



Local Pensions Board

Date:	Tuesday, 12 November 2019
Time:	1.00 p.m.
Venue:	Room GA25 Merseytravel, Mann Island

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AGENDA

1. MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

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

2. MINUTES (Pages 1 - 8)

To approve the accuracy of the minutes of the meeting held on 17 July 2019.

3. LGPS UPDATE (Pages 9 - 16)

4. GOVERNANCE STATEMENT (Pages 17 - 40)

5. THE PENSION REGULATOR ENGAGEMENT REPORT (Pages 41 - 48)

6. TRAINING & DEVELOPMENT OPPORTUNITIES (Pages 49 - 52)

7. PENSION BOARD TERMS OF REFERENCE (Pages 53 - 72)

8. CATALYST FUND UPDATE (Pages 73 - 82)

9. COMPLIANCE MANUAL (Pages 83 - 90)

10. POOLING UPDATE (Pages 91 - 96)

- 11. RISK REGISTER (Pages 97 - 98)**
- 12. WORKING PARTY MINUTES (Pages 99 - 100)**
- 13. EXEMPT INFORMATION - EXCLUSION OF MEMBERS OF THE PUBLIC**

The following items contain exempt information.

RECOMMENDATION: That under section 100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information as defined by the relevant paragraphs of Part 1 of Schedule 12A (as amended) to that Act. The Public Interest test has been applied and favours exclusion.

- 14. DRAFT PENSION BOARD REVIEW (Pages 101 - 114)**
- 15. COMPLIANCE MANUAL (Pages 115 - 124)**
- 16. POOLING UPDATE (Pages 125 - 136)**
- 17. ADMIN KPI REPORT (Pages 137 - 164)**
- 18. RISK REGISTER (Pages 165 - 168)**
- 19. WORKING PARTY MINUTES (Pages 169 - 186)**

LOCAL PENSIONS BOARD

Wednesday, 17 July 2019

Present:

J Raisin (Chair)

G Broadhead

R Irvine

D Ridland

P Maloney

P Wiggins

Apologies

L Robinson

60 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

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

No such declarations were made.

61 MINUTES

Resolved – That the accuracy of the Minutes of the Local Pension Board held on 27 March, 2019 be approved as a correct record.

62 ORDER OF BUSINESS

The Chair agreed to vary the order of business.

63 AUDIT FINDINGS REPORT

Members gave consideration to the Audit Findings for Merseyside Pension Fund which had been presented to the Pensions Committee by Grant Thornton on 16 July, 2019 and would be submitted to the Audit and Risk Committee. Donna Smith, Head of Finance and Risk, summarised the key findings of the report and noted the potential impact of the McCloud judgement.

Resolved – That the report be noted.

64 STATEMENT OF ACCOUNTS/LETTER OF REPRESENTATION/DRAFT ANNUAL REPORT AND ACCOUNTS

A report of the Director of Pensions provided Board members with copies of the Fund's Statement of Accounts report, Letter of Representation and Report and Accounts reported recently to Pensions Committee.

The purpose of the Statement of Audited Accounts was to present the overall financial position of the Fund at financial year and was contained in the Fund's annual report (appendix 3 to the report). Once considered by Pensions Committee, the Statement of Accounts would be referred to Wirral Council's Audit & Risk Management Committee. The Letter of Representation gave assurances to the Auditor in respect of various Pension Fund matters (appendix 2 to the report). The Fund's approved report & accounts were attached at appendix 3.

Resolved – That the report be noted.

65 BUDGET OUTTURN 18/19, FINAL BUDGET 19/20

A report of the Director of Pensions provided Board members with a copy of a recent report to Pensions Committee on this subject. The report provided the Board with information on the Fund's budgeting arrangements.

Pensions Committee had noted and approved:

- The out-turn for the financial year 2018/19.
- The finalised budget for the financial year 2019/20.
- The 3 year budget for MPF as required for the annual report.

It was reported that the actual out-turn for 2018/19 was £17.6m, lower than the original budget approved 16 July 2018 of £22.0m and lower than the projected out-turn of £19.4m as reported at Pensions Committee on 21 January 2019. This lower figure was principally due to the Q4 sell-off in equity markets which had reduced investment management costs.

The 2019/20 budget reported in January had been updated to reflect agreed reduction in unpaid leave, along with revised salary overheads, IT, actuary and departmental & central support charges; the finalised 2019/20 budget was £22.3m.

Resolved – That the report be noted.

66 WIRRAL COUNCIL MOTION

A report of the Director of Pensions provided Board members with a copy of a recent report to Pensions Committee that informed the Board of a recent Council Motion in relation to MPF debated at Council on 18 March 2019 (minute 125 refers). The Director of Pensions noted that the Pensions

Committee had welcomed this report and the Chair of the Pensions Committee had suggested that any future motions from local districts, relevant to MPF, be brought to the attention of the Pensions Committee.

Resolved – That the report be noted.

67 LGPS UPDATE

A report of the Director of Pensions provided Board members with a copy of a recent report to Pensions Committee on this subject. The report informed the Board of developments in the LGPS. The appendices to the report contained the Fund's response to HM Treasury consultation on 'Restricting Exit Payments in the Public Sector' and the Fund's draft response to MHCLG consultation on 'Changes to the Local Valuation Cycle and Management of Employer Risk'.

The HM Treasury consultation had been issued on 10 April 2019 with a closing date of 3 July and the MHCLG consultation had been issued on 8 May 2019, closing on 31 July.

The Fund response to the HM Treasury consultation had been shared with the Chairs of Pension Committee and Pension Board for comment and approval prior to submission.

A draft response to the MHCLG consultation is attached as Appendix B to the report for Member consideration, comment and approval.

The report also updated Members of recent developments on the Scheme Advisory Board review of governance models for the LGPS.

Yvonne Murphy, Head of Pension Administration, summarised the report and informed the Board that comments had been received from the Chair of the Board which had been read out to the Pension Committee. The Board was also informed that Pensions Committee had been agreed that the Fund's draft response to the MHCLG consultation on 'Changes to the Local Valuation Cycle and Management of Employer Risk' would be circulated to Members of the Pension Committee with the invitation to comment on the draft response and would be updated accordingly.

The Head of Pension Administration highlighted the key issues of the report which included the Government's intent to cap the cost of early retirement packages within the public sector at a total cost of £95,000 per employee. It was noted that the £95,000 cap would include the value of any early retirement strain payments, and it was envisaged that the ability to take an unreduced early retirement pension would be severely restricted for a number of members.

The Head of Pension Administration also highlighted that in relation to MPF the proposal to remove the requirement for further education corporations, sixth form college corporations and higher education corporations to offer membership of the LGPS to new entrants could lead to a reduction in the active membership base with an adverse impact on cash flow and the pace of scheme maturity.

Paul Wiggins informed Members that excluding future higher education, further education and Sixth Form staff from the Local Government Pension Scheme had been the subject of an Emergency Motion at the recent National Delegate Conference which he circulated for Members' information.

Board members discussed this and raised concern that this would lead to a two-tier workforce in pensions with new starters being offered inferior and less cost-effective schemes.

On a motion by Patrick Maloney and seconded by Paul Wiggins it was;

Resolved – That all members of the Pension Board present at the meeting of the Pension Board held on 17 July, 2019 urge the Pension Fund in it's response to the Consultation on 'Changes to the Valuation Cycle and the Management of Employee Risk' to take full account of the views expressed at the Pensions Committee held on 16 July, 2019 by the employee representative in relation to the implications for employees of education corporations in England and that this resolution be forwarded to all Members of the Pensions Committee.

68 **SCHEME PAYS POLICY**

A report of the Director of Pensions provided Board members with a copy of a recent report to Pensions Committee on this subject.

The report informed the Board of a review of the Fund's Scheme Pays Policy and the proposed revisions to it.

Resolved – That the report be noted.

69 **TREASURY MANAGEMENT ANNUAL REPORT**

A report of the Director of Pensions provided Board members with a copy of the Treasury Management Annual Report recently taken to Pensions Committee.

The report presented a review of treasury management activities within Merseyside Pension Fund (MPF) for the 2018/19 financial year and reported any circumstances of non-compliance with the treasury management strategy and treasury management practices. It had been prepared in accordance with the revised CIPFA Treasury Management Code.

The Chair offered thanks to Donna Smith, Head of Finance and Risk and her team for the work undertaken.

Resolved – That the report be noted.

70 **TRAINING & DEVELOPMENT OPPORTUNITIES**

A report of the Director of Pensions provided Board members with a copy of a recent report to Pensions Committee on this subject. It also reminded Board members of their training responsibilities.

The report informed the Board of training and development opportunities provided to members of Pensions Committee. A number of these opportunities are also available to Board members.

The appendix to the report provided further information on opportunities of which the Fund had been notified.

The Chair encouraged Members to attend training events and it was;

Resolved – That;

- 1 the report be noted.**
- 2 Members wishing to attend training events contact the Director of Pensions PA.**

71 **WORKING PARTY MINUTES**

A report of the Director of Pensions provided Board members with the minutes of meetings of Working Parties held since the last Board meeting.

The Chair encouraged attendance at meetings of the Working Party and it was;

Resolved – That the minutes be noted.

72 **RISK REGISTER**

A report of the Director of Pensions provided Board members with a copy of the Fund's Risk Register.

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

Resolved – That the report be noted.

73 **POOLING UPDATE**

A report of the Director of Pensions provided Members with an update on pooling arrangements in respect of MPF and the Northern LGPS.

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

The Director of Pensions reported that IMPF had continued to work with its pooling partners to finalise governance arrangements for the Pool's Joint Committee. An underpinning element of this was a Northern Pool inter-authority operating agreement between the three funds which was close to being concluded and was the subject of a separate report on the agenda.

It was reported that Pooling would result in fundamental changes to oversight and management of LGPS assets. It was essential that appropriate governance arrangements were put in place to ensure that Pensions Committee could exercise its responsibilities in accordance with the Council's constitution.

Members discussed the Operating Agreement in detail including how its decision-making mechanisms would operate in particular situations.

Resolved – That the report be noted and that the Director of Pensions seek clarification of the matters raised.

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

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

75 **INTERNAL AUDIT PLAN & REPORT**

The report on Internal Audit Plan was exempt by virtue of paragraph 3.

76 **ADMIN KPI REPORT**

The report on Admin KPI was exempt by virtue of paragraph 3.

77 **RISK REGISTER**

The report on the Risk Register was exempt by virtue of paragraph 3.

78 **POOLING UPDATE**

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

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WIRRAL COUNCIL

PENSION BOARD

DATE 12 NOVEMBER 2019

SUBJECT:	LGPS UPDATE
REPORT OF:	HEAD OF PENSIONS ADMINISTRATION

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides Board members with copies of recent LGPS update reports taken to Pensions Committee

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The LGPS update is a standing item on the Pensions Committee agenda

3.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 3.1 There are none arising from this report

4.0 RECOMMENDATION

- 4.1 That Board Members note the report.

5.0 REASON/S FOR RECOMMENDATION/S

- 5.1 There is a requirement for Members of the Pension Board to be kept up to date with legislative developments as part of their role in supporting the administering authority.

**REPORT
AUTHOR**

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SUBJECT HISTORY

Reports/notes	Date

APPENDIX:

LGPS Update Report

WIRRAL COUNCIL

PENSION COMMITTEE

4 NOVEMBER 2019

SUBJECT:	LGPS UPDATE
WARD/S AFFECTED:	NONE
REPORT OF:	DIRECTOR OF PENSIONS
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides an update on the 'McCloud Case', which relates to the transitional protections awarded to members who were closest to retirement age when the Judges' and Firefighter pension schemes were reformed in 2015.
- 1.2 In addition, it updates Members on the Scheme Advisory Board's (SAB) review of LGPS Governance models and the proposed changes to Equitable Life policies, the legacy Additional Voluntary Contributions (AVC) provider for Merseyside Pension Fund.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 Members were informed at the Committee meeting dated 25 March 2019 (minute 4 refers) of the Court of Appeal's decision, known as the 'McCloud Case'. The court ruled that the transitional protection afforded to older members of public service pension schemes was unlawful on the grounds of age discrimination.
- 2.2 On the 27 June 2019, the Supreme Court denied the Government's leave to appeal, which means that the Court of Appeal's decision will be upheld, and the case will be returned to an employment tribunal for a detailed decision.

Implications for the LGPS

- 2.3 Thereafter, on 15 July 2019, the Chief Secretary to the Treasury announced in a written statement that "the government believes that the difference in treatment will need to be remedied across all public sector schemes; including the NHS, civil service, local government, teachers, police, armed forces, judiciary and fire and rescue workers."

- 2.4 As the remedy will involve “levelling up” member benefits, it is expected that any agreed outcome will increase the cost of LGPS pensions. However, there is no certainty on the level of the increased cost.

Reasons for the uncertainty of cost

- 2.5 The uncertainty around cost stems from the fact that the form and detail of any proposed remedy to be applied to the LGPS is unknown. The most obvious solution would be to apply the current protections, offered to those within 10 years of retirement at 2012, to all members in the LGPS.

However, decisions need to be made around areas such as:

- **Eligibility** – would it only apply to scheme members who were active in 2012 or conversely to all those active when the scheme changed at 31 March 2014?
- **Operating period of the underpin** – will the underpin only apply to service accrued up to 2022 i.e. 10 years after 2012, or will it apply for all service accrued from 1 April 2014 until retirement?
- **Retrospection**- how will the benefits for members who have left service since 2014 be rectified?
- **Administration** – any remedy needs to be relatively easy to administer to avoid further complexity and exponential resource cost. What may seem an obvious remedy may be very complex to operate with disproportionate administration costs.

- 2.6 Each decision about the form of remedy is likely to have a material impact on the overall cost of the benefit structure and administration requirements. Consequently, it is difficult to anticipate the definitive cost of the McCloud case on both future and past service benefits.

Impact on Triennial Valuation

- 2.7 As the LGPS is in the middle of the 2019 Triennial Valuation and with no sight of a proposed remedy, the SAB has issued a directive to Administering Authorities to calculate the valuation position as per the current LGPS benefit structure. It has been clear in its message management that the uncertainty and risk associated with the McCloud case should be considered locally when setting employer contribution rates.
- 2.8 The Fund is currently working with both the Fund Actuary and the Merseyside Finance Director Group to analyse the potential ongoing risk to the Fund and employers in setting its funding policy, contribution rates and managing the uncertainty associated with McCloud.

- 2.9 Once the McCloud case is remedied, Funds must revisit employer contribution rates to ensure they remain appropriate in considering any additional costs.
- 2.10 The SAB website provides an overview of the case along with FAQ and can be accessed from the following link:

<https://www.lgpsboard.org/index.php/structure-reform/mccloud-page>

Good Governance Report

- 2.11 Members considered the scope of the SAB's review of governance models for the LGPS at its last meeting on 16 July 2019 (minute 22 refers) and further to the completion of Hymans Robertson's analysis and fact finding exercise, the SAB published its 'Good Governance Report' at the end of July.
- 2.12 To progress the project forward, two stakeholder working groups, supported by Hymans Robertson, have been established to focus on;
- defining good outcomes and the guidance needed to accomplish successful governance structures through clear strategies and policies.
 - Options for the independent assessment of outcomes and mechanisms to improve the delivery of those outcomes.
- 2.13 The aim is for an options report to be considered by the SAB in November. Any proposals agreed by the Board would be subject to a stakeholder consultation before being presented to MHCLG.
- 2.14 A copy of the Good Governance Report is available from the following link:

<https://lgpsboard.org/images/PDF/GGreport.pdf>

Equitable Life – Overview of Events

- 2.15 LGPS administering authorities are required by statute to provide an Additional Voluntary Contribution (AVC) arrangement to complement scheme members' retirement savings and to facilitate early access to higher pension benefits.
- 2.16 MPF has a legacy AVC arrangement with Equitable Life.
- 378 active and deferred members have an Equitable Life AVC, with 178 of those invested in With Profits funds.

- 2.17 Committee may be aware of the well documented problems which commenced in 1999 when the Equitable Life Society launched court proceedings to enable it to force policyholders to accept bonus cuts.
- 2.18 The Society won the first stage of the action, but the proposals were subsequently overturned by the House of Lords. Consequently, in December 2000, a decision was taken by the Society to not write any new business and to operate in a 'run-off status'.

The Proposal – Transfer to Utmost Life and Pensions

- 2.19 In June 2018, Equitable Life announced that it had entered into an agreement to transfer its business to 'Utmost Life and Pensions'.
- 2.20 The proposal is made up of two main parts:

1. The Scheme

- increasing with-profits investments with an immediate one-off 'Uplift'
- removing any investment guarantees,
- converting with-profits policies to unit-linked investments

2. The Transfer

- to transfer all business of Equitable Life to Utmost Life and Pensions except for certain excluded policies.

- 2.21 In August 2019, Equitable Life wrote to all the LGPS administering authorities affected by the transfer to advise them that as both 'Scheme Policy Holders' and 'Eligible Members' they are able to vote:

1) to approve the 'Scheme'

2) to 'Change the Articles' which would make Utmost Life and Pensions the Equitable Life's only Member

- 2.22 The deadline for the receipt of postal and online votes is 10am on 30 October 2019.
- 2.23 If enough Scheme Policyholders support the proposals, Equitable Life intends to return to the High Court on 22 November 2019 to ask it to approve the Scheme and the Transfer.
- 2.24 If the Proposal does not become effective, no Scheme Policyholder would receive any uplift and Equitable life would continue to run as it does currently.

It is likely that they would try to find a different solution to the challenges faced by the business.

- 2.25 The Fund together with its advisors is currently in the process of considering the members' projected fund values, uplifts and financial assumptions to assess the impact of the proposal on members' investments. However, it is important to note that AVC's are separate from the main scheme benefits and these investments are held with Equitable and are not assets of the Fund.

3.0 Relevant Risks

- 3.1 The outline risks are covered within the body of the report.

4.0 Other Options Considered

Not relevant for this report.

5.0 Consultation

- 5.1 Not relevant for this report

6.0 Outstanding previously approved actions

- 6.1 None associated with the subject matter.

7.0 Implications For voluntary, community And Faith Groups

- 7.1 There are none arising from this report.

8.0 Resource Implications: Financial: IT; Staffing and Assets

- 8.1 As part of the external audit of the Pension Fund accounts, the potential impact of McCloud was estimated at £78m at whole fund level. The cost will vary across the employer base depending on the membership and liability profiles for each organisation.

9.0 Legal Implications

- 9.1 The Local Government Association has sought advice from Leading Counsel in relation to Administering Authorities' rights and duties in relation to the Equitable Life vote. The advice confirms that Administering Authorities have fiduciary duties to employers and members to secure that the value of additional benefits from AVCs is reasonable.
- 9.2 Leading Counsel's advice also addresses several other points regarding voting and concludes "it is for Administering Authorities as policyholders to determine how they exercise their votes and they should not abdicate their responsibility in this regard".

10.0 Equalities Implications

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

No, because MHCLG undertake equality impact assessments with regard to the statutory reform of the LGPS.

11.0 Carbon Reduction and Environmental Implications

- 11.1 There are none arising from this report

12.0 Planning And Community Safety Implications

- 12.1 There are none arising from this report

13.0 Recommendation

- 13.1 That Committee Members:

- a) note that the administering authority gave due regard to Leading Counsel's advice and the requirement to act reasonably in determining its vote on the proposed Equitable Life Scheme and Change to Articles as outlined at paragraph 2.21
- b) note the national developments relating to the McCloud Case and the SAB governance review.

14.0 Reason/s for Recommendations

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

REPORT AUTHOR

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WIRRAL COUNCIL

PENSION BOARD

DATE 12 NOVEMBER 2019

SUBJECT:	GOVERNANCE POLICY STATEMENT
REPORT OF:	DIRECTOR OF PENSIONS

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides Board members with details of amendments to the Fund's Governance Policy taken to Pensions Committee.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Fund's Governance Policy Statement needs to be updated to reflect the new arrangements pertaining to investment pooling.

3.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 3.1 There are none arising from this report

4.0 RECOMMENDATION

- 4.1 That Board Members note the report.

5.0 REASON/S FOR RECOMMENDATION/S

- 5.1 There is a requirement for Members of the Pension Board to be kept informed of pension fund policies and developments as a part of their role in supporting the administering authority.

REPORT	Peter Wallach	Director of Pensions
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SUBJECT HISTORY

Reports/notes	Date

APPENDICES:

Governance Policy report

Revised Governance Policy Document

WIRRAL COUNCIL

PENSIONS COMMITTEE

4 NOVEMBER 2019

SUBJECT:	GOVERNANCE POLICY
WARD/S AFFECTED:	NONE
REPORT OF:	DIRECTOR OF PENSIONS
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report informs Members of amendments to the Fund's Governance Policy to reflect changes to the Fund's governance arrangements as a consequence of 'Investment Pooling'.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Fund's Governance Policy Statement needs to be updated to reflect the new arrangements pertaining to investment pooling and a revised statement is attached for members to consider.
- 2.2 As Members will be aware from the separate report on this agenda, MPF has been working with its pooling partners to conclude governance arrangements for the Northern LGPS's Joint Committee. An underpinning element of this is a Northern LGPS inter-authority operating agreement between the three funds. This operating agreement and the associated Constitutional changes were considered and approved at the Standards and Constitutional Overview Committee on 28 September and at Full Council on 14 October 2019.
- 2.3 Regulation 55 of the LGPS Regulations 2013 sets out the requirements for the publication of a Governance Policy Statement by the Fund. The policy was last reviewed by this Committee on 16 November 2015.

3.0 RELEVANT RISKS

- 3.1 Pooling will result in fundamental changes to oversight and management of LGPS assets. It is essential that appropriate governance arrangements are in place to ensure that Pensions Committee can exercise its responsibilities in accordance with the Council's constitution.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 No other options have been considered.

5.0 CONSULTATION

- 5.1 The Pooling consultation has been discussed with the Merseyside Directors of Finance and stakeholders have been kept informed of the pooling consultation and its implications.

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

- 6.1 There are no previously approved actions outstanding.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 7.1 There are none arising from this report.

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

- 8.1 There are none arising directly from this report.

9.0 LEGAL IMPLICATIONS

- 9.1 There are none arising from this report.

10.0 EQUALITIES IMPLICATIONS

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

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

11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

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

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 12.1 There are none arising from this report.

13.0 RECOMMENDATION/S

- 13.1 That Members note the report.

- 13.2 That Members approve the revised Governance Policy Statement.

14.0 REASON/S FOR RECOMMENDATION/S

- 14.1 There is a requirement for Members of Pensions Committee to be kept up to date with legislative developments and for Fund policies to be reviewed regularly and revised as appropriate.

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APPENDICES

Revised Governance Policy Statement

BACKGROUND PAPERS/REFERENCE MATERIAL

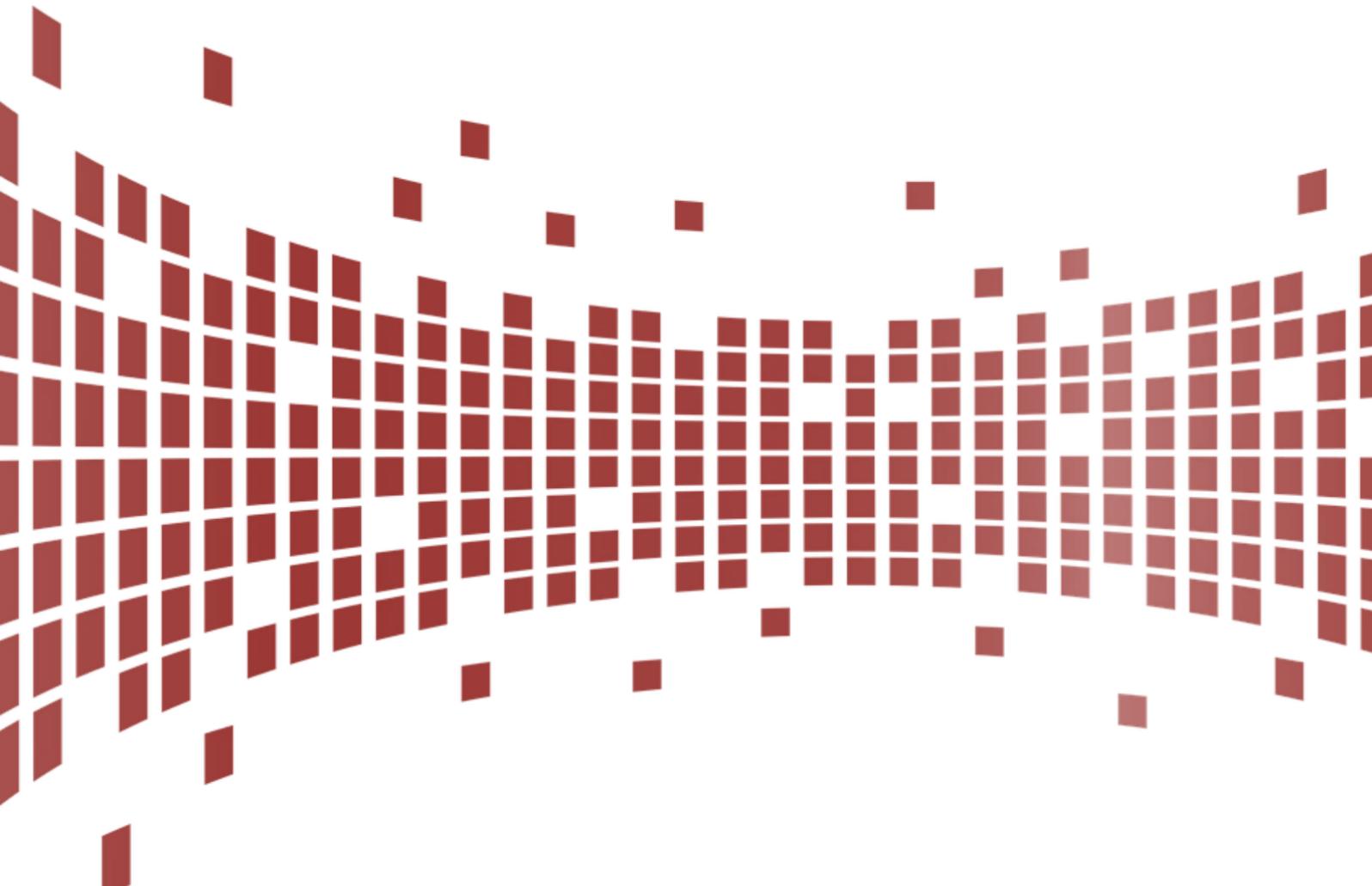
BRIEFING NOTES HISTORY

Briefing Note	Date

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
An update report is brought to each Pensions Committee	

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Merseyside Pension Fund
Governance Policy

Draft

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Introduction

This statement sets out the scheme of delegation, the terms of reference, structure and operational procedures of the delegation.

Relationship of Merseyside Pension Fund and Wirral Council

Wirral Council is the administering authority of the Merseyside Pension Fund under the Local Government Pension Scheme Regulations 2013 and is the Scheme Manager as defined by Section 4 of the Public Service Pension Act 2013. In its capacity as Scheme Manager the council is authorised to manage the Pension Fund's assets and liabilities and carry out any other specified activities associated with the operation of the Scheme. The authority is not authorised to give investment advice.

Due to this status, the Fund is not required to be regulated by the Financial Conduct Authority (FCA) in order to operate its business. It is regulated by the Ministry of Housing, Communities and Local Government (MHCLG).

As an administering authority, Wirral Council is required to act as if the Fund were set up under trust with the authority itself as the sole trustee, although the assets are not trust assets in the legal sense.

Scheme of Delegation of (Non-Executive) Functions to Committees

Under its Constitution, the council delegates, under Section 101 of the Local Government Act 1972 to Pensions Committee all those non-Executive functions vested in it, identified in the terms of reference for the Committee (see page 5).

The scheme delegates powers and duties within broad functional descriptions and includes powers and duties under all legislation present and future within those descriptions and all powers and duties including any statutory re-enactment or moderation of the legislation referred to in this scheme.

Any exercise or responsibility for functions or delegated powers shall comply with:

- any statutory requirements;
- the Council's Constitution;
- the Council's Budget and Policy Framework and approved budget;
- the Members' Code of Conduct;
- the Code of Recommended Practice on local authority publicity;
- the agreed arrangements for recording decisions;

This scheme does not delegate any matters reserved by law to the full Council or assigned to the Executive.

Pensions Committee

Membership

The Committee is comprised of fifteen voting members; ten of whom are members of Wirral Council, four members from the other local authorities and one member representing the other employing organisations in the Fund. Three trade union representatives, with observer status, are invited and represent active, deferred and pensioner members.

Terms of Reference

1. To exercise on behalf of the Council all of the powers and duties of the Council in relation to its functions as administering authority of Merseyside Pension Fund, and in particular the following:
2. To be responsible for the overall investment policy, strategy and principles of the Fund and its overall performance.
3. To appoint and terminate professional advisors to, and external managers of, the Fund and agree the basis for their commission and remuneration.
4. To receive actuarial valuations of the Fund and determine the level of employers' contributions necessary to balance the Fund.
5. To monitor the Local Government Pension Scheme Regulations and overriding pension law, overseeing the governance of the Fund including the day to day administration and policy decisions relating to the management of the Scheme.
6. To consider any views expressed by employing organisations, staff representatives and other stakeholders relating to the Fund.
7. To appoint members of the Investment Monitoring Working Party, which shall have responsibility for reviewing the performance of the Fund's investments, and its asset allocation and regularly reporting their findings to the Pensions Committee.
8. To appoint members of the Governance and Risk Working Party, which shall have responsibility for reviewing governance and risk issues, and regularly reporting their findings to the Pensions Committee.
9. To award contracts for goods and services relating to the Fund in accordance with the Contract Procedure Rules after taking into account the recommendations of officers and external professional advisors (where appropriate).

Local Pension Board

The Local Pension Board was established in April 2015 in accordance with the Public Service Pensions Act 2013, the national statutory governance framework delivered through the LGPS Regulations and guidance as issued by the Scheme Advisory Board.

Membership

The Pension Board is comprised of four voting employer representatives and four voting Scheme member representatives selected from the broad range of employers in the Fund and the different categories of the membership base.

The employer representatives are office holders or senior employees of employers of the Fund or have experience of representing Scheme employers in a similar capacity.

Member representatives are Scheme members of Merseyside Pension Fund and have the capacity to represent Scheme members of the Fund.

The Pension Board is chaired by an independent non-voting member with significant relevant experience either as a Pension Fund trustee or in the running of Pension Funds.

The role of the Pension Board is to assist Wirral Council, as Scheme Manager to:

- comply with the Scheme regulations and other legislation relating to the governance and administration of the Scheme; and
- any requirements imposed by the regulator.

A member of the Pension Board must be conversant with:

- the rules of the Scheme and the law relating to pensions, and
- any document recording policy about the administration of the Scheme which is for the time being adopted in relation to the Scheme.

The Council considers that the Pension Board is providing oversight of these matters and, accordingly, the Pension Board is not a decision-making body in relation to the management of the Pension Fund but merely makes recommendations to assist in such management.

Full details of the operational procedures are set out in the Pension Board's Terms of Reference which can be accessed at: mpfund.uk/pensionboard

Joint Governance Committee

Membership

The membership of the Joint Governance Committee shall consist of the chair and deputy-chair of each of the Pooling Partners' Pensions Committees or such alternative persons nominated by the Pooling Partners.

In addition, up to three trade union representatives may be appointed after being nominated by the Trades Union Council and subject to the agreement of the Pooling Partners.

Terms of Reference

The primary purposes of the Joint Committee are to:

1. exercise oversight over the investment performance of the Pooling Partners' Funds
2. deliver the Shared Objectives
3. agree on any recommended changes to the Shared Objectives
4. report to the Pool

Scheme of Delegation of Functions to Officers

Director of Pensions

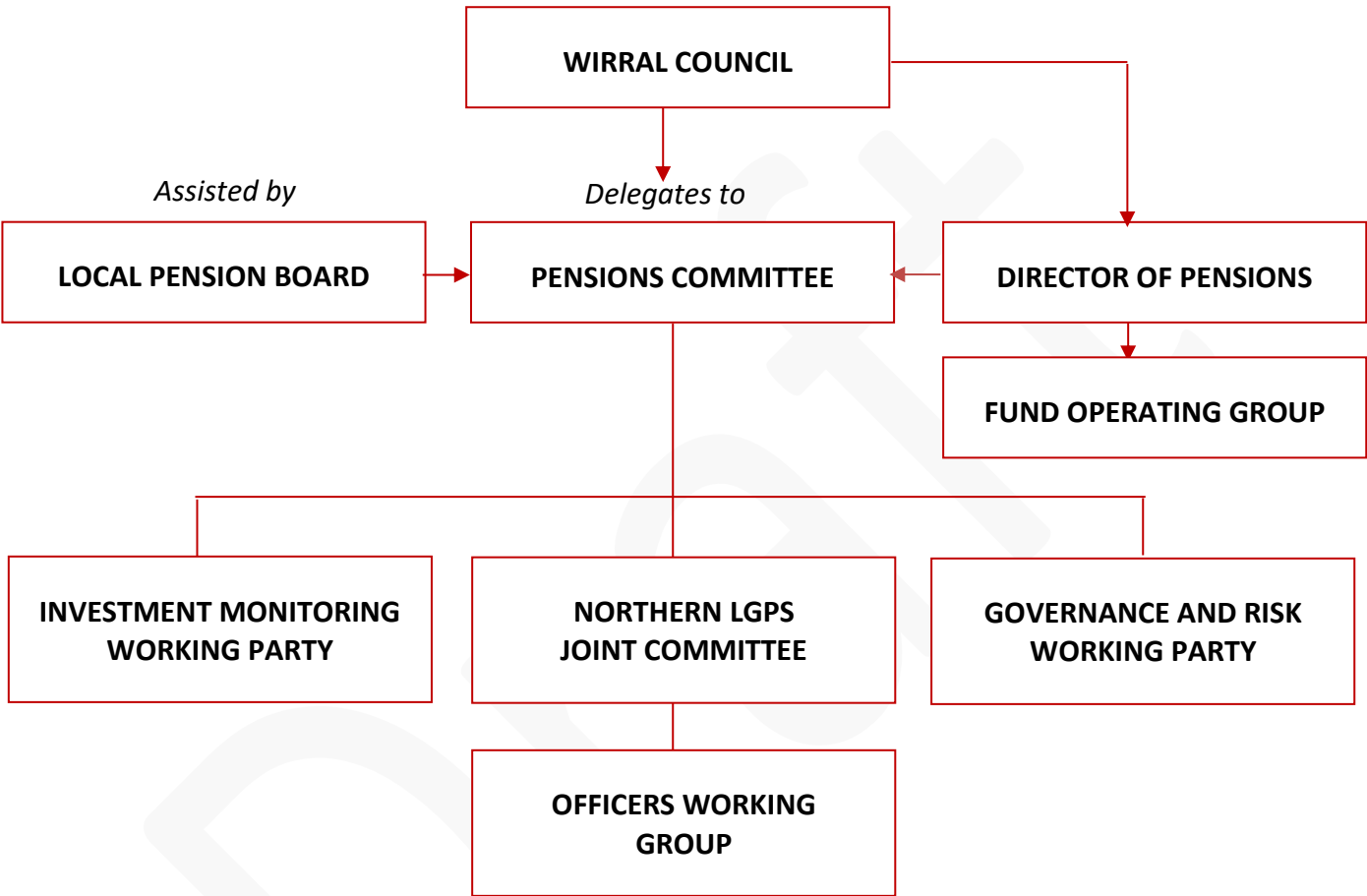
The following functions, particular to the Pension Fund, are delegated to the Director of Pensions pursuant to Section 101 of the Local Government Act 1972 and by the Executive under Section 15 of the Local Government Act 2000.

Undertake all day to day administration of, and investment decisions for, the Merseyside Pension Fund within the policy laid down by the Pensions Committee including the authorisation of admission agreements with contractor admission bodies pursuant to Best Value arrangements, as required by the Local Government Pensions Scheme Regulations.

Terminate a contract of an external investment manager and enter into any consequential arrangements for the transitional management of the Fund's investments pending the decision of the Pensions Committee on the award of a new contract.

The Director of Pensions may authorise officers in his department to exercise on his behalf, functions delegated to him. Any decisions taken under this authority shall remain the responsibility of the Head of Pension Fund and must be taken in his name, and he shall remain accountable and responsible for such decisions.

Governance Structure



Functions

The functions for the various elements are as follows:

Pensions Committee

To exercise on behalf of the Council all of the powers and duties of the Council in relation to its functions as administering authority of the County of Merseyside Pension Fund.

Local Pension Board (LPB)

To assist the Scheme Manager in complying with the Scheme Regulations and other regulations relating to the governance and administration of the Scheme.

Investment Monitoring Working Party (IMWP)

Has responsibility for reviewing the performance of the Fund's investments and its asset allocation and regularly reporting their findings to the Pensions Committee.

Governance and Risk Working Party (GRWP)

Has responsibility for reviewing governance and risk issues and regularly reporting their findings to the Pension Committee.

Fund Operating Group (FOG)

Forum for formal monthly reports to the Director of Pensions on the day-to-day operations of the Fund.

Director of Pensions

Responsible to the Strategic Director of Finance & Investment and has delegated authority to make investments or to delegate to other employees investment decisions in accordance with the Fund's strategic benchmark and delegated dealing limits.

Northern LGPS Joint Committee

The partner funds of the Northern LGPS Investment Pool (Greater Manchester Pension Fund, Merseyside Pension Fund and West Yorkshire Pension Fund) have formed a Joint Committee to oversee the activities of the Pool.

Officer Working Group (OWG)

The OWG consists of the Directors of the Pooling Partners supported by officers of the Pooling Partners as required. This role is to provide a central resource for advice, guidance and support for the Joint Governance Committee.

Accountability and Publication of Information

Details of Pensions Committee and Pension Board meetings are published on the Wirral Council website together with agendas, reports to be considered by the Committee and Board and minutes of proceedings. Details of Northern LGPS Joint Committee meetings are published on the Tameside Council website together with agendas, reports to be considered by the Committee and minutes of proceedings.

Meetings of both the Pensions Committee and Local Pension Board are open to the public.

An Annual Pension Fund Report & Accounts is published and circulated to all employing bodies reporting on the activities and investment performance of the Fund during the year. Details of matters considered during the year and meetings held are reported and a copy of the annual report is available on the Fund website.

Meetings with Stakeholders

An Annual Employer Conference is held to which all Fund employers and members of the Pensions Committee and Pension Board are invited to attend. The annual conference is an opportunity for employers to question and challenge officers and elected members on matters of interest to their authorities and organisations.

The Fund also holds other meetings as required with Employers to discuss important issues such as the Funding Strategy which underpins the actuarial valuation of the Fund and determines both employers' liabilities and contribution schedules.

Compliance Statement

The Fund fully complies with the best practice guidelines on governance issued by the Ministry of Housing, Communities and Local Government (MHCLG) and details can be found at **Annex 2** attached.

Annex 1

Training and Expenses Policy for Members of Pension Committee and Local Pension Board

Introduction

1.1 Myners' first principle recommends that "decisions should be taken only by persons or organisations with the skills, information and resources necessary to take them effectively". Where trustees elect to take investment decisions, they must have sufficient expertise and appropriate training to be able to evaluate critically any advice they take.

1.2 Trustees should ensure that they have sufficient in-house staff to support them in their investment responsibilities and should assess whether they have the right set of skills, both individually and collectively, and the right structures and processes to carry out their role effectively.

Legal Considerations

2.1 Elected members have a fiduciary responsibility to the Fund, Scheme members and local council tax payers in relation to the Local Government Pension Scheme. They can delegate functions to officers but they retain overall responsibility for the management of the Fund and its investment strategy.

2.2 Administering authorities are required to take proper advice to enable them to fulfil their obligations under the above regulations. 'Proper advice' is defined in the regulations as 'the advice of a person who is reasonably believed...to be qualified by his ability in and practical experience of financial matters....'

2.3 The Local Pension Board (LPB) has a statutory duty under the Public Service Pension Act 2013 to be conversant with the rules of the Scheme and to discharge their responsibilities as set out in the Pension Regulator's Code of Practice No 14 and to comply with the Knowledge and Understanding Policy specific to Wirral Pension Board.

Training Policy and Plan

3.1 The Fund has had regard to the legal requirements set out in the Local Government Pension Scheme Regulations, other relevant legislation and best practice guidance published by CIPFA and other professional and regulatory bodies in drawing up this policy to ensure that all those involved in the decision-making and oversight process receive all relevant training required to properly discharge their responsibilities

3.2 The Fund arranges an annual programme of external and internal training events throughout the year designed to meet the requirements of new members of the Committee and the LPB along with the ongoing needs of existing members.

3.3 These events are reported, formally, to Members of Pensions Committee and the LPB on an annual basis. Individual reports, to authorise attendance at these events are put to Committee on an event-by-event basis. Attendance of training events for the LPB is as agreed by the Independent Chair and the Director of Pensions.

Policy for Payment of Expenses

4.1 The Fund will reimburse all reasonable costs and expenses incurred in undertaking approved training for all members of the Pensions Committee and LPB.

4.2 Claims should be submitted to the Fund and supported by an official receipt.

4.3 Members serving on the Committee from other local authorities or organisations may choose to continue to claim any such expenses from these bodies instead if they prefer.

Annex 2

Merseyside Pension Fund Governance Compliance Statement

Part	Governance Requirement	Fully Compliant
II/A Structure		
a.	The management of the administration of benefits and strategic management of Fund assets clearly rests with the main committee established by the appointing council.	Yes
b.	That representatives of participating LGPS employers, admitted bodies and Scheme members (including pensioner and deferred members) are members of either the main or secondary committee established to underpin the work of the main committee.	Yes
c.	That where a secondary committee or panel has been established, the structure ensures effective communication across both levels.	Yes
d.	That where a secondary committee or panel has been established, at least one seat on the main committee is allocated for a member from the secondary committee or panel.	Yes
II/B Representation		
a.	That all key stakeholders are afforded the opportunity to be represented, within the main or secondary committee structure. These include:-	Yes
	i) employing authorities (including non-Scheme employers, e.g. admitted bodies);	
	ii) Scheme members (including deferred and pensioner Scheme members),	
	iii) independent professional observers, and	
	iv) expert advisors (on an ad-hoc basis).	

- | | | |
|----|---|-----|
| b. | That where lay members sit on a main or secondary committee, they are treated equally in terms of access to papers and meetings, training and are given full opportunity to contribute to the decision making process, with or without voting rights. | Yes |
|----|---|-----|

II/C Selection and role of lay members

- | | | |
|----|---|-----|
| a. | That committee or panel members are made fully aware of the status, role and function they are required to perform on either a main or secondary committee. | Yes |
|----|---|-----|

II/D Voting

- | | | |
|----|--|-----|
| a. | The policy of individual administering authorities on voting rights is clear and transparent, including the justification for not extending voting rights to each body or group represented on main LGPS committees. | Yes |
|----|--|-----|

Following consultation undertaken with all stakeholders groups during 2008 the Fund confirmed that it believes its current representation and voting arrangements are appropriate to ensure good governance.

Although they do not have voting rights the three trade union members representing the interests of active, pensioner and deferred members are able to play a full role in all aspects of the Governance of the Fund, including attendance at the Pension Committee and Investment Monitoring Working Party. They receive copies of all reports and are included in all training and briefings.

II/E Training/Facility time/Expenses

- | | | |
|----|--|-----|
| a. | That in relation to the way in which statutory and related decisions are taken by the administering authority, there is a clear policy on training, facility time and reimbursement of expenses in respect of members involved in the decision-making process. | Yes |
| b. | That where such a policy exists, it applies equally to all members of committees, sub-committees, advisory panels or any other form of secondary forum. | Yes |

II/F Meetings (frequency/quorum)

- | | | |
|----|---|-----|
| a. | That an administering authority's main committee or committees meet at least quarterly. | Yes |
| b. | That an administering authority's secondary committee or panel meet at least twice a year and is synchronised with the dates when the main committee sits. | Yes |
| c. | That administering authorities who do not include lay members in their formal governance arrangements, provide a forum outside of those arrangements by which the interests of key stakeholders can be represented. | Yes |
-

II/G Access

- | | | |
|----|--|-----|
| a. | That subject to any rules in the Council's constitution, all members of main and secondary committees or panels have equal access to committee papers, documents and advice that falls to be considered at meetings of the main committee. | Yes |
|----|--|-----|
-

II/H Scope

- | | | |
|----|---|-----|
| a. | That administering authorities have taken steps to bring wider Scheme issues within the scope of their governance arrangements. | Yes |
|----|---|-----|
-

II/I Publicity

- | | | |
|----|--|-----|
| a. | That administering authorities have published details of their governance arrangements in such a way that stakeholders with an interest in the way in which the Scheme is governed, can express an interest in wanting to be part of those arrangements. | Yes |
|----|--|-----|
-

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43 Castle Street
Liverpool
L2 9SH

Telephone:

Email:

Members' Website

Employers' Website

Opening Times:

0151 242 1390

mpfadmin@wirral.gov.uk

mpfmembers.org.uk

mpfemployers.org.uk

Mon. to Fri. 9am - 5pm

ADMINISTERING AUTHORITY



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WIRRAL COUNCIL

PENSIONS BOARD

12 NOVEMBER 2019

SUBJECT:	THE PENSIONS REGULATOR'S ENGAGEMENT WITH LGPS FUNDS
WARD/S AFFECTED:	NONE
REPORT OF:	DIRECTOR OF PENSIONS
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 The report updates members on The Pensions Regulator (TPR) review of governance and administration risks across the LGPS.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 As good governance is a fundamental requirement to ensure effective running of all pension schemes TPR undertook a formal engagement with ten LGPS funds between October 2018 and July 2019.
- 2.2 The report to Committee summarises the key findings from the engagement, suggesting that focus needs to be placed on policies, processes and people.

3.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 3.1 There are none arising from this report.

4.0 RECOMMENDATION

- 4.1 That Board Members note the report.

5.0 REASON/S FOR RECOMMENDATION/S

- 5.1 There is a requirement for Members of the Pension Board to be kept informed of pension fund policies and developments as a part of their role in supporting the administering authority.

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SUBJECT HISTORY

Reports/notes	Date

APPENDIX:**The Pensions Regulator Engagement Report**

WIRRAL COUNCIL

PENSION COMMITTEE

4 NOVEMBER 2019

SUBJECT:	The Pensions Regulator's Engagement with Local Government Pension Funds
WARD/S AFFECTED:	NONE
REPORT OF:	DIRECTOR OF PENSIONS
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report updates members on the Pensions Regulator (TPR) review of governance and administration risks across the LGPS.
- 1.2 The catalyst for the review was the slowdown of improvements that emerged in the findings from TPR's Annual Governance and Administration survey published in 2018.
- 1.3 In order to understand the challenges facing LGPS funds, TPR undertook a formal engagement exercise with ten LGPS funds between October 2018 and July 2019.
- 1.4 The key findings from the engagement are summarised within a TPR report published on 19 September 2019, suggesting that focus needs to be placed on policies, processes and people.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 As good governance is a fundamental requirement to ensure the effective running of all pension schemes, the strength of governance across the LGPS is a key focus for both TPR and the Scheme Advisory Board (SAB).
- 2.2 LGPS Stakeholders have welcomed appropriate scrutiny from TPR to help drive forward continual improvement. Particularly in an environment of continuing uncertainty with the 'McCloud Case', the Cost Cap process, an increasingly complex benefit regime and a growing number of scheme employers.

TPR Engagement Strategy

- 2.3 The growing relationship between the LGPS and TPR materialised in a “Cohort engagement” exercise, providing TPR with insight into the administrative challenges of the LGPS and the opportunity for funds to understand the Regulator’s expectations and programme of intended action. This key area of work aligns closely with the Scheme Advisory Board’s Good Governance project covered as an earlier agenda item.
- 2.4 In order to understand the challenges facing LGPS funds, TPR undertook a formal engagement exercise with ten LGPS funds between October 2018 and July 2019.
- 2.5 The engagement exercise was informed by the Regulators’ Code of Practice No 14; the selected cohort funds were interviewed with a focus on nine risk areas, covering operational processes and overall governance measures which were tested against published standards.
- 2.6 The reviews were carried out at a high level by meetings with scheme managers along with an assessment of fund policies, documents and member communications.
- 2.7 There were five meeting with each fund covering key themes as follows:
- Record Keeping, administrator and member communication risk
 - Internal controls and the internal dispute resolution
 - Employer risks maintaining contributions and affordability
 - The Pension Board and knowledge & understanding
 - Cyber security, pension liberation and the misappropriation of assets.
- 2.8 The final report published on 19 September 2019 can be accessed from the following link:

<https://www.thepensionsregulator.gov.uk/en/document-library/research-and-analysis/governance-and-administration-risks-in-public-service-pension-schemes-an-engagement-report#0beb0d2047954672b2a73de451ef7eab>

Synopsis of Key Findings

- 2.9 TPR highlighted some areas of good practice and noted that many funds strive to provide the best outcomes for scheme members. Although several concerns were identified, there is a clear expectation that scheme managers will improve to reach required standards against Code of Practice No 14.
- 2.10 TPR acknowledge that ‘one size does not fit all’ as LGPS Funds differ by staffing structure, available budget and the level of separation from the host authority; the latter point determines the level of independence to shape strategies and policies.

- 2.11 The over reliance of funds on the host authority's policies and procedures is discouraged, with explicit directives for Funds to establish its own policies and procedures with the support from Local Pension Boards.
- 2.12 TPR promotes the benefits of partnership working between scheme managers to discuss common challenges and solutions either through formal events or ad hoc engagements to improve governance standards.
- 2.13 It is noted that the presence of good quality data and effective record keeping standards underpin all aspects of the successful running of an LGPS fund. This includes the requirements for data improvement plans to address any concerns regarding data quality and the requirement of formal reporting on the quality of scheme data to TPR.
- 2.14 There is an emphasis on the operation and vigour of internal controls and the need for regular review in recognition of the evolving risks to funds with specific reference to employer covenants, pension scammers and cyber-attacks.

Recommendations Emerging From findings

- 2.15 Overall TPR's acknowledgement of the different Fund structures across the LGPS is helpful, along with recognition that there are a variety of equally valid approaches to mitigating risks across the scheme.
- 2.16 Notwithstanding their understanding of varied structures across the LGPS, several general recommendations relating to the nine risk focus areas were made to improve policies, processes and decision making by having an appropriate people strategy as outlined below:
 - a) **Record Keeping** - accuracy of member data should be measured correctly, regularly reviewed and understood by the scheme manager and pension board. Ensuring an administration strategy in place will assist in setting our roles and responsibilities and consequences of non-compliance.
 - b) **Internal Controls** - Funds should have a risk register in place that should be reviewed by the pension board. Funds should also record all internal controls and processes, reducing the possible impact of key-person risks.
 - c) **Administrators** - Performance targets should be agreed, measured and underperformance challenged.
 - d) **Member Communications** - All communications should be clear, precise and free from jargon. Consideration should also be given to measuring the effectiveness of all material to ensure it is understood by the audience.

- f) **Internal Dispute Resolution** – Information on the dispute resolution process should be readily available along with complaint handling policies with the pension board having oversight of complaints and outcomes. Complaints should be used of means of improving the service.
- g) **Pension Boards**- Funds should ensure individual training plans are in place and ensure appropriate training is available and attended. A process should exist for dealing with ineffective pension board members.
- h) **Employers and Contributions**. Funds require a greater understanding of the financial position of employers with the need for regular reviews of covenant strength. An admission and cessation policy can help in managing the introduction of new employers, security required and dealing with employer exits.
- i) **Cyber Security** – Funds should record on risk registers, carry out penetration testing and not rely solely on Local Authority security processes and systems.
- j) **Internal Fraud** - Funds should ensure procedures are in place to minimise the risk of fraud, including the actions to be taken when a fraud is uncovered.

2.17 The Engagement Report's findings and recommendations will be discussed in detail at the Scheme Advisory Board meeting on 6 November 2019. The findings will feed into consideration of the options report emerging from the interrelated workstreams under the 'Good Governance Project', which is scheduled for discussion at the same meeting.

2.18 In the meantime, Fund Officers have been tasked to assess MPF's policies, strategies and procedures against the findings within the report to ensure any areas for improvement are addressed and built into the sections' work streams.

3.0 Relevant Risks

3.1 The failure of the administering authority to assess the Pension Fund's governance structure, policies and procedures against the findings within the Engagement Report could lead to the risk of censure from the TPR and loss of confidence in the governance and fiduciary management of the Fund for all scheme stakeholders

4.0 Other Options Considered

Not relevant for this report.

5.0 Consultation

5.1 Not relevant for this report

6.0 Outstanding previously approved actions

6.1 None associated with the subject matter.

7.0 Implications For voluntary, community And Faith Groups

7.1 There are none arising from this report.

8.0 Resource Implications: Financial: IT; Staffing and Assets

8.1 TPR advocates within its findings, that in order to achieve good governance of the scheme, robust strategies and policies are essential along with a clear plan of delivery of those strategies.

8.2 Good business planning, risk management, performance monitoring and the ability to make informed decisions by involving the right people, with the right attitude along with the appropriate skills and knowledge is of paramount importance to ensure the effective administration of the scheme.

8.3 TPR and industry commentators support the finding that Funds require independence in these areas to ensure good governance and outcomes for all scheme stakeholders is acknowledged to be essential for 21st Century fund management.

9.0 Legal Implications

9.1 There are none arising from this report.

10.0 Equalities Implications

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

No, because MHCLG undertake equality impact assessments with regard to the governance and fiduciary management of the LGPS.

11.0 Carbon Reduction and Environmental Implications

11.1 There are none arising from this report

12.0 Planning And Community Safety Implications

12.1 There are none arising from this report

13.0 Recommendation

13.1 That Committee Members:

- a) Note the key findings and recommendations within TPR's Engagement Report following its high-level review of ten LGPS funds, based on the Regulators Code of Practice No 14.
- b) Note the planned activity of officers to undertake an analysis of Fund policies and strategies against the findings, to ensure any areas for improvements are incorporated into the section's work streams.

14.0 Reason/s for Recommendations

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

REPORT AUTHOR

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WIRRAL COUNCIL

PENSION BOARD

12 NOVEMBER 2019

SUBJECT:	TRAINING & DEVELOPMENT OPPORTUNITIES
REPORT OF:	DIRECTOR OF PENSIONS

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides Board members with a copy of a recent report to Pensions Committee on this subject. It also reminds Board members of their training responsibilities.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The report informs the Board of training and development opportunities provided to members of Pensions Committee. A number of these opportunities are also available to Board members.
- 2.2 In accordance with the Pensions Act 2004 every member of the Wirral Pension Board must be conversant with key areas of knowledge and understanding of the law relating to pensions with particular reference to:
- Background and understanding of the legislative framework of the LGPS;
 - General pension legislation applicable to the LGPS;
 - Role and responsibilities of the Local Pension Board;
 - Role and responsibilities of the Administering Authority;
 - Funding and investment;
 - Role and responsibilities of Scheme Employers;
 - Tax and contracting out;
 - Role of advisors and key persons;
 - Key bodies connected to the LGPS.
- 2.2 Pension Board members are expected to complete induction training within the first three months of their appointment. This consists of an online training course provided in a Trustee Toolkit by the Pensions Regulator (TPR).
- 2.3 Pension Board members undertake the same knowledge and understanding framework which is currently provided to members of Merseyside Pension Fund Board through the CIPFA Knowledge and Skills Framework.

- 2.4 The Scheme Manager uses the TPR Trustee Toolkit assessments that the Local Pension Board members complete as a basis for agreeing an appropriate training programme.
- 2.5 Board members are reminded of the need to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Board members are therefore required to maintain a written record of relevant training and development.
- 2.5 The annual assessment of the performance of the Pension Board includes a detailed report on training events offered and attended by Board members.

3.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 3.1 There are none arising from this report

4.0 RECOMMENDATION

- 4.1 That Board Members note the report.

5.0 REASON/S FOR RECOMMENDATION/S

- 5.1 There is a requirement for Members of the Pension Board to be kept informed of pension fund policies and developments as a part of their role in supporting the administering authority.

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SUBJECT HISTORY

Reports/notes	Date

APPENDICES

REPORT TO PENSIONS COMMITTEE NOVEMBER 2019

<u>MONTH (2020)</u>	<u>EVENT</u>
23-24 January	LGPS Governance conference, York
11 February	Investment Monitoring Working Party & Governance and Risk Working Party
6-8 March	PLSA Investment Conference, Edinburgh
11 March	Investment Monitoring Working Party
18-20 May	PLSA Local Authority Conference, Cotswolds
16 June	Investment Monitoring Working Party
July	CIPFA Conference
4-6 September	LGC Investment Seminar, Leeds
15 September	Investment Monitoring Working Party & Governance and Risk Working Party
October	PLSA Annual Conference, Liverpool
17 November	Investment Monitoring Working Party
November	Annual Employers Conference, Aintree
October to December	Fundamentals training days; multiple dates & locations
December	LAPFF Annual Conference, Bournemouth

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WIRRAL COUNCIL

PENSION BOARD

DATE 12 NOVEMBER 2019

SUBJECT:	REVISED WIRRAL PENSION BOARD TERMS OF REFERENCE
REPORT OF:	DIRECTOR OF PENSIONS

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides Board members with revisions to the Terms of Reference for Wirral Council's Local Pension Board.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Pensions Regulator has increased its oversight of the LGPS and instigated a number of initiatives to assist it in engaging more widely. Consequently, the role of the Local Pension Board has expanded, and the Terms of Reference have been revised to reflect these changes.

3.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 3.1 There are none arising from this report.

4.0 RECOMMENDATION

- 4.1 That Board Members note the report.

5.0 REASON/S FOR RECOMMENDATION/S

- 5.1 There is a requirement for Members of the Pension Board to be kept informed of pension fund policies and developments as a part of their role in supporting the administering authority.
- 5.2 The revised terms of reference will assist in ensuring the functioning of the Board and its role in assisting the Scheme Manager at a time of considerable change in the LGPS.

**REPORT
AUTHOR**

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SUBJECT HISTORY

Reports/notes	Date

APPENDICES:

REPORT TO PENSIONS COMMITTEE 4 NOVEMBER 2019

**REVISED TERMS OF REFERENCE: LOCAL PENSION BOARD OF WIRRAL
BOROUGH COUNCIL**

WIRRAL COUNCIL

PENSIONS COMMITTEE

4 NOVEMBER 2019

SUBJECT:	REVISED WIRRAL PENSION BOARD TERMS OF REFERENCE
WARD/S AFFECTED:	NONE
REPORT OF:	DIRECTOR OF PENSIONS
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report informs members of proposed revisions to the Terms of Reference for Wirral Council's Local Pension Board and requests that these are recommended to full Council for adoption.
- 1.2 The revised Terms of Reference are attached as appendix to this report.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 In early 2015, Wirral Council's Pension Board was established in accordance with statutory requirements prescribed within the Public Service Pension Act 2013 and the Local Government Pension Scheme (Governance) Regulations 2015.

The intent was to provide assurance that all public service pension schemes and individual LGPS Funds are managed effectively with a properly constituted, trained and competent Pension Board monitoring compliance with legislation and best practice standards.

- 2.2 The Board has operated effectively since July 2015 when it was implemented and assists Wirral Council, the administering authority, in its role as the Scheme Manager of the Scheme in Merseyside.
- 2.3 The Pension Regulator has increased its oversight of the Local Government Pension Scheme and instigated a number of initiatives to assist it in engaging more widely. As a consequence of this, the role of the Local Pension Board has expanded to encapsulate these and related activities. Matters arise throughout the year and, although are considered at Board meetings, it is not infrequently the case that an immediate response is required and this falls to the Independent Chair who provides guidance to the Board in terms of comment, challenge and a response to officers. The Chair also prepares and presents a report of the Board's activities to Pensions Committee annually and participates in the Annual Employers Conference. These matters are reflected in the additional responsibilities set out in section 4.7, points j - m, of the appendix.
- 2.4 An amendment to section 6 (Quorum) is also recommended to assist in the operation of the Board.
- 2.5 When Committee last considered the operation of the Pension Board, a review of remuneration of Pension Board representatives was requested by the Chair in view of the greater number of meetings that are being undertaken. The Board's current Terms of

Reference link remuneration to allowances paid to the Chair of Pensions Committee. This has proved to be a hindrance to a review of remuneration because meetings the Council's Remuneration Panel have been repeatedly postponed over the past year or so. It is also apparent that this mechanism is not suited to the Board which is not a committee constituted under Section 101 of the Local Government Act 1972 and therefore no general duties, responsibilities or powers assigned to such committees or to any sub-committees or officers under the constitution, standing orders or scheme of delegation of the Administering Authority apply to the Board. It has become clear that it would be better if remuneration was aligned with comparable Pension Board roles within the LGPS and as agreed with the Scheme manager. In light of the increased workload and responsibilities, it is proposed that, with effect from 1 April 2019, the remuneration of the Independent Chair is set at £10,000 p.a. and increased annually by the Consumer Price Index (CPI). No change in the level of remuneration for the Employer and Employee representatives is proposed but it is recommended that these allowances have a similar link to CPI.

- 2.4 The draft Terms of Reference, attached as an appendix to this report, have been revised to reflect these changes.

3.0 RELEVANT RISKS

- 3.1 There are none arising from this report.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 No other options have been considered.

5.0 CONSULTATION

- 5.1 None.

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

- 6.1 N/A

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 7.1 There are none arising from this report.

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

- 8.1 The change to remuneration will increase costs by £7,459 p.a.

9.0 LEGAL IMPLICATIONS

- 9.1 There are none arising from this report

10.0 EQUALITIES IMPLICATIONS

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

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

11.0 CARBON REDUCTION IMPLICATIONS

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

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are none arising from this report.

13.0 RECOMMENDATION/S

13.1 That Committee recommends the revisions to the Pension Board's terms of reference to full Council for adoption into the Council's constitution.

14.0 REASON/S FOR RECOMMENDATION/S

14.1 The revised terms of reference will assist in ensuring the functioning of the Board and its role in assisting the Scheme Manager at a time of considerable change in the LGPS.

REPORT AUTHOR: **PETER WALLACH**
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APPENDICES

Revised Pension Board Terms of Reference

BACKGROUND PAPERS/REFERENCE MATERIAL

BRIEFING NOTES HISTORY

Briefing Note	Date

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Pensions Committee	June 2015

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Appendix 1

Local Pension Board of Wirral Borough Council

Terms of Reference

1. Introduction

- 1.1 This document sets out the terms of reference of the Local Pension Board of Wirral Borough Council (the 'Administering Authority') a scheme manager as defined under Section 4 of the Public Service Pensions Act 2013. The Local Pension Board (hereafter referred to as 'the Board') is established in accordance with Section 5 of that Act and under regulation 106 of the Local Government Pension Scheme Regulations 2013 (as amended).
- 1.2 The Board is established by the Administering Authority and operates independently of the Pension Committee. Relevant information about its creation and operation are contained in these Terms of Reference.
- 1.3 The Board is not a committee constituted under Section 101 of the Local Government Act 1972 and therefore no general duties, responsibilities or powers assigned to such committees or to any sub-committees or officers under the constitution, standing orders or scheme of delegation of the Administering Authority apply to the Board unless expressly included in this document.
- 1.4 The Board shall be constituted separately from any committee or sub-committee constituted under Section 101 of the Local Government Act 1972 with delegated authority to execute the function of the Administering Authority.

2. Statement of Purpose

- 2.1 The purpose of the Board is to assist the Administering Authority in its role as a scheme manager of the Scheme. Such assistance is to:
 - a. to secure compliance with the Regulations , any other legislation relating to the governance and administration of the Scheme., and requirements imposed by the Pension Regulator in relation to the Scheme and;
 - b. to ensure the effective and efficient governance and administration of Merseyside Pension Fund.
 - c. To provide the Scheme Manager with such information as it requires ensuring that any member of the Pension Board or person to be appointed to the Board does not have a conflict of interest.
- 2.2 The Board will ensure it effectively and efficiently complies with the code of practice on the governance and administration of public service pension schemes issued by the Pension Regulator.

- 2.3 The Board shall meet regularly to discharge its duties and responsibilities effectively, but not less than four times in any year. There is also the provision for special meetings to be convened at notice.

3. Scheme Manager Consents

- 3.1 The Board shall not:

- Overturn investments decisions that have been made by the Pension Committee but may consider whether due process has been followed to validate the decision taken.
- Amend the strategies prepared in compliance with section 57 to 61 of the LGPS regulations subsequent to prior consultation with it on the draft strategies and consequent approval by the Pension Committee
- Consider or become involved in any specific internal dispute resolution appeal
- Enter into contracts on behalf of the Administering Authority
- Dismiss any members of the Pension Committee
- Compromise the Pension Committee's ability to comply with its fiduciary duty to the Pension Fund and its members.

4. Membership and Appointment Process

- 4.1 The Board shall consist of eight voting members to be constituted as follows:

Four employer representatives, of whom;

- a. Two shall be nominated from Local Authorities, Police/ Fire/ Transport Authorities, Parish Councils
- b. One from the Academies / Further/Higher Education Bodies
- c. One from Admitted Bodies excluding employers admitted by virtue of undertaking a commercial contract connected to a function of a scheme employer.

- 4.2 Employer representatives shall be office holders or senior employees of employers of the Fund or have experience of representing scheme employers in a similar capacity. No officer or elected member of the Administering Authority who is responsible for the discharge of any function of the Administering Authority under the Regulations may serve as a member of the Board.

- 4.3 Employer representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required:

Four scheme member representatives of whom;

- a. Two shall represent and be drawn from active members of the Merseyside Pension Fund;
- b. Two shall represent and be drawn from pensioner and deferred members of the Merseyside Pension Fund.

- 4.4 The constitution of employer or employee representatives may be varied at the discretion of the Scheme Manager in order to achieve necessary representation or balance on the Board. Member representatives shall either be scheme members or have capacity to represent scheme members of the Fund

- 4.5 Member representatives should be able to demonstrate their capacity to attend and complete the necessary preparation for meetings and participate in training as required.

- 4.6 In addition one other non-voting independent member selected by the Scheme Manager, shall be appointed as Chair of the Board, with independence defined as follows:

- a. Not a current elected member or employee of a participating scheme employer or an individual with a financial or other material interest in either the Administering Authority or any of its constituent employers.
- b. Has not been an elected member or employee of a participating scheme employer in the past 5 years.
- c. Is not an active, pensioner or deferred member of Merseyside Pension Fund

- 4.7 It will be the role of the Chair to:

- a. Ensure that all members of the Board show due respect for process, that all views are fully heard and considered and to determine when consensus has been met, instances of a failure to reach a consensus position will be recorded and published.
- b. To uphold and promote the purpose of the Board and to interpret its constitution and Terms of Reference when necessary.
- c. Ensure that the Board members have the knowledge and skills as determined in the Fund's Training Policy and other guidance or legislation and maintain a training record.
- d. Agree the agenda and minutes for each Board meeting with the Board Secretary (Director of Pension Fund)
- e. Ensure an attendance record is maintained along with advising the Scheme Manager on expenses to be paid.

- f. Advise the Scheme Manager on any required budget for the Board. The Chair shall not incur any expenditure on behalf of the Board without seeking the prior written consent of the Scheme Manager.
 - g. Write reports required by Scheme Manager on the performance of the Board.
 - h. Liaise with the Scheme Manager on the requirements of the Board, including advanced notice for Officers to attend and arranging dates and times of Board meetings.
 - i. To annually review and report on the performance of the Board.
 - j. To respond to matters arising between meetings of the Pension Board and liaise, as appropriate, with the Director of Pensions and Head of Pensions Administration in order to provide such input as to ensure the Board effectively discharges its duties and responsibilities.
 - k. To discuss specifically with the Director of Pensions and/or the Head of Pensions Administration, and after due discussion and consideration, give a view upon, any Electronic Decision Notice (EDN) issued to Board members in respect of any specific breach (or likely) breach of the law identified by the Fund and notified to members of the Board in accordance with the resolution of the Wirral Pension Committee of 16 November 2015 and Section 18.3 of these Terms of Reference.
 - l. To assess, constructively challenge and provide comment on draft Strategy and Policy documents of the Merseyside Pension Fund which are required under the LGPS Regulations, Statutory Guidance or best practice.
 - m. To assess, constructively challenge and provide comment on draft responses of the Fund to Consultations issued by Government, Regulators, the Scheme Advisory Board and equivalent bodies.
- 4.8 The Chair's decision on all points of order, procedure and protocol shall be final.
- 4.9 The appointment of the Chair by the Scheme Manager will only be made following an openly advertised competitive process for the role which shall also be subject to the passing of a motion by the Board to approve the successful candidate.
- 4.10 Members of the Board shall only be appointed after all employers or members from the respective employer section or membership cohort have been invited to put forward nominations or expressions of interest.
- 4.11 Successful employer and employee representatives will be selected by the Scheme Manager having taken account of their capacity to represent other scheme employers and members, attend meetings and undertake extensive training.
- 4.12 Members in all categories will only be appointed by the Scheme Manager if they commit to acquire the knowledge and skill requirement set out in the relevant regulations and guidance, as defined in section 8 of this document.

5. Length of term

- 5.1 Members of the Board will serve for a minimum term of four years which can be extended for a further term subject to the agreement of the Scheme Manager; thereafter the formal appointment process will apply.
- 5.2 In recognition of the complexity of pension legislation and to assist with knowledge development and retention, the initial term of office for one of the two active member representatives shall be six years and one of the two employer representatives of the local authorities, Police/Fire Transport authorities and Parish Council shall be six years.
- 5.3 Other than as a result of retirement at the expiry of this period the term of office will come to an end ;
 - a. For employer representatives who are councillors if they cease to hold office as a councillor and can no longer demonstrate the capacity to represent the specific employer category or there is disagreement from within the section;
 - b. For employer representatives who are not councillors, when they cease to be employed by the employing body where they were employed on appointment and can no longer demonstrate the capacity to represent the specific employer category or there is disagreement from within the section
 - c. For scheme member representatives if they cease to be a member of the relevant member group and can no longer demonstrate capacity to represent scheme members.
- 5.4 Each Board member should endeavour to attend all Board meetings during the year. Substitute members are not permitted due to the nature of the Board as a supervisory body and the need for appropriate knowledge and skills and the management of conflicts of interest.
- 5.5 Members of the Board shall cease to be a member of the Board if they do not attend two consecutive meetings and fail to tender apologies which are accepted by the Board.
- 5.6 In event of the independent member not being available for a Board meeting, a Vice Chair for that meeting will be determined by the Board members.
- 5.7 The removal of the independent member requires the consent of the Scheme Manager.

6. Quorum

- 6.1 A meeting is only quorate when at least 4 employer or employee representatives are present with at least 1 present from either category.
- 6.2 A meeting may commence at the discretion of the Independent Chair, without a quorum, but any decisions will be non-binding.

- 6.3 A meeting that becomes inquorate may continue but any decisions will be non-binding

7. Code of Conduct and Conflicts of Interest

- 7.1 The principles included in the Council's Code of Conduct for members apply to all members of the Board set out in the Constitution of the Council. Conflicts of interest shall be managed taking account of the requirements set out in the Council's constitution, best practice defined in the Scheme Advisory Board's statutory guidance and the Pension Regulator's Code of Practice 14: Governance and Administration of public service pension schemes.

8. Board Review Process

- 8.1 The Board will undertake each year a formal review process to assess how well it and its members are performing with a view to seeking continuous improvement in the Board's performance.

9. Advisers to the Board

- 9.1 The Board may be supported in its role and responsibilities through the appointment of advisers as agreed with the Scheme Manager. In addition the Board will have access to the officers of Merseyside Pension Fund and where considered appropriate access to the advisers to the Pension Fund.

10. Knowledge and Skills

- 10.1 A member of the Board must be conversant with –
- a. The legislation and associated guidance of the Local Government Pension Scheme (LGPS).
 - b. Any document recording policy about the administration of the LGPS which is for the time being adopted by the Merseyside Pension Fund.
- 10.2 A member of the Board must have knowledge and understanding of –
- a. The law relating to pensions, and
 - b. Any other matters which are prescribed in regulations.
- 10.3 It is for individual Board members to be satisfied that they have the appropriate degree of knowledge and understanding to enable them to properly exercise their functions as a member of the Board.
- 10.4 In line with this requirement Board members are required to be able to demonstrate their knowledge and understanding and to refresh and keep their knowledge up to date. Board members are therefore required to maintain a written record of relevant training and development.
- 10.5 Board members will undertake a personal training needs analysis and regularly review their skills, competencies and knowledge to identify gaps or weaknesses.
- 10.6 Board members will comply with the Scheme Manager's training policy.

- 10.7 The knowledge and skills required by the Independent Chair will be more developed than those expected of other members of the Board. This will include, to the satisfaction of the Scheme Manager at the time of appointment, detailed knowledge and understanding of LGPS issues across all of Governance, Actuarial/Funding, Pensions Administration and Investment.
- 10.8 The Independent Chair shall ensure the maintenance and ongoing development of knowledge, understanding, capacity and ability to continue to discharge his/her role and responsibilities under these Terms of Reference and any other regulatory or guidance requirements throughout the term of office, to the satisfaction of the Scheme Manager.

11. Board Meetings – Notice Minutes and Reporting

- 11.1 The Scheme Manager shall give notice to all Board members of every meeting of the Board, and shall ensure that all papers are published on Wirral Borough Council's Website at least 5 working days prior to each meeting. These may at the discretion of the Scheme Manager be edited to exclude items on the grounds that they would either involve the likely disclosure of exempt information as specified in Part 1 of Schedule 12A of the Local Government Act 1972 or it being confidential for the purposes of Section 100A(2) of that Act and/or they represent data covered by the Data Protection Act 1998.
- 11.2 The Scheme Manager shall ensure that a formal record of Board proceedings is maintained.
- 11.3 The Board shall on an annual basis produce a report on both the nature and effect of its activities for consideration by the Scheme Manager. The contents of this annual report will be subject to consideration and agreement at a meeting of the Board, but should include as a minimum:
- a. Details of the attendance of members of the Board at meetings,
 - b. Details of the training and development activities provided for members of the board and attendance at such activities;
 - c. Details of any recommendations made by the Board to the Scheme Manager and the Scheme Manager's response to those recommendations;
 - d. Details of the costs incurred in the operation of the Board
- 11.4 The Board in considering items of business at its ordinary meetings shall in relation to each item consider whether it wishes to make a recommendation to the Scheme Manager, to which the Scheme Manager shall respond at the subsequent meeting.

12. Remit of the Board

12.1 The Board must assist the Scheme Manager with the primary core function in securing compliance with the regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator.

12.2 This involves but is not limited to oversight and comment on :

- a. Review regular compliance monitoring reports which shall include reports to and decisions made under the Regulations by the Committee.
- b. Review management, administrative and governance processes and procedures in order to ensure they remain compliant with the Regulations, relevant legislation and in particular the Code.
- c. Review the compliance of scheme employers with their duties under the Regulations and relevant legislation.
- d. Assist with the development of and continually review such documentation as is required by the Regulations including Governance Compliance Statement, Funding Strategy Statement and Investment Strategy Statement.
- e. Assist with the development of and continually review scheme member and employer communications as required by the Regulations and relevant legislation.
- f. Monitor complaints and performance on the administration and governance of the scheme.
- g. Assist with the application of the Internal Dispute Resolution Process.
- h. Review the complete and proper exercise of Pensions Ombudsman cases.
- i. Review the implementation of revised policies and procedures following changes to the Scheme.
- j. Review the arrangements for the training of Board members and those elected members and officers with delegated responsibilities for the management and administration of the Scheme.
- k. Review the complete and proper exercise of employer and administering authority discretions.
- l. Review the outcome of internal and external audit reports.
- m. Review draft accounts and Fund annual report.
- n. Review the compliance of particular cases, projects or process on request of the Committee.
- o. Any other area within the statement of purpose (i.e. assisting the Administering Authority) the Board deems appropriate

12.3 The secondary core function of the Board is to ensure the effective and efficient governance and administration of the Scheme and may determine the areas it wishes to consider including but not restricted to :

- a. Assist with the development of improved customer services.
- b. Monitor performance of administration, governance and investments against key performance targets and indicators.
- c. Review the effectiveness of processes for the appointment of advisors and suppliers to the Administering Authority.
- d. Monitor investment costs including custodian and transaction costs.
- e. Monitor internal and external audit reports.
- f. Review the risk register as it relates to the scheme manager function of the authority.
- g. Assist with the development of improved management, administration and governance structures and policies.
- h. Review the outcome of actuarial reporting and valuations.
- i. Assist in the development and monitoring of process improvements on request of Committee.
- j. Assist in the development of asset voting and engagement processes and compliance with the UK Stewardship Code

13. Standards of Conduct

13.1 The role of the Board members requires the highest standards of conduct and therefore the “seven principles of public life” as defined within the Council Constitution will be applied to all Pension Board members and embodied in their code of conduct.

13.2 These principles are –

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

14. Decision making

- 14.1 Each employer and member representative of the Board will have an individual voting right but the Independent Chair is explicitly excluded from having the right to vote in accordance with regulation 106 (7) of the LGPS Regulations 2013. It is expected the Board will as far as possible reach a consensus.

15. Publication of Pension Board information

- 15.1 Stakeholders of the Scheme will want to know that the Merseyside Pension Fund is being efficiently and effectively managed. They will also want to be confident that the Board is properly constituted, trained and competent in order to comply with scheme regulations, the governance and administration of the scheme and requirements of the Pension Regulator.

- 15.2 Up to date information will be posted on the Merseyside Pension Fund website showing:

- a. The names, contact details and other relevant information about the Board members
- b. How the scheme members are represented on the Board
- c. The responsibilities of the Board as a whole
- d. The full terms of reference and policies of the Board and how they operate
- e. Details of the Pension Board appointment process
- f. Any specific roles and responsibilities of individual Board members.

- 15.3 The Scheme Manager will also consider requests for additional information to be published or made available to individual scheme members to encourage scheme member engagement and promote a culture of openness and transparency.

16. Accountability

- 16.1 The Board will be collectively and individually accountable to the Scheme Manager.

17. Expense Reimbursement and Remuneration

- 17.1 All members of the Board shall, on the production of relevant receipts be reimbursed for travel and subsistence expenses they have incurred in the conduct of their duties as a member of the Board, including attendance at relevant training and development activities.

- 17.2 Members of the Board shall be reimbursed a mileage allowance for use of their own car at the rate prescribed by the Inland Revenue from time to time as adopted by Wirral Borough Council.

- 17.3 The Independent Chair, and Employer and Employee representatives will receive a fee determined by the Scheme Manager with reference to

comparable roles in the LGPS. These shall be paid six-monthly in arrears and increased annually by the Consumer Price Index.

18. Reporting Breaches

18.1 Where any breach of legislation or duties is committed or is alleged to have been committed by the Pension Committee, the Board shall:

- a. As soon as reasonably possible of the potential breach meet with the Committee
- b. Ask the Committee Chair to explain the actions taken and provide evidence of the legitimacy of the action taken
- c. Consider the matter on the facts available and evidence provided by the Committee Chair and refer it back to Committee to reconsider and correct any areas of concern or breaches of duty or
- d. Determine that no breach of duty has taken place

18.2 If it is decided that a breach has occurred, the Board shall (as required by the Code of Practice and the Pensions Act 2004)

- a. Report the breach to the Monitoring Officer and Section 151 Officer and take prompt and effective action to investigate and correct the breach and its causes and, where appropriate, notify any affected members:
- b. The Board may report concerns to the LGPS Scheme Advisory Board for consideration subsequent to, but not instead of, using the appropriate internal route for escalation.
- c. Where prompt and effective action to remedy the breach has not been taken report the breach as a breach of material significance to the Pension Regulator and the whistleblowing provisions set out in the Administering Authority's whistle blowing policy..

18.3 In accordance with the resolution of the Pension Committee of 16 November 2015 an Electronic Decision Notice (EDN) will be sent to each member of the Board in respect of whether or not to report a specific breach (or likely breach) identified by Fund Officers to the Regulator.

18.4 As per Regulation 106(6) and subject to the terms within this document, the Pension Board shall have the power to do anything to facilitate or is conducive to the discharge of any of its functions.

19. Interpretation

19.1 Any uncertainty or ambiguity or interpretation required relating to any matters contained in this document shall be resolved by reference to the Scheme Manager.

20. Definitions

20.1 The undernoted terms shall have the following meaning when used in this document:

<i>"Pension Board" or "Board"</i>	Means the local Pension Board for Wirral Borough Council as administering authority for the Merseyside Pension Fund required under the Public Service Pensions Act 2013
<i>"Scheme Manager"</i>	Means Wirral Borough Council as administering authority of the Merseyside Pension Fund.
<i>"Chair"</i>	The individual responsible for chairing meetings of the Board and guiding its debates
<i>"LGPS"</i>	The Local Government Pension Scheme as constituted by the Local Government Pension Scheme Regulations 2013, the Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014, the Local Government Pension Scheme (Amendment) (Governance) Regulations 2015 and The Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009
<i>"Scheme"</i>	Means the Local Government Pension Scheme as defined under "LGPS"

These Terms of Reference shall be reviewed on each material change to that part of the Regulations covering local pension boards.

These Terms of Reference were adopted following approval by Council on 9 December 2019.

.....
Signed on behalf of the Administering Authority

.....
Signed on behalf of the Board.

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WIRRAL COUNCIL

PENSION BOARD

DATE 12 NOVEMBER 2019

SUBJECT:	CATALYST FUND UPDATE
REPORT OF:	DIRECTOR OF PENSIONS

1.0 EXECUTIVE SUMMARY

1.1 This report provides Board members with an update on the Catalyst Fund.

2.0 BACKGROUND AND KEY ISSUES

2.1 The report provides the Board with information on two recent projects which were reported to the Investment Monitoring Working Party in September.

3.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

3.1 There are none arising from this report.

4.0 RECOMMENDATION

4.1 That Board Members note the report.

5.0 REASON/S FOR RECOMMENDATION/S

5.1 There is a requirement for Members of the Pension Board to be kept informed of pension fund developments as a part of their role in supporting the administering authority.

REPORT	Peter Wallach	Director of Pensions
AUTHOR	Telephone	(0151) 242 1309
Email	peterwallach@wirral.gov.uk	

SUBJECT HISTORY

Reports/notes	Date

APPENDICES:

Catalyst Fund Update Report

MPF Catalyst Fund – IMWP Update 18 Sept 2019

WIRRAL COUNCIL

PENSIONS COMMITTEE

4 NOVEMBER 2019

SUBJECT:	CATALYST FUND UPDATE
WARD/S AFFECTED:	NONE
REPORT OF:	DIRECTOR OF PENSIONS
RESPONSIBLE PORTFOLIO HOLDER:	
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to provide Members with an update on the Catalyst Fund.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Catalyst Fund was launched in 2016 with the aim of helping to deliver economic growth projects in Merseyside by providing debt and equity financing, whilst producing a commercial return for the Pension Fund. The Fund is looking to partner with public and private entities in developing projects that will deliver economic growth.
- 2.2 The Fund has a flexible investment approach designed to help deliver development in growth areas identified in the Liverpool City Region Growth Prospectus and the devolution deal agreed by Central Government and Liverpool City Region Combined Authority. Its principal focus is the provision of debt financing to local property-related or asset-backed opportunities.
- 2.3 The appendix provides information on two recent projects which were reported to the Investment Monitoring Working Party in September.

3.0 RELEVANT RISKS

- 3.1 Local investments can be more resource-intensive in terms of management, monitoring and the knowledge requirement. There is also greater potential for conflicts of interest which must be managed through suitably robust governance arrangements.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 Not relevant to this report.

5.0 CONSULTATION

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

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

6.1 None

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

7.1 There are none arising from this report.

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

8.1

9.0 LEGAL IMPLICATIONS

9.1 There are none arising from this report.

10.0 EQUALITIES IMPLICATIONS

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

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

11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

11.1 There are none arising from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are none arising from this report.

13.0 RECOMMENDATION

13.1 That Members note the report.

14.0 REASON/S FOR RECOMMENDATION/S

14.1 That Members are kept informed of the progress of the Catalyst Fund.

REPORT AUTHOR: Peter Wallach
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APPENDICES

Appendix 1- Catalyst Fund investments

BACKGROUND PAPERS/REFERENCE MATERIAL

BRIEFING NOTES HISTORY

Briefing Note	Date

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MPF- Catalyst Fund

IMWP Update – 18th September 2019

Prepared by:
Adil Manzoor ACA – Portfolio Manager Infrastructure
and Local Investment

www.merseysidecatalystfund.org



1 Catalyst Fund

Catalyst Fund is MPF's local investment initiative and the Catalyst platform enables MPF to invest in regional projects that support development and regeneration, creating jobs and contributing to the improvement of the region whilst delivering a commercial return in line with our target return.

Total capital allocated to Catalyst Fund is 1%. Although the fund can look at any potential regional investment opportunity and invest anywhere in the capital stack from Equity to Debt, our expectation is that majority of the fund will be deployed in property related opportunities and more likely in debt instruments than equity.

To date, the Catalyst Fund has three investments – Iliad Ropewalks, North Western Hotel and Peel Heat Networks – with total committed funds of £42.16m over three loan facilities.

1.1 Strategy

The Catalyst Fund strategy is to support development and refurbishment projects in the Merseyside area that are additive to the regeneration of the Liverpool City Region and align with the economic plans for the area.

The Fund is able to accept a modestly reduced return in comparison to the broader strategy. The Fund can invest via both equity and debt, however, current market characteristics mean that lending is preferred due to superior risk adjusted returns.

Investments will typically be shorter term, from 18 months to 36 months with an individual investment range of £5 million to £30 million to ensure greater support for local projects.

The strategy is supportive of local developers and investors with the aim of investing into projects that will generate a return for the Fund but, if necessary, can tolerate a slightly higher risk position than would normally be pursued under the wider real estate strategy.

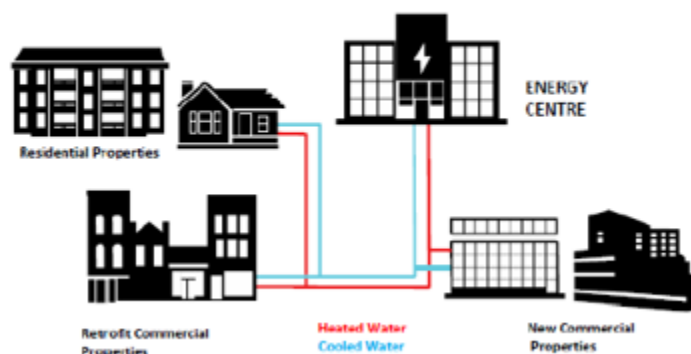
2 Mersey Heat Network (District Heating)

Catalyst Fund provided an unsecured corporate loan of around £13 million to a district heating project. The project is being developed by Mersey Heat Ltd (a subsidiary of Peel Group). This investment will accelerate the delivery of an important regeneration project in the LCR as well as facilitate low carbon heat and energy in keeping with UK Govt.'s clean growth strategy. This project will be able to provide district heating facility to around 10,000 residential units and some commercial units. Although it is an unsecured debt, the investment benefits from a full corporate guarantee for the performance and repayment of loan from a parent company with £500m of net assets. In a scenario where the Borrower (Mersey Heat Ltd) is unable to complete the project the Fund will have rights to call on the Guarantee and repayment of the loan from Peel Group. Therefore, the Fund is not exposed to any construction risk on the project.

Projected net return to MPF is at premium to comparable corporate loans. It will be lower than the other Catalyst Fund commitments to date, but this is due to significantly lower risk profile of the investment with a corporate guarantee from an entity with substantial net assets. As an infrastructure loan this investment complements and diversifies existing Catalyst commitments in the hotel and residential sector whilst supporting a strategically important development for the City Region. Peel is a large landowner and developer of the City Region's key regeneration projects. The loan also presents an opportunity to build a relationship with Peel Group and source further investment opportunities for the Catalyst Fund.

District heating is the supply to multiple buildings with heating and hot water from a centralised generation source, typically a CHP plant, via insulated underground pipes. Buildings collectively served by the same central heating plant is widely developed and mostly implemented in Europe (specifically in the Nordics), although not largely implemented in the UK. Mersey Heat Ltd initially aims to serve residential and commercial units with Liverpool Waters area but this project has the potential to expand to serve adjoining developments.

DISTRICT HEATING NETWORK



3 The Eight Building (Iliad) – Development Loan

The Fund has committed £10.25 million of senior debt (a two-year Senior Loan Facility) to provide for the construction costs to deliver a 120-unit residential development in the Rope Walks area of Liverpool. The completed building will be called the Eight Building and is to be developed by the Iliad Group, a Merseyside specialist and one of the most active developers in Merseyside.

The development is 0.70-acre site that currently has a vacant community centre and associated outdoor play area in Ropewalks, Central Liverpool. The site is a 10-minute walk from Liverpool City Centre, Liverpool One and Liverpool Central Station. The Project once complete will have 120 residential units (a mix of 1, 2 and 3 bedroom apartments), 2,519 Sq. ft of commercial space (the long leasehold already pre-sold for £250k to Liverpool City Council) and 19 car parking spaces.

The Fund benefits from a first charge over the property and full senior debt security package. (debenture, charged rental account, full step in rights). The investment is expected to achieve a strong return for a debt investment secured with a first charge against a prime Liverpool freehold.

The development has support from the City Council and is line with the Liverpool City Region Growth Strategy, upgrading the City Region housing offer, regenerating deprived communities and maximising the use of new spaces in the City.



WIRRAL COUNCIL

PENSION BOARD

DATE 12 NOVEMBER 2019

SUBJECT:	COMPLIANCE MANUAL
REPORT OF:	DIRECTOR OF PENSIONS

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides Board members with details of a revision to Section 5 of the Compliance Manual for which approval was sought at Pensions Committee on 4 November 2019.
- 1.2 The appendix to this report contains exempt information. This is by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of Local Government Act 1972 i.e. information relating to the financial or business affairs of any particular person (including the authority holding that information).

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Compliance Manual sets out the powers, duties and responsibilities of officers in respect of the financial services legislative and regulatory regimes relevant to MPF. Although the Pension Fund is not regulated by the Financial Conduct Authority (FCA) the manual incorporates, where appropriate, best practice as set out by the FCA and the codes of other professional bodies.
- 2.2 The manual is subject to a review as required, but at least every three years. The existing Compliance Manual was approved at Pensions Committee 22 January 2018.
- 2.3.1 The revised Section 5 of the Compliance Manual is attached as Appendix 1 to this report.
- 2.3.2 The main changes to the manual are the updates required to reflect the new internally managed internal factor portfolio (IFP). Changes to the manual include:

Reference	Change
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5.3	Investment Philosophies moved from Section 5 to appendices.
5.4	New section on general principles
5.5	New section on primary responsibilities
5.6	New section on investment fees and costs
5.7	New section on due diligence
5.8	Dealing section updated to reflect IFP.
5.8.2	New section on capital calls
5.9	Reviewed and updated Investment Committee section to reflect roles and responsibilities.
5.10	Updated section on requirement to obtain bank details.

3.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

3.1 There are none arising from this report.

4.0 RECOMMENDATION

4.1 That Board Members note the report.

5.0 REASON/S FOR RECOMMENDATION/S

5.1 There is a requirement for Members of the Pension Board to be kept informed of changes to pension fund policies and procedures as a part of their role in supporting the administering authority.

REPORT Donna Smith Head of Finance & Risk
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SUBJECT HISTORY

Council Meeting	Date
Pensions Committee	22 January 2018
Pensions Committee	21 March 2017

APPENDICES:

Compliance Manual Report.

EXEMPT APPENDIX Revised Section of the Compliance Manual and Investment Philosophies.

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WIRRAL COUNCIL

PENSIONS COMMITTEE

4 NOVEMBER 2019

SUBJECT:	COMPLIANCE MANUAL
WARD/S AFFECTED:	NONE
REPORT OF:	DIRECTOR OF PENSIONS
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to seek Members approval of a revised Section 5 of the Compliance Manual.
- 1.2 The appendix to this report contains exempt information. This is by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of Local Government Act 1972 i.e. information relating to financial or business affairs of any particular person (including the authority holding that information).

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Compliance Manual sets out the powers, duties and responsibilities of officers in respect of the financial services legislative and regulatory regimes relevant to MPF. Although the Pension Fund is not regulated by the Financial Conduct Authority (FCA) the manual incorporates, where appropriate, best practice as set out by the FCA and the codes of other professional bodies.
- 2.2 The manual is subject to a review as required, but at least every three years. The existing Compliance Manual was approved at Pensions Committee 22 January 2018.
- 2.3 The revised Section 5 of the Compliance Manual is attached as Appendix 1 to this report.
- 2.4 The main changes to the manual are the updates required to reflect the new internally managed internal factor portfolio (IFP). Changes to the manual include:

Reference	Change
5.3	Investment Philosophies moved from Section 5 to appendices.
5.4	New section on general principles
5.5	New section on primary responsibilities
5.6	New section on investment fees and costs
5.7	New section on due diligence
5.8	Dealing section updated to reflect IFP.

5.8.2	New section on capital calls
5.9	Reviewed and updated Investment Committee section to reflect roles and responsibilities.
5.10	Updated section on requirement to obtain bank details.

3.0 RELEVANT RISKS

- 3.1 The Compliance Manual is concerned with the mitigation of risks by enhancing the Fund's control environment.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 No other options have been considered.

5.0 CONSULTATION

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

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

- 6.1 There are no previously approved actions outstanding.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 7.1 There are none arising from this report.

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

- 8.1 There are none arising directly from this report.

9.0 LEGAL IMPLICATIONS

- 9.1 There are none arising from this report.

10.0 EQUALITIES IMPLICATIONS

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

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

11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

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

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 12.1 There are none arising from this report.

13.0 RECOMMENDATION/S

- 13.1 That Committee approve the revised Section 5 of the Compliance Manual.

14.0 REASON/S FOR RECOMMENDATION/S

- 14.1 The approval of the Compliance Manual for Merseyside Pension Fund by Pensions Committee forms part of the governance arrangements of Merseyside Pension Fund.

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APPENDICES

Appendix 1 Revised Section 5 of the Compliance Manual and Investment Philosophies

BACKGROUND PAPERS/REFERENCE MATERIAL

Compliance Manual 2018

BRIEFING NOTES HISTORY

Briefing Note	Date

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Pensions Committee	22 January 2018
Pensions Committee	21 March 2017

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WIRRAL COUNCIL

PENSION BOARD

DATE 12 NOVEMBER 2019

SUBJECT:	POOLING UPDATE
REPORT OF:	DIRECTOR OF PENSIONS

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides Board members with an update on pooling arrangements in respect of MPF and the Northern LGPS.
- 1.2 The appendix to this report contains exempt information. This is by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of Local Government Act 1972 i.e. information relating to the financial or business affairs of any particular person (including the authority holding that information).

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Pooling update is a standing item on the Pensions Committee agenda.

3.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 3.1 There are none arising from this report.

4.0 RECOMMENDATION

- 4.1 That Board Members note the report.

5.0 REASON/S FOR RECOMMENDATION/S

- 5.1 There is a requirement for Members of the Pension Board to be kept informed of pension fund developments as a part of their role in supporting the administering authority.

**REPORT
AUTHOR**
Email

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SUBJECT HISTORY

Reports/notes	Date
An update report is brought to each Pensions Committee	

APPENDICES

Pooling update report.

EXEMPT minutes of Shadow Joint Committee meeting 11 July 2019 and report Northern LGPS Shadow Joint Committee 26 September 2019.

WIRRAL COUNCIL

PENSIONS COMMITTEE

4 NOVEMBER 2019

SUBJECT:	POOLING UPDATE
WARD/S AFFECTED:	NONE
REPORT OF:	DIRECTOR OF PENSIONS
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides Members with an update on pooling arrangements in respect of MPF and the Northern LGPS. Since the previous update, the Operating Agreement between the three members of NLGPS has been concluded. It was considered by the Standards and Constitutional Oversight Committee on 28 September and approved at Council on 14 October.
- 1.2 Appendix 2 to this report contains exempt information. This is by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of Local Government Act 1972 i.e. information relating to the financial or business affairs of any particular person (including the authority holding that information).

2.0 BACKGROUND AND KEY ISSUES

- 2.1 MPF has continued to work with its pooling partners to finalise governance arrangements for the Pool's Joint Committee. An underpinning element of this is a Northern LGPS inter-authority operating agreement between the three funds which is close to being concluded by the three authorities.
- 2.2 The Fund's Governance Policy has been updated to reflect these changes.
- 2.3 Pooling update and minutes of the Northern LGPS Shadow Joint Committee on 11 July 2019 are attached at exempt appendix 2.

3.0 RELEVANT RISKS

- 3.1 Pooling will result in fundamental changes to oversight and management of LGPS assets. It is essential that governance arrangements ensure that Pensions Committee can exercise its responsibilities in accordance with the Council's constitution.

4.0 OTHER OPTIONS CONSIDERED

4.1 No other options have been considered.

5.0 CONSULTATION

5.1 The Pooling consultation has been discussed with the Merseyside Directors of Finance and stakeholders have been kept informed of the pooling consultation and its implications.

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

6.1 There are no previously approved actions outstanding.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

7.1 There are none arising from this report.

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

8.1 There are none arising directly from this report. The anticipated financial costs of establishing pooling arrangements and the projected savings over the long-term are set out in the Fund's pooling submission of 15 July 2016. These are updated in the regular progress reports to MHCLG.

9.0 LEGAL IMPLICATIONS

9.1 There are none arising from this report.

10.0 EQUALITIES IMPLICATIONS

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

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

11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

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

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are none arising from this report.

13.0 RECOMMENDATION/S

13.1 That Members note the pooling report and minutes of the Shadow Joint Committee meeting on 28 September 2019.

14.0 REASON/S FOR RECOMMENDATION/S

14.1 Pooling is resulting in fundamental changes to the oversight and management of LGPS assets and it is important that Members are informed of all developments affecting the Fund.

REPORT AUTHOR: PETER WALLACH
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APPENDICES

Pooling update and minutes of Shadow Joint Committee meeting 11 July 2019.

BACKGROUND PAPERS/REFERENCE MATERIAL

BRIEFING NOTES HISTORY

Briefing Note	Date

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
An update report is brought to each Pensions Committee	

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WIRRAL COUNCIL

PENSION BOARD

12 NOVEMBER 2019

SUBJECT:	RISK REGISTER
REPORT OF:	DIRECTOR OF PENSIONS

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides Board members with a copy of the Fund's Risk Register
- 1.2 Appendix 1 to this report contains exempt information. This is by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of Local Government Act 1972 i.e. information relating to the financial or business affairs of any particular person (including the authority holding that information).

2.0 BACKGROUND AND KEY ISSUES

- 2.1 Risk management is an integral part of the Fund's business planning, policies and procedures. The Fund maintains a register of its principal risks and the controls and measures put in place to manage and mitigate them. The register is prepared in accordance with Wirral's Risk Management Policy.
- 2.2 Risk Management is a standing item on the monthly Fund Operating Group agenda. The register is reviewed formally by officers on a six-monthly basis but is updated immediately for any risks that are identified in the interim.
- 2.3 The Risk Register is a standing item on the agenda for the Fund's Governance & Risk Working Party. The risks included in the register are principally in relation to administrative, financial and operational risks with investment and related actuarial risks addressed in the Funding Strategy Statement and Investment Strategy Statement.

3.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 3.1 There are none arising from this report

4.0 RECOMMENDATION

4.1 That Board Members note the report.

5.0 REASON/S FOR RECOMMENDATION/S

5.1 There is a requirement for Members of the Pension Board to be kept informed of pension fund policies and developments as a part of their role in supporting the administering authority.

REPORT	Peter Wallach	Director of Pensions
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SUBJECT HISTORY

Reports/notes	Date

APPENDICES

RISK REGISTER

WIRRAL COUNCIL

PENSION BOARD

DATE 12 NOVEMBER 2019

SUBJECT:	WORKING PARTY MINUTES
REPORT OF:	DIRECTOR OF PENSIONS

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides Board members with copies of working party minutes since the previous Pension Board meeting.
- 1.2 The appendix to this report contains exempt information. This is by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of Local Government Act 1972 i.e. information relating to the financial or business affairs of any particular person (including the authority holding that information).

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Investment Monitoring and Governance & Risk Working Parties convene regularly to enable Pension Committee members to consider pension matters in greater detail. They are not decision-making bodies but minutes and action points arising are reported to Committee.

3.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 3.1 There are none arising from this report.

4.0 RECOMMENDATION

- 4.1 That Board Members note the report.

5.0 REASON/S FOR RECOMMENDATION/S

- 5.1 There is a requirement for Members of the Pension Board to be kept informed of pension fund developments as a part of their role in supporting the administering authority.

REPORT Peter Wallach Director of Pensions
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SUBJECT HISTORY

Reports/notes	Date
This is a standing item on the agenda	

APPENDICES

Exempt appendices 1-2:

Investment Monitoring Working Party 6 June 2019

Investment Monitoring Working Party 18 September 2019

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of the Local Government Act 1972.

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