

# WIRRAL COUNCIL

## PENSION BOARD

DATE 13 JUNE 2018

<b>SUBJECT:</b>	<b>MONITORING POLICY</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF PENSIONS</b>

### 1.0 EXECUTIVE SUMMARY

- 1.1 This report provides Board members with a copy of the report to Pensions Committee seeking approval for a revised policy for the monitoring of investment mandates for Merseyside Pension Fund.
- 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 purpose of this policy is to provide a framework for the monitoring of internal and external mandates for the Fund. The original version of this policy was approved by this Committee on 31 March 2008 and a revised policy on 20 March 2012.
- 2.2 The Fund has undertaken to review the policy from time to time to ensure it retains its relevance. Some changes are proposed to the policy to reflect the implications of pooling and the availability of additional benchmarks for public and private market assets. The revised policy also seeks to avoid 'short-termism' in decision making.

Guidance issued in relation to 'pooling' confirms that whilst strategic asset allocation decisions remain with the pension committees of fund authorities, manager selection will need to be delegated to officers or to the pool.

The revised Investment Regulations have removed the requirement for quarterly reporting by investment managers in order to encourage a longer-term perspective in relation to manager monitoring and retention. Whilst MPF has only terminated one investment mandate for performance reasons in the

past nine years, the policy has been revised to reflect this long-term philosophy.

2.3 The purpose of this policy is to provide a structured approach by the investment team to the performance of all elements of the Fund; allowing full consideration of relevant facts in decision making and ensuring that there is an auditable trail of actions.

### **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, policies and procedures as a part of their role in supporting the administering authority.

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### **SUBJECT HISTORY**

<b>Reports/notes</b>	<b>Date</b>

### **APPENDIX**

**EXEMPT appendix 1**