Public Document Pack

Pensions Committee

Date:	**Tuesday, 17 November 2009**
Time:	**6.00 pm**
Venue:	Committee Room 1 - Wallasey Town Hall

Contact Officer: Trevor Brassey
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AGENDA

1. **MINUTES (Pages 1 - 10)**

   To receive the minutes of the meeting held 22 September 2009.

2. **DECLARATIONS OF INTEREST**

   Members are asked to consider whether they have personal or prejudicial interests in connection with any item(s) on this agenda and, if so, to declare them and state what they are.

3. **LGPS REFORM UPDATE (Pages 11 - 14)**

4. **PENSION ADMINISTRATION STRATEGY STATEMENT (Pages 15 - 42)**

5. **PAYMENT OF PENSIONS OVERSEAS (Pages 43 - 44)**

6. **IIGCC STATEMENT ON A GLOBAL AGREEMENT ON CLIMATE CHANGE (Pages 45 - 54)**

7. **LGC PENSION FUND INVESTMENT CONFERENCE (Pages 55 - 56)**

8. **LOCAL GOVERNMENT CHRONICLE (LGC) AWARDS 2009 (Pages 57 - 58)**

9. **EXEMPT INFORMATION - EXCLUSION OF MEMBERS OF THE PUBLIC**

The public may 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.

10. APPOINTMENT OF STRATEGIC PROPERTY ADVISER (Pages 59 - 62)

11. MANAGEMENT OF JAPANESE, PACIFIC RIM AND EMERGING MARKETS EQUITIES (Pages 63 - 66)

12. MINUTES OF INVESTMENT MONITORING WORKING PARTY HELD ON 14 OCTOBER 2009 (Pages 67 - 74)

13. ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR

PENSIONS COMMITTEE

Tuesday, 22 September 2009

Present:	Councillor	AR McLachlan (Chair)	
	Councillors	G Watt T Harney W Duffey C Povall A Taylor (for Councillor Bob Moon)	D Knowles G Davies H Smith F Doyle
	Councillors	R Oglethorpe, Liverpool City Council N Keats, Knowsley Council A Ibbs, Sefton Council	
In attendance:	Paul Wiggins	UNISON	
Apologies	Councillor Councillor	Bob Moon G Pearl J Brown	

33 **COUNCILLOR SUZANNE MOSELEY**

The Chair and party spokespersons paid tribute to Councillor Suzanne Moseley following the news of her sudden and tragic death.

The Pensions Committee stood in silence as a tribute to her memory.

34 **MINUTES**

The Director of Law, HR and Asset Management submitted the minutes of the meeting held 18 June 2009.

<u>Resolved</u> – That the minutes be received.

35 **DECLARATIONS OF INTEREST**

Members were asked to consider whether they had any personal or prejudicial interests in connection with any matter on the agenda.

No declarations were made.

36 **PENSION FUND ACCOUNTS - AUDITED ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2009**

The District Auditor gave a presentation to the committee on the audited accounts for the year end 31 March 2009.

He reported that following discussions with officers of the Fund, some adjustments had been incorporated into the final version which had been circulated to Pensions Committee. He reported that there were no matters requiring further adjustment and the audit opinion would be unqualified.

Resolved – That the financial statements of the Merseyside Pension Fund for the year end 31 March 2009 be approved.

37 **ANNUAL GOVERNANCE OF ACCOUNTS (MANAGEMENT REPRESENTATION LETTER)**

The District Auditor gave a presentation on the Annual Governance Report summarising the findings of the 2008/09 audit of Merseyside Pension Fund.

The Director of Finance submitted a copy of the Management Representation Letter which was required to be signed by the Chair of Pensions Committee (Councillor Ann McLachlan) and himself.

Resolved – That the Management Representation Letter be signed.

38 **DRAFT ANNUAL REPORT**

The Director of Finance submitted a report informing Pensions Committee of a new requirement for the Annual Report to be reviewed along with the accounts.

He reported that this year, the Audit Commission had stated that it "would like to review the Annual Report along with the accounts, present the Annual Governance Report to the Pensions Committee and then present the Annual Governance Report to the Audit and Risk Management Committee.

Resolved – That the report be noted.

39 **LGPS VALUATION CONSULTATION - LGPS DELIVERING AFFORDABILITY, VIABILITY AND FAIRNESS**

The Director of Finance submitted a report informing Pensions Committee of a consultation exercise being conducted by the Department for Communities and Local Government (DCLG). The consultation suggested possible amendments to the LGPS to ensure its stability and viability in view of the current stock market impacts on pension fund liabilities likely to be identified at the forthcoming 31 March 2010 actuarial valuation exercise.

Resolved - That the draft response to the DCLG consultation be approved.

40 **LGPS REFORM UPDATE**

The Director of Finance submitted a report informing Pensions Committee of developments and outstanding issues following the introduction of the revised LGPS on 1 April 2008 by the Department for Communities and Local Government (DCLG).

<u>Resolved</u> – That the report be noted.

41 **REVIEW OF SCHEME ADDITIONAL VOLUNTARY CONTRIBUTIONS (AVC) ARRANGEMENTS**

The Director of Finance submitted a report updating Pensions Committee on arrangements for the provision of Scheme Additional Voluntary Contributions (AVCs).

<u>Resolved</u> – That the report be noted.

42 **RISK REGISTER**

The Director of Finance reported that on 23 July, 2009 the Department for Communities and Local Government (DCLG) issued an advisory note and draft, 'Guidance on Publication of Pension Fund Annual Reports'. Although DCLG had yet to consult on the draft guidance, it had been issued in response to advice from the Audit Commission to external auditors "to check the progress Funds are making with publication of the 2008/09 Pension Fund Annual Report". Amongst other things, the draft guidance required that "the report should contain a commentary on arrangements for the management of fund administrative, management and investment risk".

He reported that In order to comply with the guidance, MPF would be publishing the risk register as a part of the arrangements for the management of risk.

<u>Resolved</u> – That the Risk Register be approved

43 **FUNDING STRATEGY STATEMENT**

The Director of Finance reported that the previous Funding Strategy Statement (FSS) had been approved by the Pensions Committee on 28 January 2008 (Minute 80 refers).

He reported that the Local Government Pension Scheme (Administration) Regulations 2008 required that each Administering Authority revise and publish a funding strategy statement wherever there was a material change in either the policy on matters set out in the FSS or the Statement of Investment Principles (SIP).

The Director reported that the FSS was amended to confirm that the details of the methodology to be used by the Actuary in carrying out a termination assessment in the event of the cessation of an employer's participation in the Scheme was set out in the separate termination policy report dated 28 January 2008. At that time it was envisaged that where it was appropriate to use a more cautious basis to assess the final liabilities for an employer the financial assumptions to be used would be consistent with the equivalent assumptions adopted for the FRS17 accounting standard.

<u>Resolved</u> -That the revised Funding Strategy Statement be approved.

44 **BANK SIGNATORIES**

The Director of Finance submitted a report seeking approval to amend the personnel nominated on the existing bank mandates with Royal Bank of Scotland and State Street, the Global Custodian.

<u>**Resolved**</u> **- That the Royal Bank of Scotland, Liverpool, and State Street be authorised to accept cheques and other instructions on behalf of MPF signed in accordance with existing mandates by the following:-**

Director of Finance	**Ian E. Coleman**
Deputy Director of Finance	**David L. H. Smith**
Head of IT Services	**John O. Carruthers**
Head of Revenues, Benefits and Customer Service	**Malcolm J. Flanagan**
Head of Financial Services	**Thomas W. Sault**
Head of Support Services	**Stephen J. Rowley**
Head of Change	**Jacqueline Roberts**
Deputy Head of Pension Fund	**Peter G. Mawdsley**
Financial Controller	**Gerard F. Moore**
Benefits Manager	**Kevin J. Greenough**

45 **CUNARD BUILDING ARCHIVES**

The Director of Finance submitted a report requesting Pensions Committee to either approve a loan or gift of certain miscellaneous documents currently in the basement of the Cunard Building to the Merseyside Maritime Museum and various local authorities' archives services.

<u>**Resolved**</u> **– That the Cunard Building records be gifted to the Maritime Museum and the relevant Local Authority archives services and be made available to researchers.**

46 **POLICY ON PAYMENT OF DEATH GRANT**

The Director of Finance submitted a report recommending a change to the policy on payment of death grant following the death of a member of the Scheme.

He recommended that Pensions Committee approve a revised policy regarding payment of death grant as a consequence of the introduction of Nominated Co-Habiting Partners benefits into the Scheme from April 2008 and in order to expedite the payment of those benefits to the appropriate beneficiaries.

Resolved - That the revised wording of the policy statement on payment of death grants be confirmed.

47 TRUSTEE TRAINING FUNDAMENTALS

The Director of Finance reported that the fundamentals training course was run on an annual basis and provided an insight into Local Government Pension Scheme (LGPS) "trusteeship" for newly Elected Committee Members. The course would be held over a three day period, spread over a number of months.

Resolved – That those members wishing to take up the training course contact the Director of Finance as soon as possible to confirm their place on the course.

48 THE FUTURE OF CORPORATE REFORM

The Director of Finance submitted a report informing the Pensions Committee of the attendance of the Chair of the Committee at a conference on the Future of Corporate Reform which had been held on 8 to 10 September 2009.

Resolved - That Pensions Committee note the attendance of the Chair at the conference on the Future of Corporate Reform.

49 LOCAL GOVERNMENT PENSIONS COMMITTEE APPOINTMENT

The Director of Finance submitted a report recommending that the Chair of Pensions Committee be appointed to the Local Government Pensions Committee (LGPC) of the Local Government Association (LGA).

Resolved - That the Chair of Pensions Committee becoming a member of the Local Government Pensions Committee be agreed.

50 OCTOBER TRAINING EVENT FOR MEMBERS

The Director of Finance submitted a report informing Members of the training event at the Cunard Building arranged for 19 October 2009.

Resolved - That the training day be noted and members be urged to attend.

51 ANNUAL EMPLOYERS CONFERENCE

The Director of Finance submitted a report informing Members of the arrangements for the annual Employers Conference to be held on Wednesday, 25 November 2009.

Resolved - That the arrangements for the annual Employers Conference be noted.

52 **THE LGPS TRUSTEES CONFERENCE**

The Director of Finance submitted a report request that Pensions Committee members consider attendance at the LGPS trustees conference being organised by the Local Government Employers to be held in Cardiff on 22 and 23 October 2009.

Resolved - That those members wishing to attend the conference supply their name to the Director of Finance as soon as possible.

53 **LAPFF CONFERENCE IN BOURNEMOUTH**

The Director of Finance submitted a report recommending the attendance by the Chair of Pensions Committee at the Local Authority Pension Fund Forum (LAPFF) Annual Conference, organised by PIRC, to be held in Bournemouth on 2 – 4 December 2009.

Resolved -That attendance at the LAPFF conference by the Chair be agreed.

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

Resolved – That the public be excluded from the meeting on the grounds that the following matters to be considered contain exempt information by virtue of paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972.

55 **FUNDING REVIEW**

The Director of Finance submitted a report informing Members of a funding review undertaken by Mercer the Actuary as at 31 March 2009.

He requested members to note the report and agree that MPF should support the proposed Financing Plan methodology recently outlined by the Department for Communities and Local Government (DCLG) to aim to minimise future increases in employer contribution rates whilst having regard to the need to ensure solvency.

Resolved - That Pensions Committee supports the proposed Financing Plan methodology outlined in carrying out future valuations and aim to minimise future increases in employer contribution rates, whilst having regard to the need to ensure solvency.

56 **PRUDENTIAL / M&G UK COMPANIES FINANCING FUND**

The Director of Finance submitted a report informing Members of a commitment made by MPF to the Prudential/M&G UK Companies Financing Fund.

Resolved - That the investment in the M&G UKCFF be noted.

57 **DEATH GRANT CASE**

The Director of Finance submitted a report outlining details regarding the payment of benefits including a Death Grant payment due to be made by MPF.

<u>Resolved</u> - That Pensions Committee confirms that the death grant should be paid in five equal payments between the deceased's four children and his wife.

58 **ST NICHOLAS HOUSE, LIVERPOOL - REFURBISHMENT**

The Director of Finance submitted a report inform Members of the outcome of the recent tendering exercise in respect of refurbishment work for the ground floor office of a property located in Liverpool which is owned by MPF as part of the direct property investment portfolio. The tendering exercise had been conducted on behalf of MPF by CB Richard Ellis (CBRE).

<u>Resolved</u> - That the acceptance of the lowest tender, submitted by Ardmac Performance Contracting, in the sum now reported for refurbishment work at St Nicholas' House, Liverpool be noted.

59 **REVIEW OF POTENTIAL UNFUNDED LIABILITIES FOR ADMISSION BODIES**

The Director of Finance submitted a report informing Members of the details of the annual review of potential unfunded liabilities for admission bodies, undertaken by the Actuary Mercer, following an actuarial review of the Fund as at 31 March 2009.

<u>Resolved</u> –

1. That bond requirements are not increased based on the 31/03/2009 figures provided by the Actuary but instead are retained at the current (31/03/2007) levels.

2. That the level of funding guarantees provided by Local Authorities or other statutory bodies continue to be increased in accordance with the amount of the unfunded liability.

3. That a further review is undertaken as part of the forthcoming actuarial valuation as at 31/03/2010 and the results considered by the Committee having regard to the outcome of the current funding consultation and in the light of the economic and financial position at that time.

4. That the potential liabilities of admission bodies continue to be monitored on a regular basis.

60 **TRANSFEREE ADMISSION BODY APPLICATION - ANDRON CONTRACT SERVICES**

The Director of Finance submitted a report informing Pensions Committee of his decision taken under delegation, to approve the application received from Andron Contract Services a transferee admission body for admission to Merseyside Pension Fund. The Company had secured the Cleaning Services Contract at Mosslands School, Wallasey with effect from 1 July 2008.

Resolved – That the application for admission body status received from Andron Contract Services approved under delegated authority by the Director of Finance be approved.

61 **TRANSFEREE ADMISSION BODY APPLICATION - GRAYSONS RESTAURANTS**

The Director of Finance submitted a report informing Pensions Committee of his decision taken under delegation, to approve the application received from Graysons Restaurants a transferee admission body for admission to Merseyside Pension Fund. The Company had secured catering service contracts at various Liverpool schools for the period 28 February 2007 to 31 August 2010.

Resolved - That Pensions Committee notes the approval of the application for admission body status received from Graysons Restaurants made by the Director of Finance under his delegated authority.

62 **PROCUREMENT OF INDEPENDENT ADVISERS**

The Director of Finance submitted a report informing Pensions Committee of the specifications and timescale for the provision of independent financial advice to Members of the Pensions Committee from February 2010.

Resolved - That a procurement exercise for the provision of independent financial advice to the Pensions Committee from February 2010 be agreed.

63 **RECLAMATION OF EUROPEAN WITHHOLDING TAX**

The Director of Finance submitted a report informing Pensions Committee of progress in the recovery of withholding taxes (WHT) suffered on EU sourced dividend income received in recent years.

Resolved – That the progress on the recovery of withholding tax suffered on EU sourced dividend income received in recent years be noted.

64 **MANAGEMENT OF FIXED INCOME**

The Director of Finance submitted a report recommending the retention of Schroders and Legal and General in respect of the fixed income mandates.

<u>Resolved</u> –That the retention of Schroders and Legal and General in respect of fixed income mandates be approved.

65 **MINUTES OF INVESTMENT MONITORING WORKING PARTY 9 SEPTEMBER 2009**

The Director of Finance submitted the minutes of the Investment Monitoring Working Party held 9 September 2009.

<u>Resolved</u> – That the minutes be agreed.

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WIRRAL COUNCIL

PENSIONS COMMITTEE

17 NOVEMBER 2009

REPORT OF THE DIRECTOR OF FINANCE

LGPS REFORM UPDATE

1. **EXECUTIVE SUMMARY**

1.1. This report informs Members of developments and outstanding issues following the introduction of the revised New Look LGPS on 1 April 2008 by the Department for Communities and Local Government (DCLG).

2. **BACKGROUND**

2.1 The Pensions Committee last considered progress in implementing the new regulations as part of the reform of the LGPS, on 22 September 2009 (Minute 40 refers).

2.2. **Ill Health Retirement Regulations**

2.2.1. Although the analysis by the Government Actuary's Department of the results of the ill-health retirement data submitted by Pension Funds in June 2009 was scheduled to be completed by August 2009 the findings are still awaited. No further progress has been reported by the Ill Health Regulations Working Group established by the DCLG to advise on further changes required to the regulations.

2.3. **Affordability and Sustainability Consultation**

2.3.1. Merseyside Pension Fund (MPF) submitted a response agreed by the Pensions Committee on 22 September 2009 to the DCLG 25 June 2009 consultation on measures designed to avoid unnecessarily large increases in employer contribution rates at the forthcoming 31 March 2010 actuarial valuation. The details of the results of the consultation and the Government response are still awaited.

2.3.2. DCLG announced that a further separate consultation was to take place on the possible need for a more fundamental review of the future benefits package and financing of the LGPS. This document is still awaited.

2.4. **Amendment of Accounts and Audit Regulations 2003**

2.4.1. DCLG has issued a summary of responses received to its recent consultation on amending the Accounts and Audit Regulations and a DCLG response dated October 2009. Having considered the responses it has been decided in respect of pension costs to require only disclosure of the value of the employers' pension contribution for senior staff for the financial year.

2.5. **Draft LGPS (Amendment) Regulations 2010**

2.5.1 On 18 September 2009 DCLG issued draft amendment regulations for consultation on measures intended to comply with the Fair Deal for Staff Pensions for a small number of staff transferring from the Learning and Skills Council to Local Authorities on 1 April 2010 and dealing with the impact of the merger of a number of Probation Boards into Probation Trusts.

2.5.2. It has not yet been confirmed how many if any, Learning and Skills Council staff will be transferred to employers in MPF. The measures dealing with mergers of Probation Boards are not expected to affect MPF. A technical response will be submitted to DCLG by the closing date of 18 December 2009.

2.6. **Pension Fund Annual Report & Accounts Guidance**

2.6.1 I had regard to the informal advice note issued by DCLG in July 2009 in drafting the Annual Report and Accounts for 2008/2009. DCLG has not issued a final version of the statutory guidance for formal consultation within the promised timescale.

2.7. **Pensions Administration Strategy Plan**

2.7.1. A draft Pensions Administration Strategy to formalise administrative arrangements and service standards between the Pension Fund and participating employers which has been circulated to scheme employers and trade unions is the subject of a separate report to this meeting of the Committee.

2.8. **Cost Sharing Mechanism - LGPS (Amendment) Regulations 2009**

2.8.1. MPF provided the actuarial data by 30 June 2009 to the Secretary of State to enable the creation of a national model fund in connection with future cost sharing. No information has been issued by DCLG on the results of the work undertaken or any progress in agreeing the methodology to be used.

2.9. **85 Year Rule Protection**

2.9.1. The final decision on the possible extension of full "85 year Rule" protection to those members who would satisfy the requirements by 31 March 2020 rather than 31 March 2016 is still awaited from DCLG.

2.10. **Councillors Pensions**

2.10.1 The 2008 LGPS Regulations do not include councillors' pensions and provision remains subject to the 1997 Regulations**.** Although DCLG has confirmed that it intends to carry out consultation later this year on proposals for future pension arrangements for elected members nothing further has been announced to date.

3. FINANCIAL IMPLICATIONS

3.1 There are none directly arising from this report.

3.2 A number of the issues referred to in this report may well have implications on future funding, including cost sharing, the final costs of "85 Year Rule" protection depending on whether full protection is extended to 2020 and changes to yields from employee contributions.

4. STAFFING IMPLICATIONS

4.1. There are none directly arising from this report.

5. EQUAL OPPORTUNITY IMPLICATIONS

5.1. There are none arising from this report.

6. COMMUNITY SAFETY IMPLICATIONS

6.1. There are none arising from this report.

7. HUMAN RIGHTS IMPLICATIONS

7.1. There are none arising from this report.

8. LOCAL AGENDA 21 IMPLICATIONS

8.1. There are none arising from this report.

9. PLANNING IMPLICATIONS

9.1. There are none arising from this report.

10. MEMBER SUPPORT IMPLICATIONS

10.1. There are none arising from this report.

11. BACKGROUND PAPERS

11.1. Various DCLG letters and the summary of responses to amending the Accounts and Audit Regulations 2003.

12. RECOMMENDATION

12.1. That Members note the report.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/269/09

WIRRAL COUNCIL

PENSIONS COMMITTEE

17 NOVEMBER 2009

REPORT OF THE DIRECTOR OF FINANCE

PENSION ADMINISTRATION STRATEGY STATEMENT

1. EXECUTIVE SUMMARY

1.1 This report informs Members of the results of consultation with stakeholders on the introduction of a Pensions Administration Strategy Statement intended to improve standards of administration and quality of service provided to scheme members.

2. BACKGROUND

2.1 Merseyside Pension Fund (MPF) has for many years had a Service Standards Charter document in place setting out the administrative responsibilities of MPF and individual employers under the Local Government Pension Scheme (LGPS).

2.2 From 1 April 2008 Regulation 65 of the **Local Government Pension Scheme (Administration) Regulations 2008** provides that each Administering Authority may prepare a written statement of policies in relation to matters it considers appropriate to its pension administration strategy and after consultation with employers and other stakeholders publish a Pensions Administration Strategy Statement.

2.3 The Regulations require that the Administering Authority and its employing authorities must have regard to the current version of any pension administration strategy when carrying out their Scheme functions. The Administering Authority must keep its administration strategy under review and update it as necessary to reflect any material changes in its policies in relation to any matters contained in the strategy.

2.4 MPF posted the draft strategy on its Employer Website and circulated details of the statement to all scheme employers and trade unions representing employees for comment on 20 August 2009 and a further reminder was circulated on 29 September 2009.

2.5 The document has been updated having regard to comments received from a number of employers.

3. FINANCIAL IMPLICATIONS

3.1 Effective and efficient administration of the pensions administration function should minimise costs of administration both for MPF and individual employers and improve the quality of service provision to scheme members.

3.2 Section 10 of the strategy sets out the circumstances in which MPF will seek to recover from individual scheme employers additional costs which have resulted from their poor performance or failure to comply with the requirements of the Pension Regulations.

4. STAFFING IMPLICATIONS

4.1 There are none arising directly from this report.

5. **EQUAL OPPORTUNITY IMPLICATIONS**

5.1 There are none arising directly from this report.

6. **HUMAN RIGHTS IMPLICATIONS**

6.1 There are none rising directly from this report.

7. **COMMUNITY SAFETY IMPLICATIONS**

7.1 There are no specific implications arising from this report.

8. **LOCAL MEMBER SUPPORT IMPLICATIONS**

8.1 There are no specific implications for any Member or Ward.

9. **LOCAL AGENDA 21 IMPLICATIONS**

9.1 There are no specific implications arising from this report.

10. **PLANNING IMPLICATIONS**

10.1 There are no specific implications arising from this report.

11. **BACKGROUND PAPERS**

11.1 Local Government Pension Scheme Administration Regulations 2008.

12. **RECOMMENDATION**

12.1. That the Committee approve the draft Pensions Administration Strategy Statement attached at appendix 1.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/295/09

PENSIONS ADMINISTRATION
STRATEGY 2009

Merseyside
PENSION FUND

Contents

1. Introduction

Merseyside Pension Fund ("the Fund") is responsible for the administration of the Local Government Pension Scheme ("the Scheme")) within the geographical area of Merseyside. The Fund also administers the Scheme on behalf of a number of qualifying employers who are not situated within the Merseyside area. The service is carried out by Wirral Council ("the administering authority") on behalf of qualifying employers and ultimately the Scheme members.

This document is the Pensions Administration Strategy statement outlining the policies and performance standards towards providing a cost-effective, inclusive and high quality pensions administration service. Delivery of such an administration service is not the responsibility of one person or one organisation, but is rather the joint working of a number of different stakeholders which between them are responsible for delivering the pensions administration service to meet the diverse needs of the membership.

2. Compliance

Developed in consultation with employers within the Fund, this statement seeks to promote good working relationships, improve efficiency and ensure agreed standards of quality in delivery of the pension administration service amongst the employers and the Fund. A copy of this strategy is issued to each of the relevant employers as well as to the Secretary of State.

The undertakings set out within this Pension Administration Strategy will be reviewed annually by the Fund.

In no circumstances does this strategy override any provision or requirement of the Regulations set out below nor is it intended to replace the more extensive commentary provided by the Employers' Guide and Website for day-to-day operations.

3. Review

The Fund will review this policy statement and make revisions as appropriate following a material change in its policies in relation to any of the matters contained in the strategy. Employers will be consulted and informed of the changes and a revised statement will be supplied to the Secretary of State.

4. Regulatory Framework

Regulation 65(1) of the LGPS (Administration) Regulations 2008 (formerly Regulation 76C of the Local Government Pension Scheme Regulations 1997) enables an LGPS administering authority to prepare a document ("the pension administration strategy") detailing administrative standards, performance measures, data flows and communication with employers - a full transcript of this and other related regulations are in Appendix One.

In addition, Regulation 43 of the (Administration) Regulations 2008 allows an administering authority to recover additional costs from an employing authority where, in its opinion, they are directly related to the poor performance of that employing authority.

This document has been presented, considered and ratified by the Pensions Committee on 17th November 2009 and, as such, the contents of which apply to all existing and future employers of Merseyside Pension Fund from that date. The document was supplied to the Secretary of State in accordance with regulatory requirements on 18th November 2009.

5. Liaison & Communication

The delivery of a high quality, cost effective administration service is not the responsibility of just the administering authority, but depends on the joint working of the administering authority with a number of individuals in different organisations to ensure Scheme members, and other interested parties, receive the appropriate level of service and ensure that statutory requirements are met.

Each Employing authority will designate a named individual to act as a **Pensions Liaison Officer**; being the main contact with regard to any aspect of administering the LGPS. A sample recommended "job description" is attached at Appendix Two

Key responsibilities of a Pensions Liaison Officer are:

- to act as a conduit for communications to appropriate staff within the employer – for example, Human Resources, Payroll teams, Directors of Finance;
- to ensure that standards and levels of service are maintained;
- to ensure that details of all nominated representatives and authorised signatures are correct, and to notify the Fund of any changes immediately;
- to arrange distribution of communications literature such as Scheme guides, packs, newsletters and promotional material as and when required;
- to inform the Fund of any alternative service arrangements required to ensure equitable member access, addressing the diverse needs of the membership;
- to assure data quality and ensure the timely submission of data to the Fund; and
- to assist and liaise with the Fund on promotional activities to increase, where appropriate, the Scheme membership and to existing members the overall benefits of the Scheme.

Employers' website

The Fund has a dedicated, private website for all employers. Each Pension Liaison Officer receives a unique username and password to access the site.

This employers' website is the main communication tool between employers and the Fund – it contains the procedural guide for administering the LGPS within Merseyside, copies of forms, a means to submit data securely and information on courses run by the Fund.

Important information is sent out on email to the Pension Liaison Officer, as a **News Alert**, but regular logging in and review of the website news areas is advised.

Additional usernames and passwords can be requested by the Pension Liaison Officer as appropriate. There will be an annual exercise to review of membership to the employers' website and employing authority contacts in general; Pension Liaison Officers will be expected to assist the Fund Operations team in this exercise.

Practitioner training

The Fund will publish an annual timetable of training days for employing authority staff tasked with administering the LGPS locally. Where resources allow, the Fund will respond to staff development requests from employers, these may be co-ordinated with published training days.

Employers' conference

The Fund holds an annual conference for employers, where officers of the Fund deliver a report on the Financial Statements, Investment Performance and also Administration Performance.

Attendance by Pension Liaison Officers and Senior Management within the employing authority is actively encouraged.

Policy discretions

Each employer is required to produce, publish and maintain a statement of policy regarding the exercise of certain discretionary functions available to them within the LGPS regulations. The policy statement must be kept under review and where revisions are made; the revised policy statement must be sent to the Fund and made readily available to all employees within the employing authority within one month of the effective date. Further information on applicable employer discretions is given in Section 11.

Notification of employees' rights

Any decisions made by an employing authority affecting an employee's rights to membership or entitlement to benefits must be notified to the employee in writing.

Internal Disputes Resolution Procedures (IDRP)

Each employing authority is required to nominate and name the person to whom applications under Stage 1 of the Internal Disputes Resolution Procedures should be made. The name, job title and contact details of this nominated person must be kept up-to-date with the Fund.

Computer links

The Fund will, to appropriate large employers, provide the software, hardware and communication facilities in order for employing authority staff to produce retirement estimates and enquire on their employees' record of membership.

The Fund will ensure that the Pensions Administration computer system is available for use during normal office hours (Mon-Fri, 9am to 5pm) with the exception of any necessary scheduled maintenance of the system as notified by email to the Pensions Liaison Officer.

The Fund will, where resources permit, make the computer system available outside of normal office hours provided sufficient notice is given. Any additional costs to provide such availability will be rechargeable to the employing authority.

Employers can request additional equipment or subsequent relocation of equipment and communication links, but at a cost rechargeable to the employing authority.

Strategically, the Fund has a long-term plan to update its Pensions Administration Systems in order to offer computer links to all employers over a secure Internet based connection. Updates and availability of this development will take place via the Employers' website.

6. Service standards to Scheme members

Prospective employees	
Employers' Responsibility	Fund's Responsibility
To provide all prospective employees with a **pensions promotional leaflet** prior to interview.	To update pensions promotional leaflet and provide sufficient stock within five weeks of request by employer.

New appointments	
Employers' Responsibility	Fund's Responsibility
To ensure that pensions information is included as part of any induction process.	To provide to employers on request appropriate tools for induction purposes – literature, newsletters, DVDs of Scheme benefits.
To provide each new employee with a **pension information pack**, either with the letter of appointment or within two weeks of starting work.	To update pension information packs in accordance to regulatory changes and provide sufficient stock within five weeks of request by employer.

New Starters	
Employers' Responsibility	**Fund's Responsibility**
To ensure that all employees subject to automatic admission are brought into the Scheme from the date of appointment.	To accurately record and update member records on pension administration systems.
To assist the Fund in ensuring that all new starters complete form **LGP2** and **LGP25** contained in the appropriate information packs, and forward, together with form **LGP1**, all relevant certificates (or copies) directly to the Fund within four weeks of the employees first pay date.	To apply for Transfer Value details within two weeks of request.
Where there is more than one contract of employment with the same employer, each membership shall be maintained separately and the Fund notified.	To accurately record and update member records on pension administration systems within four weeks of receipt of documents.
To provide full details of all new members including National Insurance Number, Date of Birth and Home Address on approved forms or by agreed electronic templates to the Fund within four weeks of the employees first pay date.	To produce **Certificates of Membership** and forward to member's home address, within thirteen weeks of joining the Scheme.
To forward a **Certificate of Membership**, produced by the Fund, to the member within thirteen weeks of joining the Scheme, if a home address has not been provided.	To produce Certificates of Membership and forward to the employer within thirteen weeks of joining the Scheme, if a home address has not been provided.
To store a copy of the Certificate of Membership with the Employers' records for that employee.	To provide the employer with a copy of the members Certificate of Membership.
To send the Fund a completed form **LGP9a** signed by any eligible employees subject to automatic entry, who do not wish to join, or elect to leave the Scheme **within three months of appointment** – and to arrange a payroll refund of contributions to the employee with appropriate adjustments to tax and National Insurance. To store a copy of the **LGP9a** with the Employers' records for that employee.	To accurately record and update member records on pension administration systems within four weeks of receipt of document.

Changes in circumstances for active members	
Employers' Responsibility	**Fund's Responsibility**
To ensure that the Fund is informed of any changes in the circumstances of employees on approved forms or by agreed electronic templates within four weeks of the change.	To provide forms for recording any key change in circumstances and/or to provide a template for the secure submission of data electronically.
Status: Change of Name Marital Status National Insurance number National Insurance category Conditions of service: Contractual Hours Remuneration Contribution Rate Department & Payroll Number Date Joined Scheme (if adjusted) Absence: Maternity & Paternity leave Paid & Unpaid leave of absence (including details of contributions paid) Industrial Action (strikes) Any other material period of absence	To accurately record and update member records on pension administration systems within four weeks of notification or any shorter period as requested by employer with regard to specific requirements.

Annual Benefit Statements	
Employers' Responsibility	Fund's Responsibility
To provide a year end contribution return, and to ensure all errors and additional information are resolved within four weeks in a valuation year, eight weeks in the other two years.	To process employer year end contribution returns within three months of receipt. To provide consolidated and grouped error reports for action by employers.
To provide an initial point of contact (Pension Liaison Officer or helpline number) for handling queries – this will be printed on the annual benefit statements sent to members.	To produce annual benefit statements for all active members at the date of production and post to member's home address.
To distribute annual benefit statements forwarded from the Fund via internal mail or by post using more up-to-date address information.	To produce annual benefit statements for all active members at the date of production and forward to the employer for distribution.

Additional benefits (AVCs)	
Employers' Responsibility	Fund's Responsibility
To collect from employee payroll, contributions and to arrange the prompt payment directly to the appropriate provider according to the published schedule and to be no later than the 19th of the month following deduction.	To provide information and offer alternative Scheme negotiated providers that offer a portfolio of additional voluntary contribution (AVC) options. To review provision to ensure services offered are reasonable.

Additional benefits (ARCs)	
Employers' Responsibility	Fund's Responsibility
To collect from employee payroll, contributions and to arrange the prompt payment to the Fund, according to the published schedule and to be no later than the 19th of the month following deduction.	To provide information and quotations to a Scheme member on the option of making Additional Regular Contributions (ARCs)

Retirement estimates

Employers' Responsibility	Fund's Responsibility
To submit request form **LGP88** for estimates to the Fund at least four months before retirement.	To provide to appropriate large employers, the software, hardware and communication facilities to produce retirement estimates without recourse to Fund staff. To produce retirement estimates for employers, without facilities, within two weeks of receiving all the necessary information.
To verify correctness of benefit estimate and distribute to the Scheme member within four weeks of the request.	

Retirement packs (information related to retirement)

Employers' Responsibility	Fund's Responsibility
To provide members retiring with form **LGP1b** and a **retirement pack** at least three months before retirement.	To update retirement packs and provide sufficient stock within five weeks of request by employer.
To provide, on request, a **retirement pack** to those members attaining age 58 in any given year.	

Members choosing to opt-out of the Scheme	
Employers' Responsibility	**Fund's Responsibility**
To send the Fund a completed form **LGP9a** signed by any eligible employees subject to automatic entry, who do not wish to join, or elect to leave the Scheme **within three months of appointment** – and to arrange a payroll refund of contributions to the employee with appropriate adjustments to tax and National Insurance. To store a copy of the **LGP9a** with the Employers' records for that employee.	To accurately record and update member records on pension administration systems within four weeks of receipt of document.
After three months membership to the Scheme, employers will direct employees to contact the Operations team at the Fund.	To respond to phone calls from members and provide information on the: benefits to be relinquished; tax and national insurance implications; nature of a deferred pension and when it will come into payment; need to inform the Fund of future home address changes. The Fund will provide an **LGP9** for completion by the member, following their continued wish to leave the Scheme.
Upon receipt of a completed and signed **LGP9** form from the Fund, to accurately update members payroll records to ensure further contributions are not collected and tax and National Insurance obligations are adjusted accordingly from the next appropriate pay date. To complete an **LGP1a** and forward this form to the Fund. On leaving employment, an **LGP1c** is required for the former member and this should be forwarded for the Fund. To store a copy of the **LGP9** with the Employers' records for that employee.	To forward on to the employer a completed and signed **LGP9** form from the member within two weeks of receipt. To accurately record and update member records on pension administration systems within two months of the event.
To inform the Fund within four weeks of any changes affecting former employees, especially re-employment and retrospective pay awards.	To accurately record and update member records on pension administration systems within two months of the event.

Members leaving employment	
Employers' Responsibility	Fund's Responsibility
To notify the Fund of an employee's date and reason for cessation of membership and all other relevant information on approved forms within four weeks of the event.	To accurately record and update member records on pension administration systems. To inform members who leave the Scheme, who are not entitled to immediate payment of benefits, the options available and deferred benefit entitlement within one month of receiving all relevant information.
If benefits are to be brought into payment on the member leaving their employment (ie. retirement, including flexible retirement) the employer is to notify the Fund ideally in advance of the leave date but **no later** than four weeks following the actual date of leaving to enable payments to be made promptly.	To pay Scheme benefits within seven working days of receiving all relevant information.

Former members with deferred benefits	
Employers' Responsibility	**Fund's Responsibility**
To keep adequate records of the following for members who leave the Scheme with deferred benefits: Name & Last known address National Insurance Number Payroll Number Date of Birth Last job **including** job specification Salary details (ten years if available) Date and reason for leaving	To accurately record and update member records on pension administration systems. To provide former members, where possible, an annual benefit statement of their deferred benefits updated by accrued annual pensions increase awards.
To determine whether or not former employees are eligible for early payment on ill health grounds after seeking a suitable medical opinion. To determine whether benefits should be released early on compassionate grounds and whether any early retirement reduction should be waived	To provide estimates of benefits that may be payable and any resulting employer costs.
To provide information on former employees as required by the Fund, within four weeks.	To request from former employers historical information that will inform the process crystallising a deferred benefit – for example, immediate payment on the basis of ill health where the last known job specification would be required for any medical assessment.

Death in Service & Terminal Illness	
Employers' Responsibility	**Fund's Responsibility**
To inform the Fund immediately on the death of an employee, and when a member is suffering from a potentially terminal illness.	To assist employers, employees and their Next of Kin in ensuring the pension options are made available and that the payment of benefits are expedited in an appropriate and caring manner.

Ill Health Retirements	
Employers' Responsibility	Fund's Responsibility
To arrange, appoint and inform the Fund of their named, independent occupational medical officer on form **LGP200** in accordance with regulatory requirements. To be satisfied that the occupational medical officers appointed to make retirement decisions are suitably qualified in occupational health medicine and independent. To notify the Fund of any changes in occupational medical officer.	To check the details, approve and hold on record and confirm in writing the details submitted by the employers in regard to their nominated, suitably qualified and independent occupational medical officer. To provide relevant documentation and guidance to employers and for medical practitioners.
To determine based on medical opinion and advice whether an ill health award is to be made and determine which tier 1, 2 or 3. Arrange for the completion of the appropriate **LGP12** form and then submit to the Fund with all signatures.	To calculate and pay required benefits.
To keep a record of all Tier 3 ill health retirements, particularly in regard the 18 month review of their gainful employment and any subsequent appointment with an occupational medical officer for a further medical certificate. To recover any overpayments of pension benefits following subsequent re-employment and notify the Fund	To assist the employer in performing their legislative responsibility to review Tier 3 ill health cases at 18 months.
To review all Tier 3 ill health retirement cases prior to discontinuance at three years. Arrange for the completion of the appropriate **LGP12** form and then submit to the Fund with all signatures.	To notify employers three months prior to scheduled discontinuation of benefit payments and before updating the members records as becoming a "pensioner member with deferred benefits from the date of the suspension".

7. Financial obligations

Contributions

Each employing authority must pay the Fund all contributions deducted from Payroll (not including AVCs) of its employees and employer contributions, no later than the 19th day of the month following the period of deductions. Failure to comply is a **criminal offence**.

If an employer has a number of payroll services in respect of its employees, a consolidated monthly return is required on an **LGP41,** duly signed as accurate by an appropriate authorised signatory of the employing authority.

The correct employee contribution rate is to be determined each year at the 1 April by the employing authority in line with the appropriate contribution banding table. Changes to the employee contribution rates at all other times must be in line with the employers' published discretionary policy on adjusting employee contribution rates.

Interest will be charged for late payment as detailed in Regulation 44(4) of the LGPS (Administration) Regulations 2008 – a copy of which is at Appendix One.

AVCs

Each employing authority must pay all AVC related deductions from its employees (plus any employer contributions if a shared cost AVC arrangement) to the appropriate provider according to the published schedule and to be no later than the 19th of the month following the deduction.

Recharges

The Fund will provide employers with a detailed report and/or schedule of any recharge items as they become due. Each employing authority must ensure that all rechargeable items are paid to the Fund within four weeks of invoice.

Interest will be charged for late payment as detailed in Regulation 44(4) of the LGPS (Administration) Regulations 2008 – a copy of which is in Appendix One.

8. Standards of data & timeliness

Overriding legislation

In performing the role of administering the LGPS, the Fund and Employers will comply with overriding legislation, including:

- the Occupational Pensions Schemes (Disclosure of Information) Regulations 1986;
- the Pension Acts 1995 & 2004;
- the Data Protection Act 1998;
- the Freedom of Information Act 2000;
- the Disability Discrimination Act 1995;
- the Age Discrimination Act 2006;
- the Finance Act 2004; and
- Health & Safety legislation.

and any future amendments to the above legislation.

Data quality

The Fund and employers will ensure that all functions and tasks are carried out to agreed quality standards, which are:

- compliance with all the procedural requirements as set out on the employers website;
- work to be completed on the approved forms or in an agreed electronic template;
- information to be legible and accurate;
- information provided to be checked for accuracy by an appropriately qualified member of staff; and
- information provided to be authorised by an agreed signatory.

Timeliness

Overriding legislation dictates minimum standards that Pension Schemes should meet in providing certain pieces of information to the various associated parties – not least of which the Scheme member. The LGPS Regulations also identifies a number of requirements for the Fund and Employers. These performance standards are held within the contents of this Pensions Administration Strategy particularly within this section and the sections titled **Service standards to Scheme members** and **Standards of financial obligations**.

Secure data transfers

The Fund provides a secure email facility for the encrypted transfer of person identifiable data between a Pension Liaison Officer (or a nominated, authorised individual) and the Fund. Access to this provision is coordinated by the Employers' website.

Year end contribution returns

The employer shall provide the Fund with year-end information to 31 March each year in an approved format no later than 30 April or the next working day in a valuation year and by 26 May or the next working day in the other two years.

If an employer has a number of payroll services in respect of its employees, a consolidated contribution return is required. If the payroll is contracted out to a bureau or another third-party organisation, then it remains the responsibility of the employing authority to ensure a complete and accurate data submission to the Fund within timescale.

Such information should be accompanied by a final statement (**LGP40**), duly signed by an authorised officer of the employing authority, balancing the amounts paid during the year with the total amounts on the year end return data file – certifying that the amounts reflect the contributions deducted from employees during the year.

Triennial and Interim Valuations

The Fund has to be re-valued every three years by the Fund Actuary to determine employers' contributions rates. Interim valuations happen within the triennial cycle and are used to monitor, progressively, including the incidence and prevalence of ill health and early retirements.

Valuations	
Employers' Responsibility	**Fund's Responsibility**
To provide the Fund with up to date and correct information on members working hours, breaks in service and pensionable pay in accordance with agreed timescales.	To provide data to the Fund Actuary and Government Actuary's Department to enable employer contribution rates to be accurately determined and new cost sharing arrangements applied.
To ensure that all errors highlighted from the annual contribution posting exercise are responded to and corrective action taken promptly.	To provide a copy of the valuation report and contributions certificate to each employer and answer any questions arising.

9. Fund administration performance

Measures

Performance measure	Target (working days)
1. Payment of retirement benefits	7 days
2. Payment of monthly pensions	100%
3. Payment of transfer values	7 days
4. Provision of inward transfer quotes	10 days
5. Notification of deferred benefits	22 days
6. Provide valuation in divorce cases	10 days
7. Respond to members enquiries	10 days

All of these measures start from the date of receipt of all relevant information. The annual figures for the Fund performance measures are reported in the Annual Report and Accounts.

Audit

The Fund is subject to an annual audit of its processes and internal controls. Employers are expected to fully comply with any requests for information from both internal and approved external auditors. Any subsequent recommendations will be considered and where appropriate implemented with Employing authority cooperation.

Benchmarking

The Fund will regularly monitor its costs and service performance by benchmarking with other administering authorities by using benchmarking clubs and other available comparators. Details of costs of administration, quality measures and standards of performance will be published in the Annual Report and Accounts.

Customer satisfaction

The Fund has an established programme of customer satisfaction surveys, and the results of which are to be published on the Employers website and where appropriate the main public website of the Fund.

10. Employer performance

Reporting

As part of this Pensions Administration Strategy the Fund will develop, with employer consultation, arrangements for quarterly reporting on key performance measures set out in Section 6 of this document.

The quarterly reports will be published on the Employers' website and also in a consolidated performance table of all employers within the Fund. This proactive approach to reporting will facilitate early engagement with employers and also provide a mechanism for service level review and recognition of best practice.

Poor performance

The Fund will seek, at the earliest opportunity, to work closely with employers in identifying areas of poor performance, provide the necessary training and development to put in place appropriate processes to improve the level of service into the future.

In the event of continued poor performance and a lack of any evidence of any measures being taken to achieve improvement by an employing authority the Fund will seek to recover any additional costs arising.

Any third party costs or regulatory fines incurred by the Fund as a consequence of administrative failures or poor performance by an employing authority will be recovered from the employer. These may include fines imposed by the Courts or the Pensions Ombudsman and additional charges in respect of actuarial fees, third part computer charges and additional printing and distribution costs.

In dealing with poor performance the Fund will:

- write to the employer, setting out the area(s) of poor performance;
- meet with the employing authority, to discuss area(s) of poor performance and how these can be addressed;
- issue formal written notice, where no improvement is demonstrated by the employing authority or where there has been a failure to take agreed action by the employing authority;
- make claim for cost recovery, taking account of time and resources in resolving the specific area(s) of poor performance – please see section on Cost Recovery; and
- will report any claim for cost recovery to the Pensions Committee at the next available meeting and may form part of the administrative report in the Fund's published Annual Report and Accounts.

Cost recovery

Any additional costs to Merseyside Pension Fund in the administration of the LGPS that are incurred as a direct result of an employer's poor performance will be recovered from the Employing authority. The circumstances where such additional costs will be recovered from the employing authority are:

- persistent failure to provide relevant information to the administering authority, scheme member or other interested party in accordance with service standards and performance measures (either as a result of timeliness, delivery or quality of information);

- failure to pass relevant information to the Scheme member or potential members;

- failure to deduct, and pay Merseyside Pension Fund, the correct employee and employer contributions within the stated timescales;

- instances where the performance of the employing authority results in fines being levied against the administering authority by the Pension Regulator, Pensions Ombudsman or other regulatory body; and

- additional costs incurred in providing expert third party advice in administering the Scheme on behalf of the employer, including but not exclusive to actuarial services, occupational medical practitioner services and legal services.

Where Merseyside Pension Fund determines cost recovery is appropriate, written notice will be given to the employing authority stating:

- the reasons in their opinion that the Employing authority's poor performance resulted in the additional cost;

- the amount of the additional cost incurred;

- the basis on how the additional cost was calculated; and

- the provision within the Pension Administration Strategy relevant to the decision to give notice.

11. Associated policy statements & discretions

Communications policy

This statement outlines the Fund's policy on:

- Information to members, representatives and employers;
- The format, frequency and method of distributing such information;
- The promotion of the Scheme to prospective members and their employing authorities.

The Fund website has the latest copy of this policy which can be found at:

http://www.merseysidepensionfund.org.uk/MPF/policies

Governance policy

Wirral Metropolitan Borough Council is the Administering Authority for Merseyside Pension Fund. The Council has delegated to the Pensions Committee various powers and duties in respect of its administration of the Fund.

This statement sets out the scheme of delegation and the terms of reference, structure and operational procedures of the delegation and can be found on the Fund website at:

http://www.merseysidepensionfund.org.uk/MPF/policies

Employer discretions

Since 1997, the LGPS Regulations has required every employer to:

- issue a written policy statement on how it will exercise the various discretions provided by the Scheme;
- keep it under review;
- revise it as necessary.

A list of employer discretions can be found on the Fund website at:

http://www.merseysidepensionfund.org.uk/MPF/discretions08

12. Appendix One

Local Government Pension Scheme (Administration) Regulations 2008
Regulation excerpts related to Pensions Administration Strategy Documents

Exchange of information by authorities

64.—(1) An employing authority which is not an administering authority must—

(a) inform the appropriate administering authority of all decisions made by the employer under Part 6 or this Part concerning members; and

(b) give that authority such other information as it requires for discharging its Scheme functions.

(2) If—

(a) an administering authority makes any decision under Part 6 or this Part about a person for whom it is not the employing authority; and

(b) information about the decision is required by his employing authority for discharging that employer's Scheme functions,

that authority must give that employer that information.

Pension administration strategy

65.—(1) An administering authority may prepare a written statement of the authority's policies in relation to such of the matters mentioned in paragraph (2) as it considers appropriate ("its pension administration strategy") and, where it does so, paragraphs (3) to (7) apply.

(2) The matters are—

(a) procedures for liaison and communication with employers in relation to which it is the administering authority ("its employers");

(b) the establishment of levels of performance which the administering authority and its employers are expected to achieve in carrying out their Scheme functions by—

(i) the setting of performance targets,

(ii) the making of agreements about levels of performance and associated matters, or

(iii) such other means as the administering authority considers appropriate;

(c) procedures which aim to secure that the administering authority and its employers comply with statutory requirements in respect of those functions and with any agreement about levels of performance;

(d) procedures for improving the communication by the administering authority and its employers to each other of information relating to those functions;

(e) the circumstances in which the administering authority may consider giving written notice to any of its employers under regulation 43(2) on account of that authority's unsatisfactory performance in carrying out its Scheme functions when measured against levels of performance established under sub-paragraph (b);

(f) the publication by the administering authority of annual reports dealing with—

(i) the extent to which that authority and its employers have achieved the levels of performance established under sub-paragraph (b), and

(ii) such other matters arising from its pension administration strategy as it considers appropriate; and

(g) such other matters as appear to the administering authority, after consulting its employers and such other persons as it considers appropriate, to be suitable for inclusion in that strategy.

(3) An administering authority must—

(a) keep its pension administration strategy under review; and

(b) make such revisions as are appropriate following a material change in its policies in relation to any of the matters contained in the strategy.

(4) In preparing or reviewing and making revisions to its pension administration strategy, an administering authority must consult its employers and such other persons as it considers appropriate.

(5) An administering authority must publish—

(a) its pension administration strategy; and

(b) where revisions are made to it, the strategy as revised.

(6) When an administering authority publishes its pension administration strategy, or that strategy as revised, it must send a copy of it to each of its employers and to the Secretary of State.

(7) An administering authority and its employers must have regard to the current version of any pension administration strategy when carrying out their Scheme functions.

(8) In this regulation references to the functions of an administering authority include, where applicable, its functions as an employing authority.

Additional costs arising from employing authority's level of performance

43.—(1) This regulation applies where, in the opinion of the appropriate administering authority, it has incurred additional costs which should be recovered from an employing authority because of that employing authority's level of performance in carrying out its functions under these Regulations or the Benefits Regulations.

(2) The administering authority may give written notice to the employing authority stating—

(a) the administering authority's reasons for forming the opinion mentioned in paragraph (1);

(b) the authority's opinion that the employing authority's contribution under regulation 42(1)(d) should include an amount specified in the notice in respect of the additional costs attributable to that authority's level of performance;

(c) the basis on which the specified amount is calculated; and

(d) where the administering authority has prepared a pension administration strategy under regulation 65, the provisions of the strategy which are relevant to the decision to give the notice and to the matters in sub-paragraph (a), (b) or (c).

Interest

44.—(1) An administering authority may require an administering or employing authority from which payment of any amount due under regulations 39 to 42 (employers' contributions or payments) or regulation 86 (changes of fund) is overdue to pay interest on that amount.

(2) The date on which any amount due under regulations 39 to 41 is overdue is the date one month from the date specified by the administering authority for payment.

(3) The date on which any amount due under regulation 42 (other than any extra charge payable under regulation 40 or 41 and referred to in regulation 42(1)(c)) is overdue is the day after the date when that payment is due.

(4) Interest due under paragraph (1) or payable to a person under regulation 45(5) (deduction and recovery of member's contributions), 46(2) (rights to return of contributions) or 51 (interest on late payment of certain benefits) must be calculated at one per cent. above base rate on a day to day basis from the due date to the date of payment and compounded with three-monthly rests.

(5) Interest on any amount due in respect of regulation 86 shall be calculated in accordance with guidance issued by the Government Actuary.

13. Appendix Two

Example job description for a Pensions Liaison Officer

1. To act as the primary link for communication between the Administering Authority (AA) and the organisation and to ensure that systems are in place to disseminate information and collect it from all relevant staff.

2. To identify any pension training needs within the organisation and to ensure with the assistance of the AA that these are met.

3. To be aware of governance arrangements and ensure that all relevant personnel are aware of opportunities for participation in decision making processes.

4. To inform the Fund of any alternative service requirements to ensure equitable access, addressing the diverse needs of the membership.

5. To ensure that the organisation discharges its duties and responsibilities under the Pensions Administration Strategy (PAS), the LGPS regulations and other relevant legislation and specifically determines relevant matters:

   - whether the employee is a member with lower rate rights (5% case);
   - the appropriate contribution rate based on earnings;
   - whether the employee is whole time, part time, variable time or a casual worker;
   - the date an employee starts and leaves;
   - the reason for leaving;
   - entitlement to benefit;
   - pensionable pay and final pensionable pay.

6. That the employer ensures that:

7. Contributions deducted from payroll are forwarded to the AA and any Additional Voluntary Contributions (AVC's) to the relevant providers on time and in the appropriate form.

8. The AA is informed of any material changes regarding the position of its employees within the deadlines laid down (Hours changes, marital status, breaks in service, certificates of protection, maternity, strikes, etc).

9. All employees are informed of their pension rights and options, whether pensionable or not within the statutory deadlines, including ensuring transfer values and pensions sharing on divorce/dissolution of Civil Partnerships are dealt within timescales prescribed.

10. Procedures are administered as laid down in the Employers Guide and the Pensions Administration Strategy document.

11. To provide information to the AA to enable an annual benefit statement to be issued to all employees.

12. To issue relevant promotional information on the pension scheme to all eligible employees and to obtain required information and pass it promptly to the AA.

13. To cooperate with the AA to ensure that members receive essential pension option information at induction, mid-life, pre retirement and other ad hoc events as necessary.

14. To ensure that employees are able to obtain estimates of benefits and information on any options available them to maximise their benefits including Additional Regular Contributions (ARCs), AVCs, purchase of strikes etc.

15. To ensure required employer policies on discretionary decisions are made and maintained and publicised.

16. To ensure that appropriate arrangements are in place to deal with medical decisions required under the regulations including:

- Ill health retirement from active status including terminal illness cases,
- Review and recovery of overpayments of pension in cases of Tier 3 benefits, and
- Applications for payment of deferred benefits on ill health grounds

17. To ensure that arrangements are in place to operate the Internal Dispute resolution procedures at stage 1 and stage 2 as required by the Regulations.

-- ends

Merseyside

PENSION FUND

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WIRRAL

lgps

INVESTORS IN PEOPLE

WIRRAL COUNCIL

PENSIONS COMMITTEE

17 NOVEMBER 2009

REPORT OF THE DIRECTOR OF FINANCE

PAYMENT OF PENSIONS OVERSEAS

1. EXECUTIVE SUMMARY

1.1. This report outlines changes to the arrangements for paying pension benefits to pensioners with overseas bank accounts.

2. BACKGROUND

2.1. The Pension Fund has approximately 200 Pensioners whose benefits are paid into overseas bank accounts.

2.2 Under the current arrangement the Bank of Scotland transmits payments to the overseas bank accounts after currency conversion and the deduction of an administration charge of approximately £2.80 per transaction. The Pension Fund does not incur any charges for this process nor does it require any additional staffing or IT resources.

2.3 The Bank of Scotland has informed Merseyside Pension Fund (MPF) that it will no longer be offering this service after 31 December 2009. Following a review of alternative arrangements with other banking organisations undertaken in conjunction with the Procurement Unit MPF has begun negotiations with Citibank for it to replace the current Bank of Scotland operation for the required overseas pension payment arrangements.

2.4 The proposed Citibank arrangements are similar to those currently operated by the Bank of Scotland, in that there are no charges to MPF for using the facility; it will require minimal staffing resources to set up the new details and process future payments, and the transaction charge to pensioners for currency conversion and onward transmission is £2.74.

2.5 At the time of writing, Citibank has yet to complete due diligence on MPF under Anti Money Laundering legislation. A verbal update will be given at Committee.

3. FINANCIAL IMPLICATIONS

3.1. Under the proposals, no charges would be made to MPF.

4. **STAFFING IMPLICATIONS**

4.1. There are none directly arising from this report.

5. **EQUAL OPPORTUNITY IMPLICATIONS**

5.1. There are none arising from this report.

6. **COMMUNITY SAFETY IMPLICATIONS**

6.1. There are none arising from this report.

7. **HUMAN RIGHTS IMPLICATIONS**

7.1. There are none arising from this report.

8. **LOCAL AGENDA 21 IMPLICATIONS**

8.1. There are none arising from this report.

9. **PLANNING IMPLICATIONS**

9.1. There are none arising from this report.

10. **MEMBER SUPPORT IMPLICATIONS**

10.1. There are none arising from this report.

11. **RECOMMENDATION**

11.1. That Committee agrees the new banking arrangements with Citibank for processing the payment of pension benefits to overseas bank accounts with effect from 1 January 2010.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/298/09

WIRRAL COUNCIL

PENSIONS COMMITTEE

17 NOVEMBER 2009

REPORT OF THE DIRECTOR OF FINANCE

IIGCC STATEMENT ON A GLOBAL AGREEMENT ON CLIMATE CHANGE

1. EXECUTIVE SUMMARY

The purpose of this report is to provide Members with an update on the activity of the IIGCC in the run-up to the United Nations Climate Change Summit at Copenhagen in December 2009.

2. BACKGROUND

2.1. MPF is a member of the Institutional Investors Group on Climate Change (IIGCC), which in Europe is the leading shareholder group focusing on climate change issues.

2.2. IIGCC aims to help its members develop their understanding of the risks and opportunities presented by climate change, and to evolve their investment strategies in order to adapt to and mitigate its effects.

3. INVESTOR STATEMENT 2009

3.1. The 2009 Investor Statement on the need for a global agreement on climate change was produced by IIGCC, together with shareholder groups from North America and Australasia. It was signed by 181 institutional investors, including MPF representing well over £1 trillion in assets under management.

3.2 The Investor Statement is addressed to global policy-makers and calls for a strong and binding agreement to be concluded at the U.N. Summit on Climate Change in Copenhagen in December 2009. The statement calls for:

- A global target for emissions reductions of 50-85% by 2050.
- Government support for energy efficiency and low carbon technologies
- Measures that support a move to an effective global carbon trading market.
- Public financing mechanisms that leverage private sector finance for investment in developing countries.

3.3 The Statement was launched at a high profile media event in New York in September 2009, and has been posted onto the MPF website. It received widespread press coverage, including the Financial Times, The Guardian and The Economist.

4. **FINANCIAL AND STAFFING IMPLICATIONS**

4.1. There are no direct implications in this report.

5. **EQUAL OPPORTUNITY IMPLICATIONS**

5.1. There are none arising directly from this report.

6. **HUMAN RIGHTS IMPLICATIONS**

6.1. There are none arising directly from this report.

7. **COMMUNITY SAFETY IMPLICATIONS**

7.1. There are no specific implications arising from this report.

8. **LOCAL MEMBER SUPPORT IMPLICATIONS**

8.1. There are no specific implications for any Member or Ward.

9. **LOCAL AGENDA 21 IMPLICATIONS**

9.1. There are no specific implications arising from this report.

10. **PLANNING IMPLICATIONS**

10.1. There are no specific implications arising from this report.

11. **BACKGROUND PAPERS**

11.1. A copy of the Statement is included as an appendix to this report.

12. **RECOMMENDATION**

12.1. That Members continue to support the work of the IIGCC.

IAN COLEMAN
DIRECTOR OF FINANCE

FN/301/09

IIGCC
Institutional Investors Group on Climate Change

Investor Network on CLIMATE RISK

Investor Group on Climate Change

UNEP Finance Initiative
Innovative financing for sustainability

2009 Investor Statement on the Urgent Need for a Global Agreement on Climate Change

Clear, credible long-term policies are critical for investors to integrate climate change considerations into their decision-making processes and to support investment flows into a low-carbon economy and into measures for adaptation. Global emissions of greenhouse gases must be cut significantly in order to avoid dangerous climate change with catastrophic economic and social consequences. We therefore call on world leaders to reach a strong post-2012 climate change agreement in Copenhagen in December.

This document sets out the perspective of institutional investors on climate change and the key elements of a global agreement that will drive the financial flows necessary to address climate change. **The Statement is supported by xxx investment institutions, which collectively represent assets of xxx US dollars** *(to be completed in September once signatures have been collected)*. A full list of signatories is provided at the end. The Statement was produced by the Institutional Investors Group on Climate Change (IIGCC), the Investor Network on Climate Risk (INCR), the Investor Group on Climate Change/Australia and New Zealand (IGCC Australia/New Zealand) and the UNEP Finance Initiative (UNEP FI).

As investors, we have a critical role to play in responding to the climate change challenge. Private capital is essential to achieving the transformation to a low-carbon economy and for contributing to the delivery of mitigation and adaptation measures. Through the allocation of capital, and by engaging with companies in our portfolios, investors can influence how companies respond to climate change. It is therefore critical that heads of state and policymakers understand how climate change-related public policy will influence investment decisions.

To address our concerns, a global agreement should include:

- **A global target for emissions reductions of 50-85% by 2050**
- **Developed country emissions reduction targets of 80-95% by 2050 with interim targets of 25-40% backed up by effective national action plans**
- **Developing country action plans that deliver measurable and verifiable emission reductions**
- **Government support for energy efficiency and low carbon technologies**
- **Measures that support the move to an effective global carbon market, including ambitious caps, fair and efficient allocation of allowances and links between different trading schemes**
- **Revisions to the Clean Development Mechanism to ensure real, permanent and verifiable emission reductions**
- **Public financing mechanisms that leverage private sector finance for investment in developing countries**
- **Measures to reduce deforestation and promote afforestation**
- **Support for adaptation to unavoidable climate change impacts**

Background

Why does climate change matter to investors?

Institutional investors are concerned with climate change and climate policy because these will have an impact on the global economy as well as on individual assets.

As global institutional investors, we manage diversified portfolios that invest in a cross section of assets, companies, sectors and markets. Therefore, risks such as climate change that threaten to disrupt the global economy are significant risks that investors have to manage. Leading studies indicate that the economic costs from climate change will increase the longer the world waits to take action[1]. Any delay in reducing emissions significantly increases the risk of more severe climate impacts as it locks in more carbon-intensive infrastructure and development pathways[2].

Beyond the potential macroeconomic impacts, investors are concerned about the ways in which climate change and climate policy will affect their investments in individual companies and assets. These investments may be affected by the weather-related impacts of climate change, regulatory and fiscal measures directed at reducing greenhouse gas emissions, and consumer or other public pressures to take action on climate change. Investors are also interested in the opportunities created by the need to respond to climate change. These can lie in direct investment in low-carbon infrastructure or energy efficiency, as well as in opportunities for the companies in which we invest to offer climate friendly products and services in areas such as renewable energy or insulation. These climate risks and opportunities may have significant financial implications for individual companies and may therefore affect the performance of investment portfolios.

Why a global agreement is critical for financing a low carbon economy

In order for investors to integrate climate change considerations into decision-making processes and to re-allocate capital toward a low-carbon economy, clear and appropriate long-term policy signals are essential. Currently, the level of integration is hampered by policy uncertainty, weak policy and short time horizons.

A strong global agreement will underpin investor confidence in the direction that regional and national climate policy will take and will support investors in their engagement with companies. Moreover, a stable investment climate requires a smooth transition from the current policy framework that ends in 2012. Therefore, it is important that a new binding global agreement is reached by the UN Framework Convention on Climate Change Conference of the Parties in Copenhagen in December. We believe the post-2012 framework should contain the elements set out below to provide companies, governments and investors with the incentives to act quickly and efficiently in tackling climate change.

1 Based on the Stern Review of the Economics of Climate Change, 30 October 2006.

2 According to the 4th Assessment Report of the IPCC, 2007.

A Targets

1 A global target

A long-term global target for greenhouse gas emissions reductions is essential to give investors confidence about the future direction of climate policy. Investment decision-making is hampered by policy uncertainty and the absence of a binding reduction target. The target should be informed by the best available scientific information based on the emission levels required to avoid dangerous levels of climate change. To this end, we support a target based on the latest scientific findings by the internationally-recognised Intergovernmental Panel on Climate Change (IPCC), acknowledging that scientific knowledge continues to evolve. The IPCC's Fourth Assessment report indicates that global greenhouse gas emissions should decline by 50–85% by 2050 (against a base year of 2000) to prevent dangerous effects[3].

2 Targets for developed countries

We acknowledge that developed countries should take the lead in making absolute emissions reductions on the basis of equity and in line with their common but differentiated responsibilities. Developed countries should therefore take on ambitious and binding long-term national greenhouse gas emission reduction targets, with credible mechanisms to ensure compliance. We, as investors, support a target based on the latest IPCC study that indicates that developed countries must reduce their emissions by 80–95% by 2050 with developing countries also making substantial reductions[4].

Developed countries should also set ambitious medium-term targets. These will give investors greater confidence that countries will put in place timely and specific action plans for meeting long-term targets. We support a medium-term target based on the latest IPCC study that indicates that developed countries should reduce their emissions by 25–40% by 2020 (against a base year of 1990)[5].

Specific national caps within this range should be determined through an assessment of the mitigation potential, costs, and capabilities for each country.

The targets for developed countries will only be credible if backed up by clear national action plans that lay out how different countries will meet their medium- and long-term targets. Countries should design and implement domestic policies to achieve their emission reduction targets in ways that are appropriate to their national circumstances.

Policies should encourage the most cost-effective emissions abatement measures, including energy efficiency, carbon market mechanisms and support for renewable energy. Countries should include all sectors in this mitigation effort, with specific attention to the primary greenhouse gas emitting sectors, including energy generation, transportation, construction and use of energy in buildings as well as deforestation/land use change.

[3] IPCC: AR4 Synthesis Report, Contribution of Working Group III to the 4th Assessment Report of IPCC, p. 39, http://www.ipcc.ch/pdf/assessment-report/ar4/wg3/ar4-wg3-ts.pdf. The Investor Statement uses baseline years as they are reported in the source materials.

[4] Gupta, S., D. A. Tirpak, N. Burger, J. Gupta, N. Höhne, A. I. Boncheva, G. M. Kanoan, C. Kolstad, J. A. Kruger, A. Michaelowa, S. Murase, J. Pershing, T. Saijo, A. Sari, 2007: Policies, Instruments and Co-operative Arrangements. In Climate Change 2007: Mitigation. Contribution of Working Group III to the Fourth Assessment Report of the Intergovernmental Panel on Climate Change, pg. 776: http://www.ipcc.ch/pdf/assessment-report/ar4/wg3/ar4-wg3-chapter13.pdf. Based on stablisation at low emission levels (i.e. 450 ppm CO_2-eq).

[5] As before, based on low concentration levels 450 ppm CO_2–eq.

3 The role of developing countries

The single most significant driver of private sector investment in renewable energy and other low-carbon technology is strong, stable, transparent and credible national policy. We recognise that the involvement of developing countries in global efforts to reduce climate change should be fair and based on common but differentiated responsibilities. It should also address their needs for development and poverty reduction.

While many developing countries do not see it as equitable for them to assume absolute binding emission reduction targets at present, from an investment perspective, it is critical that developing countries, especially the highest emitters, commit to such targets as soon as possible to reduce policy uncertainty and drive low carbon investment.

Prior to this, a more stable investment climate would be created if developing countries committed to national action plans that deliver measurable and verifiable reductions in emissions. This would provide investors with added confidence and clarity about the direction of climate policy in these countries. Developing countries' policies should be appropriate to national circumstances, and might include energy intensity goals, energy and fuel efficiency standards, measures to reduce deforestation, or sector-based approaches as interim objectives.

These national strategies could provide the basis for a partnership between developing and developed countries, where the latter provide incentives for mitigation in developing countries, including technological and financial support (see below) and assistance for capacity building (institutional/policy development) and for adaptation measures.

As investors, we would welcome an international system that registers, oversees and reviews national action plans, and offers support and advice to developing countries on the design and implementation of effective policies.

B Policy instruments

Emission reduction targets will only be credible if supported by appropriate action plans at the national, regional and international levels.

We believe that a global agreement should facilitate the research, development, demonstration and deployment of low-carbon technology. Particular attention should be paid to energy efficiency as the most cost effective medium-term greenhouse gas mitigation option[6] and to continued incentives to increase the share of renewable energy generation.

From an investment perspective, a global agreement should provide support for a wider, more integrated and more liquid carbon market and for public-private financing mechanisms.

We acknowledge that cap-and trade systems and public financing mechanisms will not be able to provide a comprehensive solution to climate change mitigation across all sectors. Therefore, such systems could be complemented by other policies appropriate to national circumstances, e.g. incentives, regulations, product and process standards, including institutional frameworks to enforce these, and/or taxation.

[6] See UNEP Finance Initiative (2009) *Energy Efficiency and the Finance Sector*.

1 Low carbon technology and energy efficiency

Investment in technology is critical to tackling climate change. We believe that a global agreement should encourage countries to offer continued incentives for investing in low carbon technologies, including those that improve energy efficiency and increase the share of renewable energy generation. Government support is also required for early stage technologies and research, development and deployment (RD&D), where private investment is not forthcoming. In particular, we believe a global agreement should facilitate government support for:

- The development of essential technologies that are technically proven but require different levels and types of public support to achieve large-scale deployment, e.g., carbon capture and storage (CCS), advanced biofuels, and next-generation solar power;
- Early stage clean technologies that are not yet commercially viable;
- RD&D into additional break-through technological solutions.

In addition, we support measures, mechanisms and vehicles to encourage technology transfer from developed to developing countries, while at the same time protecting intellectual property and contract rights.

2 Toward an effective global carbon market[7]

We favour the continuation of existing or planned cap-and-trade schemes. Emissions trading provides a cost-effective way to achieve absolute emission reductions and significantly reduces mitigation costs by allowing emission reductions to be made where they are least expensive. Existing systems also provide a mechanism for private sector investment flows to developing countries, which can support mitigation efforts in these countries (see CDM below).

In order for carbon markets to fulfil their potential, the caps need to be ambitious enough to deliver a carbon price that incentivises action and the allocation of allowances needs to be fair and efficient. In addition, we hope to see a post-2012 framework that facilitates an expanded and more liquid global carbon market, with links between well-governed and transparent trading schemes of different countries, regions and sectors.

3 Greater scale and reform of CDM mechanism

The complexities of administering the Clean Development Mechanism (CDM) have so far limited investment flows and raised questions about the environmental integrity of the avoided emissions. Therefore, we support a full review of the CDM mechanism and institutional frameworks with the aim of expanding, strengthening and streamlining the approval process in order to ensure the quality, scale and efficiency of emission reductions generated in developing countries. This will enable us to invest with greater confidence in carbon markets and carbon mitigation programmes.

In reviewing the CDM, special attention should be paid to areas where it has failed to attract significant private capital, either in terms of a particular sector (e.g. energy efficiency; reforestation and afforestation), region (e.g. Africa) or scale (e.g. smaller project sizes; programmatic activities)[8].

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[7] See *Toward an Effective Carbon Market*, IIGCC, 2009.

[8] See *Financing a Global Deal on Climate Change*, UNEP Finance Initiative, 2009.

4 Public financing mechanisms

Governments should consider non-carbon markets financing mechanisms by which non-carbon market private money can be leveraged by the public sector for technology deployment in developing countries[9].

Multilateral and bilateral development finance institutions could establish mechanisms whereby private sector institutions from both developed and developing countries could access packages of support to allow the establishment of large-scale infrastructure, real estate, private equity or energy efficiency funds investing in climate change mitigation. These support mechanisms could draw on existing and emerging experience of using various debt and equity instruments (e.g. debt guarantees and first lost equity positions) backed up by targeted export guarantees and political risk insurance. Funding under these mechanisms should be linked to national emission reduction action plans registered and overseen under the post-Kyoto regime.

Bonds guaranteed by OECD governments, in principle, offer an attractive way to raise large sums from capital markets for climate financing. However, it will only be possible to raise significant sums if the risk-return characteristics of such "climate" bonds are competitive with those of "normal" bonds.

C Other elements of a global agreement

1 Support for measures to reverse deforestation and support afforestation

We believe a global agreement should provide support for measures to reverse deforestation and to enhance the role of forests as carbon sinks.

National and international structures (legal, governance and administration) will be necessary to support capacity building to reduce deforestation, support reforestation, and manage and monitor emissions from forests in both the developed and developing world. The international framework should help to facilitate this and any financial support, both public and private, that is required to ensure the world's forests are utilized effectively as carbon sinks. We welcome the work being undertaken to reach an agreement on REDD (Reduced Emissions from Deforestation and Degradation).

2 Support for adaptation to the unavoidable physical impacts of climate change

There is considerable uncertainty over the ways in which the unavoidable physical impacts of climate change will vary across locations, markets and companies. As investors we recognise that the physical impacts from climate change will have far-reaching consequences, such as rising costs of insurance and scarcity of key resources, including water scarcity risks. At present, both government and private sector investment in adaptation is inadequate across the globe.

A global agreement should provide support for action at regional and national levels to better predict, prepare for and respond to the physical impacts of climate change. The global climate negotiations present an opportunity to build a foundation and framework to drive the development of national and regional adaptation and emergency response plans.

Adequate funding is a prerequisite for climate change adaptation. The Adaptation Fund in the Kyoto Protocol is a first step, but further measures to ensure consistent and adequate financing are vital.

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[9] See *Non-Carbon Market Financing Mechanisms for Climate Change Mitigation and Adaptation in Developing Countries*, IIGCC, 2009; and *Financing a Global Deal on Climate Change*, UNEP Finance Initiative, 2009.

We cannot insure our way out of the need to both mitigate and adapt to climate change. However, insurance has a role to play, especially when appropriately linked with systematic risk management and reduction efforts, and enhanced access to private insurance markets and new technologies to improve climate resilience will also help to reduce the costs of climate change[10].

All of these measures would encourage greater confidence that climate-related risks to assets are understood and being minimised.

Conclusion

Clear, credible long-term policies are critical for investors to integrate climate change considerations into their decision-making processes and to support investment flows into a low-carbon economy and into measures for adaptation. A timely post-2012 climate change agreement involving all countries and containing appropriate long- and medium-term emission reduction targets is essential to supporting investor confidence. The global agreement must facilitate and encourage strong national action plans in order for us to help meet the climate challenge.

Signed by:

List of signatories to be completed by September 4th, 2009

To sign up the Statement or for further information, please use the following contact details:

Investors based in Europe and Africa:	Stephanie Pfeifer at **spfeifer@theclimategroup.org**
Investors based in US and Canada:	Chris Fox at **fox@ceres.org**
Investors based in Australia and New Zealand:	Nathan Fabian at **secretariat@igcc.org.au**
Investors based in Asia and Latin America:	Remco Fischer at **remco.fischer@unep.ch**

[10] See *Financing a Global Deal on Climate Change*, UNEP Finance Initiative, 2009.

About IIGCC

The Institutional Investors Group on Climate Change (IIGCC) is a forum for collaboration on climate change for European investors. The group's objective is to catalyse greater investment in a low carbon economy by bringing investors together to use their collective influence with companies, policymakers and investors. The group currently has 52 members, representing assets of around €4trillion.

Contact: Stephanie Pfeifer at **spfeifer@theclimategroup.org** Web: **www.iigcc.org**

About INCR

The Investor Network on Climate Risk (INCR) is a North American network of institutional investors focused on addressing the financial risks and investment opportunities posed by climate change. INCR currently has over 80 members with more than $7trillion in assets. INCR is a project of Ceres, a coalition of investors and environmental groups working to integrate sustainability into the capital markets.

Contact: Chris Fox at **fox@ceres.org** Web: **www.incr.com**

About IGCC

The IGCC represents **institutional investors** operating in Australia and New Zealand, with assets around AU$500bn, and others in the investment community interested in the impact of climate change on investments. The IGCC aims to ensure that the risks and opportunities associated with climate change are incorporated into investment decisions for the ultimate benefit of individual investors.

Contact: Nathan Fabian at **secretariat@igcc.org.au** Web: **www.igcc.org.au**

About UNEP FI

UNEP FI is a global partnership between UNEP and the financial sector. Over 170 institutions, including banks, insurers, fund managers and investors, work with UNEP to understand the impacts of environmental and social considerations on financial performance.

Contact: Paul Clements-Hunt at **pch@unep.ch** Web: **www.unepfi.org**

Acknowledgements

To be completed.

WIRRAL COUNCIL

PENSIONS COMMITTEE

17 NOVEMBER 2009

REPORT OF THE DIRECTOR OF FINANCE

LGC PENSION FUND INVESTMENT CONFERENCE

1. EXECUTIVE SUMMARY

1.1. This report requests the Committee to consider if it wishes to be represented at the Pension Fund Investment Conference organised by Local Government Chronicle to be held in Chester on 25-26 February 2010.

2. THE CONFERENCE

2.1. The Conference is scheduled for 25-26 February 2010. It is likely that delegates would require an overnight stay in Chester on 25 February 2010.

2.2. This is the fifth year of this conference organised by the LGC and is in addition to the traditional annual conference to be held in Newport in September.

2.3. The attendance at such conferences has traditionally been in the ratio 1:1:1.

2.4. Conference costs including accommodation are £475 plus VAT per person, with travel an additional cost.

3. FINANCIAL IMPLICATIONS

3.1. The cost of approximately £2,000 for three Members and one officer can be met from the existing budget.

4. STAFFING IMPLICATIONS

4.1. There are no staffing implications in this report.

5. EQUAL OPPORTUNITY IMPLICATIONS

5.1. There are none arising directly from this report.

7. COMMUNITY SAFETY IMPLICATIONS

7.1. There are no specific implications arising from this report.

8. **LOCAL MEMBER SUPPORT IMPLICATIONS**

8.1. There are no specific implications for any Member or Ward.

9. **LOCAL AGENDA 21 IMPLICATIONS**

9.1. There are no specific implications arising from this report.

10. **PLANNING IMPLICATIONS**

10.1. There are no specific implications arising from this report.

11. **BACKGROUND PAPERS**

11.1. None used in the preparation of this report.

12. **RECOMMENDATION**

12.1. That Committee is requested to consider if it wishes to send a delegation to attend this conference, and if so, to determine the number and allocation of places.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/292/09

WIRRAL COUNCIL

PENSIONS COMMITTEE

17 NOVEMBER 2009

REPORT OF THE DIRECTOR OF FINANCE

LOCAL GOVERNMENT CHRONICLE (LGC) AWARDS 2009

1. **EXECUTIVE SUMMARY**

1.1. This report is to inform Members of the submission of an entry for the LGC Awards 2009 and to recommend attendance at the awards ceremony if the Authority is shortlisted.

2. **BACKGROUND**

2.1. The awards have been held for a number of years and are intended to celebrate the highest levels of achievement in the world of local government. Members may recall that in 2008, the Council was successful in being declared the winner of the Procurement Initiative Award and in 2009 the Council was successful in winning the Investment Manager of the Year Award.

2.2. The closing date for submission of entries was 23 October 2009 and I will provide a verbal update on progress at the meeting. If the Authority is shortlisted then Members may wish to attend the awards ceremony.

2.3. The awards ceremony for shortlisted entries is to take place on 25 November 2009 at Claridges Mayfair London.

3. **FINANCIAL IMPLICATIONS**

3.1. There is no charge for entering the awards competition or for attendance at the awards ceremony. The cost of travel to London and overnight accommodation in London for those attending can be met from within the existing budget provision.

4. **STAFFING IMPLICATIONS**

4.1. There are no staffing implications in this report.

5. **EQUAL OPPORTUNITY IMPLICATIONS**

5.1. There are none arising directly from this report.

6. **HUMAN RIGHTS IMPLICATIONS**

6.1. There are none arising directly from this report.

7. **COMMUNITY SAFETY IMPLICATIONS**

7.1. There are no specific implications for any Member or Ward.

9. **LOCAL AGENDA 21 IMPLICATIONS**

9.1. There are no specific implications arising from this report.

10. **PLANNING IMPLICATIONS**

10.1. There are no specific implications arising from this report.

11. **BACKGROUND PAPERS**

11.1. None used in the preparation of this report.

12. **RECOMMENDATION**

12.1. That Committee is requested to consider attendance at the awards ceremony on 25 November 2009.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/288/09

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

Agenda Item 10

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of the Local Government Act 1972.

Agenda Item 11

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of the Local Government Act 1972.

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