



PENSION BOARD

16 DECEMBER 2022

REPORT TITLE:	APPOINTMENT OF REDINGTON AS STRATEGIC INVESTMENT ADVISORS
REPORT OF:	DIRECTOR OF PENSIONS

REPORT SUMMARY

The purpose of this report is to inform Board members of the appointment of Redington as Strategic Investment Advisors to Merseyside Pension Fund and for a verbal introduction from Redington to be made.

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).

RECOMMENDATION/S

That the Local Pensions Board be recommended to note the appointment of Redington as Strategic Investment Advisors to Merseyside Pension Fund.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 MPF's Strategic Investment Advisors form an integral part of the Fund's governance arrangements.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 In view of the timelines involved there was no satisfactory alternative way for Redington to address Committee and Board.

3.0 BACKGROUND INFORMATION

- 3.1 MPF's contract with its incumbent advisors, Aon, had been in place for a number of years and was retendered in accordance with Wirral's Contract Procedure rules. The tender specified MPF's strategic investment objectives and extended to include support for a major programme of change. The change programme is expected to deliver the objectives previously approved by Committee in relation to investment strategy, climate risk, sustainability and responsible investment. Following a thorough and detailed procurement process, Redington's submission was successful and they were appointed in November for a period of four years with an option to extend.
- 3.2 Detailed objectives were incorporated in the tender specification and are being prioritised and time bound with officers. Summary objectives were:

Strategic Objectives

The strategic adviser will be accountable to the Director of Pensions (as Head of MPF's management team) for providing the service in support of the Fund's strategic objectives. MPF will require the full range of services set out in Lot 1 of the Framework, inclusive but not limited to:

- Advice on investment strategy review & strategic asset allocation, in line with the triennial funding strategy cycle;
- Liaison as appropriate with the Fund's actuarial advisors;
- Advice & support on strategic progression to the quarterly Investment Monitoring Working Party meetings;
- Advice and support on MTAA and risk management strategies, including quarterly review.

Change Programme 2022

- Merseyside Pension Fund seeks an investment consultant to work with the Investment Team as Strategic Adviser; and through a partnership model, to support a major programme of change to the Fund's investment strategy to achieve the objectives of:

- Maintain full funding position, reduce risk and achieve target returns.
- Implement changes to strategic benchmark, including portfolio restructuring & streamlining of governance.
- Target and implement a Net Zero climate plan over short, medium and long term.

4.0 FINANCIAL IMPLICATIONS

4.1 There is budgetary provision for the contract. The LGPS National Frameworks were utilised for the process and the most economically advantageous tender was selected.

5.0 LEGAL IMPLICATIONS

5.1 There are occasions where the Committee is required to take proper advice and the Fund's Strategic Investment consultant is available to provide support.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 Redington will provide support to the Fund in the responding to regulatory change and the delivery of the change programme

7.0 RELEVANT RISKS

7.1 There are occasions where the Committee is required to take proper advice and the Fund's Strategic Investment consultant is available to provide support.

8.0 ENGAGEMENT/CONSULTATION

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

9.0 EQUALITY IMPLICATIONS

9.1 There are no equality implications arising from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 Redington will support officers in addressing Environmental, Social and Governance investment matters and in the delivery of MPF's net zero ambitions.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 There are none arising from this report.

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APPENDICES

Introductory presentation from Redington

The PDF file below may not be suitable to view for people with disabilities, users of assistive technology or mobile phone devices. Please contact peterwallach@wirral.gov.uk if you would like this document in an accessible format.

BACKGROUND PAPERS

CIPFA: Managing Risk in the Local Government Pension Scheme
Wirral: Constitution – Contract Procedure Rules

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
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