

# WIRRAL COUNCIL

## PENSIONS COMMITTEE

4 JULY 2016

|                         |  |
|-------------------------|--|
| <b>SUBJECT:</b>         | <b>MPF - LOCAL INVESTMENT UPDATE</b>                         |
| <b>WARD/S AFFECTED:</b> | <b>NONE</b>  |
| <b>REPORT OF:</b>       | <b>STRATEGIC DIRECTOR TRANSFORMATION<br/>&amp; RESOURCES</b> |
| <b>KEY DECISION?</b>    | <b>NO</b>  |

### 1.0 EXECUTIVE SUMMARY

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

### 2.0 BACKGROUND AND KEY ISSUES

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

### 3.0 RELEVANT RISKS

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

### 4.0 OTHER OPTIONS CONSIDERED

4.1 There are no other options under consideration.

## **5.0 CONSULTATION**

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

## **6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS**

6.1 N/A

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

7.1 There are none arising from this report.

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

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

## **9.0 LEGAL IMPLICATIONS**

9.1 There are none arising from this report

## **10.0 EQUALITIES IMPLICATIONS**

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

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

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

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

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

12.1 There are none arising from this report.

## **13.0 RECOMMENDATION/S**

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

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

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

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**APPENDICES** Presentation to IMWP

**BACKGROUND PAPERS/REFERENCE MATERIAL**

**BRIEFING NOTES HISTORY**

| <b>Briefing Note</b> | <b>Date</b> |
|----------------------|-------------|
|                      |             |

**SUBJECT HISTORY (last 3 years)**

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