughty (Chair) (WBC)	Peter Wallach (Head of MPF)
Councillor Geoffrey Watt (WBC)	Joe Blott (Strategic Director Transformation and Resources)
Councillor Paulette Lappin (SC)	Linda Desforges (Investment Manager)
Patrick Cleary (Unison)	Adil Manzoor (Investment Officer)
Louis Pau Hill (AON Hewitt)	Neil Gill (Investment Assistant)
Rohan Worrall (Independent Advisor)	Greg Campbell (Investment Manager)
Noel Mills (Independent Advisor)	Allister Goulding (Investment Manager)
	Emma Jones (PA to Head of Pension Fund)

### ***Apologies were received from:***

Councillor Ann McLachlan (WBC) (Vice Chair)	Councillor Treena Johnson (WBC)
Councillor Brian Kenny (WBC)	Councillor George Davies (WBC)
Councillor Cherry Povall (WBC)	Owen Thorne (Investment Officer)
Councillor Pat Cleary (WBC)	

### **1. Minutes of the meetings held on 10<sup>th</sup> March 2016.**

The minutes were noted.

### **Apologies and declarations of interest.**

Councillor Geoffrey Watt declared a pecuniary interest by virtue of a relative being a member of Merseyside Pension Fund.

Councillor Paul Doughty declared a pecuniary interest by virtue of his wife being a member of Merseyside Pension Fund.

## **Minutes of Investment Monitoring Working Party, 9 June 2016**

### ***In attendance:***

Councillor Paul Doughty (Chair) (WBC)	Peter Wallach (Head of MPF)
Councillor Geoffrey Watt (WBC)	Owen Thorne (Investment Officer)
Councillor Paulette Lappin (SC)	Linda Desforges (Investment Manager)
Councillor George Davies (WBC)	Neil Gill (Investment Assistant)
Councillor Adrian Jones (WBC)	Louis Pau Hill (AON Hewitt)
Councillor Cherry Povall (WBC)	Rohan Worrall (Independent Advisor)
Councillor Brian Kenny (WBC)	Noel Mills (Independent Advisor)
Councillor Pat Cleary (WBC)	Emma Jones (PA to Head of Pension Fund)

### ***Apologies were received from:***

Councillor Ann McLachlan (WBC) (Vice Chair)	Joe Blott (Strategic Director Transformation and Resources)
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### **2. Minutes of the meetings held on 19<sup>th</sup> April 2016.**

The minutes were noted.

### **Apologies and declarations of interest.**

Councillor Geoffrey Watt declared a pecuniary interest by virtue of a relative being a member of Merseyside Pension Fund.

Councillor Paul Doughty declared a pecuniary interest by virtue of his wife being a member of Merseyside Pension Fund.

# Agenda Item 15

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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# Agenda Item 16

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of the Local Government Act 1972.

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# Agenda Item 17

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of the Local Government Act 1972.

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