

WIRRAL COUNCIL

PENSIONS COMMITTEE

15 SEPTEMBER 2014

SUBJECT:	ELECTED MEMBER EDUCATIONAL EVENT
WARD/S AFFECTED:	NONE
REPORT OF:	STRATEGIC DIRECTOR TRANSFORMATION & RESOURCES
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

1.1 This report recommends that the Committee considers attendance by Members at the second 330 Consulting Elected Member Educational Event (EMEE) in the Ship's Company Dining Hall on board HMS Belfast in London on Wednesday 1 October 2014.

2.0 BACKGROUND AND KEY ISSUES

2.1 The initial 330 Consulting EMEE was attended by the Chair of Pensions Committee. It is suggested that the invitation is widened to party spokespersons. The event is designed for those members of Pensions Committees who are relatively new to their roles, but it is also open to other, more experienced, Committee members who would like a refresher on some key investment concepts and issues.

The intention is that attendees can benefit from presentations on investment topics that do not assume a detailed understanding of the investment world, and yet which provide a good grounding on each topic to help attendees in their duties back in the real world.

2.2 To help keep the day interesting, and not make it too focussed in investment topics, the EMEE will again be a mixture of educational investment sessions and politically-themed presentations. The current agenda is set out at appendix 1.

3.0 RELEVANT RISKS

3.1 There are none arising from this report.

4.0 OTHER OPTIONS CONSIDERED

4.1 No other options have been considered.

5.0 CONSULTATION

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

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

6.1 N/A.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

7.1 There are none arising from this report

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

8.1 Attendance is free. There will be travel costs to London and accommodation would be required for the night of 30 September.

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

14.0 REASON/S FOR RECOMMENDATION/S

14.1 Attendance at this conference will assist Members in fulfilling the Committee's Knowledge and Skills objectives as set out by CIPFA.

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APPENDICES

Appendix - agenda

BACKGROUND PAPERS/REFERENCE MATERIAL

BRIEFING NOTES HISTORY

Briefing Note	Date

SUBJECT HISTORY (last 3 years)

Council Meeting	Date

Appendix 1 - agenda

330 Consulting Elected Member Educational Event (EMEE) - HMS Belfast, London, Wednesday 1 October 2014	
08:30 - 09:15	Registration and Coffee
09:15 - 09:25	<p>Welcome</p> <p>David Crum, Owner, 330 Consulting</p> <p>I will take a few moments to welcome everyone to the event, set out the plan for the day, and deal with any pertinent housekeeping issues.</p>
10:00 - 10:35	<p>Diversification – Is It Really A Free Lunch?</p> <p>Atul Shinh, Investment Specialist, Multi-Asset team, Investec Asset Management</p> <p>The concept of "Diversification", or in other words, not putting all your eggs in one basket, is designed to reduce your risk by spreading (diversifying) your investments. While the principle of spreading your risk across different investments is sound, certain investors' experiences of diversification have been less than satisfactory, with "diversified" portfolios failing to provide the outcomes that would have been expected in such cases.</p> <p>In this session, Atul will explain the basics behind the concept of diversification (including its benefits), highlighting some of the fallacies of diversification, and will also describe some of the methods and techniques that can be used to improve investor outcomes from diversification.</p>
10:35 - 11:10	<p>Liability Hedging – What Affects The Value Of A Scheme's Liabilities?</p> <p>Alex Soulsby, Head of Liability Driven Investment, F&C Investments</p> <p>Historically, many Pensions Committees spent a great deal of time focussing solely on the investment arrangements of their respective Funds. However, it is now widely accepted that investment strategy should be considered with the Fund's liabilities clearly in mind. But what do we mean when we talk about liabilities? And what kind of factors affect the value that is placed on them?</p> <p>In this session Alex will look at how specific market risks can change the value of a pension scheme's liabilities, answer how Liability Driven Investment (or LDI for short) strategies can be used to manage these risks and why without hedging, pension schemes may not be able to meet their future liabilities.</p>
11:10 - 11:35	Coffee Break
11:35 - 12:10	<p>Effectiveness and Accountability in Politics</p> <p>The Rt. Hon Margaret Hodge, MP</p> <p>Margaret Hodge MBE was elected Member of Parliament for Barking in 1994. She is also the Chair of the Public Accounts Committee, and held a number of senior roles in the Labour Government between 1998 and 2010. In the 2010 General Election Margaret fought off the challenge from Nick Griffin and the</p>

	<p>British National Party in her constituency, doubling her majority to 16,555. Also in 2010, Margaret became the first ever female Chair of the Public Accounts Committee.</p>
12:10 - 12:45	<p><i>Private Equity: Keep Calm and Mind the Gap</i></p> <p>Carolyn Skuce, Director, Business Development, and Mark Drugan, Managing Director, Head of Investment Management Europe, Capital Dynamics</p> <p>Private Equity returns have consistently outperformed the quoted markets in the long term and provide a valuable solution to bridging LGPS funding gaps, but what is private equity? Why should pension funds invest in private equity? What drives returns? How can barriers to access be mitigated? In light of the recent DCLG Consultation on the future of the LGPS, what place does private equity hold in future investment strategies for Funds? In this session, Carolyn and Mark will talk about the basics of private equity, performance and future opportunities.</p>
12:45 - 13:45	<p>Lunch</p>
13:45 - 14:20	<p><i>5 Things That Will Make the 2015 Election Unique</i></p> <p>James Morris, Director, European Office, Greenberg Quinlan Rosner Research</p> <p>James is a campaign pollster and strategist. A former speech writer to Labour leader Ed Miliband and advisor at the Number 10 Strategy Unit, Morris runs Greenberg Quinlan Rosner's London office. Since joining the firm in 2010, James has advised corporate, NGO and political clients around the world. He ran strategy for Ed Miliband's against-the-odds victory in the Labour party leadership campaign and continues to advise the Labour leader.</p>
14:20 - 14:55	<p><i>Session topic to be confirmed shortly</i></p>
14:55 - 15:20	<p>Coffee</p>
15:20 - 15:55	<p><i>Adventures In Security Selection: Who Should We Lend Your Money To?</i></p> <p>Blair Reid, Portfolio Manager, BlueBay Asset Management LLP</p> <p>Buying bonds is essentially lending money to a business, as opposed to equities which is buying a stake in the business. Many presentations are made to LGPS Pension Committees about the performance of fixed interest portfolios. But what lies underneath? How are fixed interest portfolios put together? And who decides what goes in to them? In this session Blair looks at the factors BlueBay considers most important when deciding which companies or governments to whom they should lend client money.</p>
15:55 - 16:40	<p><i>Politics - Stranger Than Fiction?</i></p> <p>Lord Dobbs of Wylde</p> <p>Michael Dobbs was with Margaret Thatcher when she first entered Downing Street as Prime Minister, and was with John Major when he was kicked out. In between times, he wrote House of Cards, perhaps the most celebrated political novel of recent decades, which was made into award winning BBC and US TV series. The third season of the US version is currently being filmed, with Kevin Spacey in the leading role.</p>

	<p>Michael was Chief of Staff and later Deputy Chairman of the Conservative Party. In his restless search for a proper job, he's also been Deputy Chairman of Saatchi & Saatchi, he presented the BBC TV current affairs programme Despatch Box and was a columnist for The Mail on Sunday.</p> <p>He has also penned the hugely acclaimed theatre play, 'The Turning Point', yet it is as an author that he has gained most plaudits. After creating the iconic figure of 'Francis Urquhart' he has gone on to write books about Prime Ministers, Kings and the Dalai Lama. He also wrote a series of novels about Winston Churchill that had the critics falling over themselves in praise.</p> <p>Michael has many years of experience in the United States, with a doctorate from Harvard and Tufts universities. He also worked on the Boston Globe throughout the Watergate scandal. House of Cards is one of PBS's all-time most requested TV series and his Churchill novels have been best-sellers across the States.</p> <p>He has helped raise tens of thousands of pounds for charities in recent years. Yes, there is a softer side to him, yet his past follows him. One newspaper described Dobbs as "Westminster's baby-faced hit man." Another said he was "a man who, in Latin America, would have been shot." A third wrote that "he was clearly put on this earth to write thrillers of the most shameless page-turning quality."</p>
16:40 - 16:45	<p>Close David Crum, Owner, 330 Consulting</p>
16:45 - 18:30	<p>Drinks reception and tour of HMS Belfast</p>