



LOCAL PENSION BOARD

24 SEPTEMBER 2024

REPORT TITLE:	MINUTES OF WORKING PARTY MEETINGS
REPORT OF:	DIRECTOR OF PENSIONS

REPORT SUMMARY

The purpose of this report is to provide Board members with the minutes of meetings of Working Parties held since the previous Board meeting.

Appendix 2, 4 & 5 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).

RECOMMENDATION/S

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

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The approval of working party minutes by Pensions Committee forms part of the governance arrangements of Merseyside Pension Fund. These arrangements were approved by Pensions Committee as part of the Fund's Governance Statement at its meeting on 27th June 2011.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Not relevant for this report. The Pension Board has requested that minutes of the Working Parties be reported to it.

3.0 BACKGROUND INFORMATION

- 3.1 The Investment Monitoring (IMWP), Governance & Risk (GRWP) and Responsible Investment (RIWP) Working Parties enable Members and their advisors to consider pension matters relating to Merseyside Pension Fund in greater detail. They are not decision-making bodies but minutes and action points arising are reported to Committee. The minutes provide Board members with assurance that investment and administrative matters receive due consideration by Pensions Committee.
- 3.2 At Pensions Committee on 30 July 2024, Members approved an interim strategic asset allocation as set out in the exempt appendix. This followed on from December's Committee meeting, where Members approved a revised strategic asset allocation. Officers had been working with the Fund's strategic and independent advisors regarding the implementation of the original proposed asset allocation. As set out in the original report, the reallocation of private market investments will take time in view of their illiquidity and the need for a gradual realignment as capital is returned and new investments are drawn down. Also, it is recognised that it would not be prudent to undertake the entirety of the reallocation of public market assets in a short timeframe in view of the significant value of the assets involved and the potential unintended consequence of adverse market moves.
- 3.3 With this in mind, an interim strategic asset allocation has been developed by officers in conjunction with the Fund's independent advisors and Redington. This was presented by Redington at the investment monitoring working party in May and a summary is set out in appendix 2. It is recommended that this transition to the interim benchmark is completed over the next 18-24 months subject to market conditions.

4.0 FINANCIAL IMPLICATIONS

- 4.1 There are none arising directly from this report. The revised investment strategy is forecast to provide MPF with improved risk adjusted returns. The working parties ensure scrutiny by elected members of the policies and performance of the Fund's investments and administration functions.

5.0 LEGAL IMPLICATIONS

5.1 The Board must assist the Scheme Manager with the primary core function in securing compliance with the regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

6.1 There are none arising directly from this report. The working parties ensure the oversight of the Fund's activities by elected members.

7.0 RELEVANT RISKS

7.1 A failure to provide the Local Pension Board with information on legislative changes and the Fund's activities could hinder the Board in fulfilling its statutory duties.

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 Environmental, Social and Governance matters are a standing item on the IMWP agenda.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 There are none arising from this report.

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APPENDICES

Appendix 1 & 3 Working Party minutes
Appendix 2, 4 & 5 Redington Report - EXEMPT

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 13.3 (b) of its Terms of Reference:

(b) Monitor performance of administration, governance and investments against key performance targets and indicators.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Minutes of all Working Party meetings are brought to the subsequent Pensions Committee and Local Pension Board.	