



LOCAL PENSION BOARD

12 DECEMBER 2023

REPORT TITLE:	ESTABLISHMENT OF WORKING PARTY
REPORT OF:	DIRECTOR OF PENSIONS

REPORT SUMMARY

This report provides Board members with a copy of the report taken to Pensions Committee regarding the establishment of a Responsible Investment Working Party.

RECOMMENDATION/S

That the Local Pension Board be recommended to consider and note the report.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 To fulfil its role in supporting the Scheme Manager, it is important that the Local Pension Board is informed of changes to the Fund's governance and operation.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 No other suitable options. It is imperative that changes to the Fund's governance arrangements are reported to the Local Pension Board for its consideration.

3.0 BACKGROUND INFORMATION

- 3.1 There is an increasing emphasis on responsible investment-related activities for pension funds with Taskforce on Climate-related Financial Disclosure requirements, Environmental, Social and Governance issues to be addressed and demands arising from stewardship and engagement activities.
- 3.3 With the appointment of Redington and the Fund's ongoing change programme, the emphasis of Investment Monitoring Working Party's (IMWP) has been on responsible investment policy, investment beliefs and the management of climate risk and climate targets. To support this additional work and the Fund's compliance with the Stewardship Code, it is proposed to establish an additional working party.

4.0 FINANCIAL IMPLICATIONS

- 4.1 As set out in the accompanying report.

5.0 LEGAL IMPLICATIONS

- 5.1 Working parties are not decision-making bodies but minutes, recommendations and action points arising are reported to Committee. Advice taken from the Council's Legal and Committee officers indicate no constitutional or procedural issues arising.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.1 The additional working party will place additional demands on officers in relation to its organisation and operation.

7.0 RELEVANT RISKS

- 7.1 A failure to increase capacity to support the Fund's responsible investment activities could result in attention being taken from the oversight of the Fund's investment strategy and investment performance.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 As set out in the accompanying report.

9.0 EQUALITY IMPLICATIONS

9.1 There are no equality implications arising from this report.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The Responsible Investment Working Party (RIWP) will monitor progress on the Fund's climate targets and support the Fund's sustainability agenda.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 There are none arising from this report.

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APPENDICES

Appendix 1& 2 Pensions Committee report and appendix.

BACKGROUND PAPERS

CIPFA: Managing Risk in the Local Government Pension Scheme

TERMS OF REFERENCE

This report is being considered by the Pension Board in accordance with Section 13.2 (b) & 13.3 (g) of its Terms of Reference:

(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.

(g) Assist with the development of improved management, administration and governance structures and policies.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date

