



Pensions Committee

Date:	Monday, 25 March 2013
Time:	6.00 pm
Venue:	Committee Room 1 - Wallasey Town Hall

Contact Officer: Pat Phillips
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AGENDA

1. MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Members of the Committee are asked to declare any disclosable pecuniary and non pecuniary interests, in connection with any item(s) on the agenda and state the nature of the interest.

2. MINUTES (Pages 1 - 6)

To receive the minutes of the meeting held on 15 January, 2013.

3. LGPS UPDATE (Pages 7 - 22)

4. WITHHOLDING TAX CLAIMS (Pages 23 - 26)

5. PRIVATE EQUITY PROGRAMME 2011-2014 (Pages 27 - 30)

6. INTERNAL DISPUTE RESOLUTION PROCEDURE (Pages 31 - 34)

7. NAPF LOCAL AUTHORITY CONFERENCE (Pages 35 - 38)

8. PIRC ANNUAL CORPORATE GOVERNANCE CONFERENCE 2013 (Pages 39 - 40)

9. GOVERNANCE & RISK WORKING PARTY MINUTES (Pages 41 - 44)

10. EXEMPT INFORMATION - EXCLUSION OF MEMBERS OF THE PUBLIC

The following items contain exempt information.

RECOMMENDATION: That, under section 100 (A) (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information as defined by the relevant paragraphs of Part I of Schedule 12A (as amended) to that Act. The Public Interest test has been applied and favours exclusion.

- 11. PRIVATE EQUITY PROGRAMME 2011-2014 EXEMPT APPENDIX (Pages 45 - 56)**
- 12. MINUTES OF THE MEETING OF THE GOVERNANCE AND RISK WORKING PARTY WEDNESDAY 30 JANUARY 2013 EXEMPT APPENDICES (Pages 57 - 70)**
- 13. IMWP MINUTES 20/02/13 & 12/03/13**

Minutes to follow.
- 14. ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR**

PENSIONS COMMITTEE

Tuesday, 15 January 2013

<u>Present:</u>	Councillor	P Glasman (Chair)	
	Councillors	G Davies T Harney S Hodrien M Hornby AER Jones	AR McLachlan C Povall H Smith A Sykes G Watt
	Councillors	N Keats, Knowsley Council J Fulham, St Helens Council	
		Phil Goodwin: Unison Paul Wiggins: Unison	

Apologies Councillor P Hurley

57 **FILMING/ RECORDING BY THE PUBLIC OF COUNCIL COMMITTEE MEETINGS**

The Chair of the Pensions Committee referred to a request from a member of the public to film the meeting.

On a motion by Councillor A McLachlan and seconded by Councillor Smith it was:

Resolved (8:5) That this Committee does not currently allow filming during the Pensions Committee this evening until such time as the review is complete and the outcome is known. Recommendations agreed will include all health and safety considerations.

58 **MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST**

Members were asked whether they had any pecuniary or non pecuniary interests in connection with any application on the agenda and, if so, to declare them and state the nature of the interest.

Councillor Norman Keats declared a disclosable pecuniary interest by virtue of being a member of Merseyside Pension Fund.

Councillor Geoffrey Watt declared a disclosable pecuniary interest by virtue of a relative being a member of Merseyside Pension Fund.

59 **MINUTES**

The Acting Director of Law, HR and Asset Management submitted the minutes of the meetings held on 20 November, 2012.

It was agreed that an amendment be made to the minutes to include members of the committee who had been in attendance at the previous meeting but not marked as present on the minutes.

Resolved – That the minutes be received.

60 **LGPS UPDATE**

A report of the interim Director of Finance provided Members with updates of position statements issued by the Local Government Association and Brandon Lewis MP, Parliamentary Under-Secretary of State, on the progress of the 2014 LGPS Reform project, councillors' pensions and of a further consultation on the Fair Deal Policy.

It also covered the Chancellor's Autumn Budget Statement and the impact on the Local Government Pension Scheme and Merseyside Pension Fund's response to the Department for Communities and Local Government's (DCLG) consultation on Investment in Partnerships.

Resolved – That

1) the Committee note the report.

2) The proposal to exclude councillors from the LGPS be referred to Employment and Appointments Committee for a response to be made to DCLG.

61 **PENSION FUND BUDGET**

The Interim Director of Finance presented the Merseyside Pension Fund Budget for the Financial Year 2013/14.

It was reported that headline figures are that during the financial year 2013/14, it is estimated that MPF will pay £259m in pensions and receive £248m in contributions from employers and employees. The Fund has a value of £5,149m at 30th September 2012. The proposed administration costs of £16.8m including £11.5m of investment management charges to external managers represent a cost of £145.17 per member of the scheme. Taken separately the investment management costs are approximately £12.8m or 0.25% of total assets.

Paddy Dowdall, Investment Manager, Merseyside Pension Fund, responded to questions from members.

Resolved – That

1) the Committee approve the budget for 2013/14. (Subject to potential reductions in charges from the administering authority for support services)

2) The Interim Director of Finance will report on the out turn for 2012/13 to Pensions Committee in June together with finalised estimates for departmental & central support charges for 2013/14.

62 MEMBER DEVELOPMENT PROGRAMME 2013

A report of the Interim Director of Finance provided Members with an outline of the proposed programme for Member development in 2013.

The outline training programme was attached as an appendix to the report. It comprised a series of internal and external training events throughout the year. Separate papers, to consider and approve attendance at these events would be brought to Committee on an event by event basis. Committee would be notified of other appropriate events as MPF became aware of them.

The Chair to the Pensions Committee expressed her thanks to Officers for organising events.

Resolved – That the Committee note and approve the proposed development programme.

63 TREASURY MANAGEMENT STRATEGY - AMENDED REPORT

The Interim Director of Finance presented his report to request that Members approve the treasury management policy statement and the treasury management annual plan and strategy for Merseyside Pension Fund for the year 2013/14.

Paddy Dowdall, Investment Manager, Merseyside Pension Fund, responded to questions from members.

Resolved – That the Committee approve the treasury management policy statement and the treasury management annual plan and strategy for Merseyside Pension Fund for the financial year 2013/14.

64 INDEPENDENT ADVISER

A report of the Interim Director of Finance sought approval from Members for an extension of the contract with the Fund's independent adviser for a further 12 months.

In view of the changes to the Fund's governance arrangements resulting from Wirral's restructure of senior management, the Pensions Committee was asked to consider the appointment of a further independent adviser.

Resolved- That

- 1) the Committee approve the extension of the contract with the Fund's independent adviser for a further 12 months.
- 2) the Committee approve the appointment of a further independent adviser and, to the procurement exercise to achieve this.
- 3) the Committee note that the adviser's fee relates to attendance at 6 IMWP's and approve reimbursement of additional meetings/time on a pro-rata basis.

65 **PROPERTY ARREARS**

The Interim Director of Finance presented a report that requested Members agree to write off £228, 826 of unrecoverable rent arrears from the Fund's property portfolio.

Cllr Watt inquired about the Fund's exposure to Jessops and HMV.

The appendix attached to the report contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972, i.e. Information relating to the financial or business affairs of any particular person (including the authority holding that information)

Resolved - That Pensions Committee notes the report on arrears and approves the write-off of uncollectable property rental income of £228,826.

66 **TUNSGATE**

A report of the Interim Director of Finance provided Members with a review of options considered by the Fund's property advisers for the Tunsgate Shopping Centre Guildford and sought approval for the course of action advised by CBRE.

Appendix 1 to the report, the report from CBRE, contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972, i.e. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Resolved- That the Committee approve the recommendation of the Fund's property advisers and authorise officers to undertake a procurement exercise to implement that option in conjunction with CBRE.

67 **IMWP MINUTES 28 NOVEMBER, 2012**

A report of the Interim Director of Finance provided Members with the minutes of the Investment Monitoring Working Party (IMWP) held on 28 November 2012.

The appendices to the report, the minutes of the IMWP on 28 November 2012, contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972, i.e. Information relating to the

financial or business affairs of any particular person (including the authority holding that information).

Resolved – That the Committee approve the minutes of the IMWP which were attached as an exempt appendix to the report be approved.

68 STATUTORY CONSULTATION - LGPS 2014: DRAFT REGULATIONS ON MEMBERSHIP, CONTRIBUTIONS AND BENEFITS.

A report by the Interim Director of Finance updated Members of the publication of the Department for Communities and Local Government (DCLG) consultation covering draft regulations in respect of membership, contributions and benefits for the LGPS from April 2014.

Resolved- That the Committee notes the report and agree that a technical response to the consultation be submitted to the DCLG.

69 EXEMPT INFORMATION - EXCLUSION OF MEMBERS OF THE PUBLIC

Resolved – That in accordance with section 100 (A) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business, on the grounds that it involves the likely disclosure of exempt information as defined by the relevant paragraphs of Part 1 of Schedule 12A (as amended) to that Act. The public interest test has been applied and favours exclusion.

70 EXEMPT APPENDIX - PROPERTY ARREARS

The appendix to the report on Property Arrears (Minute 65 refers) was exempt by virtue of paragraph 3.

71 EXEMPT APPENDIX - TUNSGATE

The appendix to the report on Tunsgate (Minute 66) was exempt by virtue of paragraph 3.

72 EXEMPT APPENDIX - IMWP MINUTES 28 NOV 2012

The appendix to the report on IMWP minutes(Minute 67 refers) was exempt by virtue of paragraph 3.

73 ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR

The Chair of the Pensions Committee approved a verbal update from the Had of Pension Fund on the Fund's representation on the Local Authority Pension Fund Forum.

74 APPOINTMENT TO PENSION FUND FORUM

Peter Wallach, Head of Merseyside Pension Fund, informed the Committee that Councillor Glasman has been nominated and appointed in place of Councillor Watt on the Local Authority Pension Fund Forum's Executive Board.

75 LGC INVESTMENT AWARDS

Councillor Watt addressed the meeting to congratulate Merseyside Pension Fund on behalf of the Pensions Committee for winning the Local Government Chronicle's Fund of the Year Award for Pension Funds in excess of £2 bn.

WIRRAL COUNCIL

PENSIONS COMMITTEE

25 MARCH 2013

SUBJECT:	LGPS UPDATE
WARDS AFFECTED:	ALL
REPORT OF:	INTERIM DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER:	
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report updates Members on the MPF technical response to the statutory consultation on the LGPS 2014 draft membership, contributions and benefit regulations. The timetable for the remaining elements of the regulatory framework is outlined to enable the new Scheme to be assessed as fit for purpose on the grounds of affordability, governance and administrative ease.
- 1.2 It also covers the revised earning bands used to assess employee contribution rates from April 2013, the Government's white paper on State Pension Reform and a position update on both the 'Universal Credit' and Auto-enrolment legislation.

2.0 BACKGROUND AND KEY ISSUES

Reform of the LGPS – The 2014 Project

- 2.1 Members previously considered the core elements of the new Scheme benefit design under the scope of the statutory consultation issued on 21 December 2012 which featured the technical provisions relating to membership, contributions and benefits at the last committee meeting on 15 January 2013 (minute refers)
- 2.2 MPF submitted a formal response to the consultation on 5 February 2013, following agreement with the Chair of the Pension Committee. (Appendix 1)

As the fundamental basis of the benefit design had been previously agreed by the Trade Unions, the LGA and the Government the response considered the technical practicalities, administrative ease and clarity of the regulations. It was also noted that it was not possible to provide a cohesive opinion on the operational aspects of the scheme until the complete regulatory framework is published under the administration and transitional provisions.

- 2.3 The focus of the response relates to amendments to facilitate compliance with auto-enrolment legislation and the implications of members accessing the Scheme post age 75. It also emphasised the requirement to revisit the anomalies that currently exist within the ill health regulations in relation to ambiguous terminology and the onerous system of administering Tier 3 ill health awards.

- 2.4 The response also highlights that in the event of councillors retaining their right to participate to the LGPS that the benefit structure governing their entitlements should mirror the provisions within the main scheme to avoid further complexity of administering different Career Average benefit structures.
- 2.5 Alongside the draft regulations, work is on-going between the LGA, the trade unions and the DCLG on the items which need to be considered as part of the transitional regulations to be issued at the beginning of March 2013.

In addition, a further set of regulations are expected later in the year covering the areas of governance and cost management as well as other remaining items from the LGPS administration regulations which will need to be provided prior to implementation of the new scheme.

- 2.6 The LGPS 2014 project group is working closely with system suppliers and actuaries to ensure they have the information necessary to update IT systems and undertake scheme valuations based on the provisions of the Scheme from April 2014.

2.7 **LGPS 2014 – Website**

MPF's award winning website for the new Scheme (**lgps2014.org**) has now been launched as the national website for scheme members on the reform of the LGPS.

The site contains information on the new Scheme including member scenarios and a dedicated area for news and updates.

2.8 **LGPS 2014 - Communication**

Members of the Communication Working Group have started work with the LGPS 2014 project team to develop various methods of communication to inform members about scheme changes. Five different areas are being developed including:

- Paper based information;
- Benefit modellers;
- Videos;
- Scheme website;
- PowerPoint presentations.

Updates on the progress of these groups and the development of communication methods for the LGPS reforms will be provided over the next few months.

2.9 Contribution Bands for 2013/2014

The contribution bands have been revised by DCLG to determine the employee tiered percentage contribution rates to take effect from 1 April 2013 as follows:

Band	Whole-time equivalent pay range	Employee contribution rate (%)
1	Up to £13, 700	5.5
2	£13,701 to £16,100	5.8
3	£16,101 to £20,800	5.9
4	£20,801 to £34,700	6.5
5	£34,701 to £46,500	6.8
6	£46,501 to £87,100	7.2
7	More than £87,100	7.5

The above figures are based on the pay bands for 2012/13 as increased by the September 2012 CPI figure of 2.2%

2.10 Single Tier State Pension – White Paper

The Government has recently published a white paper and a subsequent draft Pensions Bill setting out proposals to introduce a flat-rate State Pension. The changes are proposed to be implemented from April 2017 at the earliest and the main proposals are as follows:

- A new single- tier State Pension of £144 per week applying to new pensioners reaching State Pension Age on or after this date.
- It will replace the current Basic State Pension, Second State Pension and Savings Credit element of the Pension Credit, resulting in a reduction of means-testing.
- The changes will result in increased employee and employer National Insurance Contributions at a rate of 1.4% and 3.4% respectively due to the cessation of 'Contracting –out' of the Second State Pension.
- The LGPC is working on the estimated costs to employers if the increase in National Insurance contributions (NICs) takes place from April 2017.
- Public service employers will be unable to pass on the increase in their NICs to employees through changes to their pension arrangements unlike private sector schemes who will be able to adjust benefits for future services to offset the associated increase in employer costs.
- The number of qualifying years required to receive the full state pension entitlement will increase from 30 to 35 years, however prior to 2010 the qualifying years were 44 for men and 39 for women.
- State Pension Age will be reviewed every five years based on the principle that State Pension should be received for a specific proportion of an adult's life.

In broad terms, the new system inevitably creates winners and losers, the winners will be lower earners and people with substantial career breaks due to caring for children and relatives. The losers will be higher earners, where the new flat rate benefit is likely to be lower than the current system which is partly earnings related.

2.11 Universal Credit – related impact on the LGPS

2.12 Universal Credit is a new working age related benefit set to replace many existing benefits and tax credits. It is payable to people aged between 18 and 65 and the date entitlement to Pension Credit commences as a single means-tested benefit when income falls below a certain level.

It will be introduced for new claims from October 2013 and all existing claimants will be transferred gradually to the new system by 2017.

2.13 The impact on the LGPS is minimal as it is likely that the DWP will continue to request information as to the level of pension entitlements in payment for any scheme members claiming the benefit - due to its means tested status.

2.14 In addition, the new benefit will be used to inform the work undertaken by Audit Commission as part of the biennial National Fraud Initiative which is an exercise that matches electronic data within public bodies to prevent and detect fraud.

2.15 As the benefit will also contain allowances to pay for housing costs (currently a service provided by local authorities but due to transfer to the DWP), this will result in a substantial reduction of circa 400 active members contributing to the LGPS across the 5 district councils on a phased basis by 2017.

2.16 Auto-Enrolment

The individual Staging dates under the auto-enrolment legislation of the five Merseyside district councils are as follows;

Wirral	1 March 2013
Liverpool	1 March 2013
Sefton	1 April 2013
Knowsley	1 April 2013
St Helens	1 May 2013

2.17 In conjunction with the Actuary, MPF has engaged with each district to provide an estimate of the budgetary implications in regard Auto-enrolment legislation and communicated the availability of an employing authority's discretion to invoke a Transitional Delay Period until October 2017.

Specifically, Section 3 of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2012 provide employers the option to delay enrolling existing eligible jobholders into the LGPS from their individual staging date until October 2017.

- 2.18 Each council has decided to exercise the transitional delay provision for existing employees but they must ensure all new employees engaged on or after staging who opt out of the scheme following contractual enrolment under the LGPS regulations are auto enrolled under the auspices of Workplace Pension Reform.
- 2.19 The Fund is supporting employers with any points of clarification with regard to their statutory responsibilities under the legislation and the interaction with the LGPS. It is currently collaborating with its major employers in changing its processes and forms to ensure employers meet the Pension Regulator's legislative, communication and reporting requirements.
- 2.20 Upon agreement and consultation of the changes required to operational procedures the Pension Administration Strategy will be updated and reported to Committee at a future date.

3.0 RELEVANT RISKS

- 3.1 It is vital that the full regulatory framework of LGPS 2014 Regulations are timely, comprehensive, effective and clear to help ensure the continuing efficient administration of the LGPS to overcome the risk that they will be operationally cumbersome and fail to deliver the necessary change.

Delays to the consultation process present a greater risk that actuaries will be unable to build the required models to reflect the new benefit structure in time for the Triennial Valuation work.

- 3.2 There is a risk that due to the increasing complexity being built into the Scheme (as a consequence of the disparate benefit protections in relation to membership previously accrued) it will become challenging to persuade members of the relative merits of remaining in the Scheme which is fundamental to the ongoing funding of the LGPS.
- 3.3 The degree of complexity will increase costs for administrators at a time when there are massive pressures on public sector spending and will also fall on admitted bodies with limited ability to pay which may result in a number of these bodies exiting the scheme.
- 3.4 There is a risk that the complexities will make it impractical to get the systems in place to administer the new scheme requiring manual intervention to ensure continuity of effective service levels.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 No other options have been considered.

5.0 CONSULTATION

- 5.1 There has been no consultation undertaken or proposed for this report.

It is important that MPF responds to the statutory consultations that will lead to revised regulations and a reformed LGPS, particularly when relating to Governance, Cost Control and Administration, as it is crucial to ensure the scheme is well-run and affordable in the long term.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 There are none arising from this report.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

7.1 As the Statutory Consultation progresses and detail from the Draft Regulations appear and are clarified during calendar year 2013 – MPF needs to initiate a formal strategic change programme to overhaul current administration arrangements, resources and communications; in recognition of the fundamental change of introducing a Career Average benefit pension arrangement complete with ongoing protections to the pre-2014 Final Salary benefits.

7.2 The financial impact of the changes to the State Pension Scheme will add to the pressures on employers' budgets due to the increase in National Insurance contributions.

The new public service schemes were designed taking account of the existing provisions for the State Pension Scheme, in that it would remain a contracted-out arrangement. Any savings identified for employers on introducing the new LGPS may be outstripped by the increase in NI contributions

7.3 The increase in member NI contributions could impact on the ability of members on relatively low pay to participate in the scheme potentially affecting opt-out rates. This is despite the fact that the lower paid members could expect their total benefits from the State and LGPS to be higher.

7.4 The provisions for more frequent review of State Pension Age will also impact on the post 2014 LGPS, as the LGPS pension age and State Pension Age are to be linked going forward. If there are large rises in State Pension Age going forward, the new cost sharing arrangements could mean that the majority of any savings are recycled back into the scheme by way of increased benefits or reduced member contributions.

7.5 Employers will be required to change administrative arrangements and consider resource implications in communicating with its employees and providing information to the Fund to meet the new requirements and statutory responsibilities under auto-enrolment legislation

8.0 LEGAL IMPLICATIONS

8.1 There are none arising from this report.

9.0 EQUALITIES IMPLICATIONS

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

The reforms to the LGPS and the State Pension have already been assessed by Government with regard to equality.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 None arising from this report

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 None arising from this report

12.0 RECOMMENDATION/S

12.1 That Members note the report.

13.0 REASON/S FOR RECOMMENDATION/S

13.1 There is a requirement for Members of the Pension Committee to be kept up to date with legislative developments to carry out their decision making role in order to enable them to make informed decisions.

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APPENDICES

1 MPF submission to DCLG Consultation on Draft LGPS 2014 Regulations

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
The LGPS update is a standing item on the Pensions Committee agenda.	

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LGPS Regulations 2013
Department for Communities & Local Government
Zone 5/G6
Elland House
Bressenden Place
London, SW1E 5DU

Direct Line: 0151 242-1390
Please ask for: Yvonne Caddock
Date: 5 February 2013

CONSULTATION RESPONSE: DRAFT REGULATIONS LGPS 2014 [membership, contributions & benefits]

Wirral Council is responsible for the administration of the Merseyside Pension Fund which is part of the Local Government Pension Scheme (LGPS). The Merseyside Pension Fund deals with the LGPS pension administration and investments on behalf of the 5 Merseyside District Councils, and over 130 other employers on Merseyside and elsewhere throughout the UK.

The Fund has over 46,000 active contributing members, 43,500 pensioners and 31,500 deferred pensioners. It is responsible for the investment and accounting for a pension fund of £5.2 billion.

With reference to the consultation issued on 21 December 2012 in regard to the initial draft regulations on the membership, contributions and benefits aspect of LGPS reform from 1 April 2014, I submit the following response on behalf of Wirral Borough Council in its capacity as the Administering Authority of the Merseyside Pension Fund (MPF) regarding the regulations that need amendment to deliver what we consider to be the desired intent.

1/ GENERAL COMMENT ON THE DRAFT REGULATIONS

It is important to recognise that the draft regulations currently presented only represent part of the Regulatory Framework required to effectively administer the LGPS from April 2014. Administering Authorities cannot provide a cohesive insight into all the facets of operational practice until the relevant inter-dependent legislation of administration and transitional provision is published.

The focus of this response relates to required amendments to facilitate compliance with auto-enrolment legislation and the interactions with the new 50:50 arrangement. The issue with regard to "age 75" restrictions features highly in relation to equality and the disparity between possible benefit awards due to overarching provisions within the Finance Act 2004.

The ill health regulations do not appear to be revised from the current provisions. It is the Fund's opinion that a full review should take place at a separate juncture to consider ambiguous terminology, the conflict between ALAMA guidance and HMRC definitions, plus the various impracticalities of administering Tier 3 ill-health awards.

The concept of ARCS carried forward into the new Scheme as MARCS are an unnecessary and unwelcome provision, unlike additional voluntary contributions (AVCs). The basic additional pension is taxable and the contract is inflexible, whereas AVC's are tax efficient offering a tax free lump sum and flexible contribution rates. As such ARCS have proved to be disappointing and from implementation in 2008 have attracted only 20 subscribers from over 46,000 contributing members. It is unlikely that a similar arrangement will prove any more attractive in the new Scheme.

2/ REGULATION 3, PARA 5 – MEMBERSHIP & AUTO-ENROLMENT

It is necessary to include references to "in an employment" and "that employment" to provide definitive clarity that each employment has to be considered separately when assessing eligibility of Scheme participation; both on a contractual basis and under auto-enrolment provisions.

Paragraph 5(b) - Specific reference to Section 16 of the Pension Act 2008 is required to comply with the intention of the overriding provision to enrol eligible jobholders at an employer's automatic or re-enrolment date; as opposed to all employees regardless of the status / categorisation of the employees as defined within the Act.

3/ REGULATION 4 – MEMBERSHIP TO CONTINUE POST AGE 75

In response to the request for views of allowing members over 75 into the LGPS, there should be a consistent approach across all the main public service pension schemes, directed via the HM Treasury's Official Committee on Occupational Pensions (MOCOP).

However, there appears to be a number of issues in relation to the benefits of membership for the over 75 employee, in fact these lead to a two tier set of entitlement. Firstly will a member over age 75 be eligible to receive a death-in-service grant? Secondly, the cost of continuing participation will be greater due to the restriction of tax on contributions under current HMRC regulations.

From purely a funding perspective an increasing elderly active membership may lead to the payment of a greater number of death-in-service grants; increasing financial pressures, the costs of which Funds may need to mitigate by introducing a medical requirement beyond age 75.

The costed savings made when members commute their pension into a single lump sum at a rate of £12 of lump sum for every £1 per annum of pension usually represents a saving in the scheme's favour but if this provision is extended to the over 75's this will obviously result in a further cost burden.

4/ REGULATION 5, PARA 5 – OPTANT OUTS WITHIN TWO YEARS

The two year limit, as stated in the draft regulations, should be replaced by a three month timeframe for those members who opt-out of the LGPS after three months to be treated as not having been an active member.

As currently drafted, the reference to two years would seem to preclude the administering authority from repaying contributions (a refund) in accordance with Regulation 18. It would appear practicable to retain the current three month timeframe for employers to refund contributions and adjust pay and tax through payroll; with refunds payable by the Fund for that period of three months to two years.

5/ REGULATION 9 – CONTRIBUTIONS BY MEMBERS’

The suggested criteria to determine the materiality test on rebasing contribution rates during the course of a financial year, solely in relation to revisions to contracts of employment, is too restrictive.

It would appear fairer and within the Government’s policy objective for costs to be recalibrated between the LGPS stakeholders. As such the employer’s require the ability to reassess the contribution rate if pensionable pay alters significantly due to an increase or decrease in working hours or in respect of overtime - without being reliant upon a corresponding change to a the member’s terms and conditions

6/ REGULATION 10 – TEMPORARY REDUCTION IN CONTRIBUTIONS

Regulation 10(1) stipulates that only an active member can elect to pay reduced contributions. The current wording would imply that someone wishing to make this election would only be able to do so following one full day of pension accrual within the main section of the Scheme benefits.

We would strongly advocate re-wording this regulation in order for a member to make their election to pay lower contributions from their ‘date of entry’ to avoid onerous duplication of both payroll and operational procedures and to reduce complexities for the member.

It is necessary to include references to disparate employments within Regulation 10(2) to demonstrate that a member with multiple employments can elect for the 50:50 sub-section in one, some or all of their employments. In addition, reference to Regulation 14 needs inserting to clarify that the purchased strike should be 50% of the appropriate cost envelope as determined by GAD and not in accordance with Regulation 9.

Regulation 10(5)(a) requires redrafting to clarify that it is the employers automatic re-enrolment date as opposed to the members automatic re-enrolment date to enable the 50:50 election to be cancelled and for all members to be subsequently moved to the main Scheme. A specific reference to Section 5 of the Pension Act 2008 is needed to permit all categories of employees to be re-enrolled into the main Scheme and not only eligible jobholders.

7/ REGULATION 14 – CONTRIBUTIONS DURING TRADE DISPUTE ABSENCE

Regulation 14(1) should refer to the current cost envelope of 19.5% for the new Scheme as agreed by the Government rather than the historical 16% contribution figure that has been carried forward from previous legislation.

8/ REGULATION 18, PARA 4 – RIGHTS TO RETURN OF CONTRIBUTIONS

As currently drafted regulation 18(4) does not permit refunds to be claimed after a year of ceasing employment, with no further provision to indicate how to treat unclaimed contributions. An amendment is required to provide that a member can defer payment for up to one year with an automatic refund thereafter.

9/ REGULATION 20 – MEANING OF PENSIONABLE PAY

The listed exclusion in relation to pensionable pay is silent on the treatment of the monetary value of motor vehicles. It is not apparent whether it is now the intention to allow lease cars and pay in lieu of lease cars to be pensionable or whether this will feature as a saved provision within the revised Transitional Regulations.

10/ REGULATION 27 – FLEXIBLE RETIREMENT ACCOUNTS

The introduction of the new benefit design provides an opportune time to simplify the current flexible retirement provisions. This could be achieved by prescribing that all of the benefits accrued up to the point of flexible retirement should be drawn by the member i.e. there should be no option for a member to take only part of their accrued benefits.

This would mean that Regulation 27 could be deleted as there would be no requirement to establish a separate Flexible Retirement Pension Account.

11/ REGULATION 29 - PENSION CREDIT ACCOUNTS

This provision requires amendment to clarify that Pension Sharing Orders can be made against deferred members and pensioner members and not solely against active members.

In addition, the reference to the capital value of the active members account to which the credit member is entitled to receive is both confusing and misleading. A pension credit member is awarded a proportion of the debited pension, which is then adjusted in accordance with the sex and age of the credit member to generate a separate pension credit account; it does not replicate the amounts deducted from the debited member.

12/ REGULATION 33 –ELECTION FOR LUMP SUM INSTEAD OF PENSION

The current regulations contain a clause to state that conversion must take place after any early retirement reduction is applied. However no such similar clause is contained within this regulation. Is the intention still the same? Within the text in chapter 2 to accompany regulation 25, post reduction conversion is implied; whereas regulations 25 and 26, themselves, imply pre-reduction conversion.

13/ REGULATIONS 41, 44 AND 47 – SURVIVORS PENSIONS – NOMINATED PARTNERS

The definition of a nominated cohabiting partner (NCP) is missing from this regulation. Comments are requested as to whether administrators would welcome a less onerous system. The existing prescribed conditions to qualify for a cohabiting partner's pension should still apply in the 2014 Scheme and that the member should still be required to make an election to nominate a cohabiting partner to receive a pension. However, some simplifications can be made to the conditions, particularly to the two year limit that exists, stating that elections cannot be signed until all conditions have been met for two years.

To simplify matters the member should be able to sign a declaration at any time. The proof that the conditions have been met for two years does not have to be given until the point of the member's death.

14/ REGULATIONS 43(4) and 46(4):

These regulations state that the administering authority discretion expires within two years from the date of death. The current regulations provide an alternative limit, being within two years of the date the administering authority could have reasonably known about the death, which is not included here. The wording needs amending here to cater for cases where we are not informed of the member's death for a period which maybe years. There is wording provided for this under the Finance Act 2004 and is already contained in the existing Benefits Regulations 32(4)(b) and 35(4)(b).

15/ REGULATION 46 – DEATH GRANTS & PENSIONER MEMBERS

Under the current and proposed regulations, no Death Grant is payable once the member attained age 75, this leads to an inequitable and inconsistent treatment of members simply based on their age.

As a member can now remain in the Scheme past age 65, but the payment of a death grant cannot be paid once the member exceeds age 75, the so called 'ten year guarantee' of pension due less pension paid is not strictly true for all members. In actuality, the "ten year guarantee" is in fact a reducing balance based on age.

The draft regulations appear silent on this existing and seriously inequitable issue.

16/ REGULATION 54 – NO DOUBLE ENTITLEMENT

In our opinion this regulation is an example of what might be seen as a lost opportunity to remove obsolete provisions from the 2014 regulations. No eventuality can lead to double benefit entitlement in respect of one period of employment that we are aware of, thus we would support removing this regulation.

17/ REGULATION 56 – TAX

Regulation 56 as drafted does not provide clear guidance on the responsibilities that an administering authority faces given the many payments subject to taxation made within a given financial year. This regulation refers to tax but only references the Finance Act 2004. It would appear more appropriate when quoting the overriding legislation to refer to any updates or amendments that have occurred since the draft LGPS 2014 Regulations.

18/ COUNCILLOR SCHEME

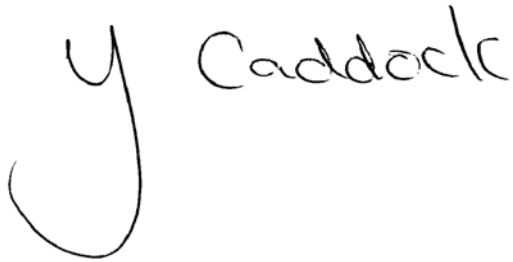
Although the intention to remove access for councillors from the LGPS from 2014 will be subject to a separate consultation shortly, Annex E refers to a Ministerial Statement and the proposals to permit continued access to the Scheme for elected mayors.

As mayors currently only have access to the Councillor scheme further amendment to the draft membership, contributions and benefits regulations will be required to allow Mayors into the main LGPS Scheme from April 2014 - including provision for the transition of accrued membership.

In the event of councillors retaining their right to remain as members of the LGPS it is essential that the regulations governing their entitlements mirrors the benefit structure and definitions as prescribed by the LGPS 2014 Regulations. In essence, this will simplify administration of Councillors' pensions and avoid further complexity of administering two Career Average benefit structures.

In conclusion, these are the points made by MPF as an administering authority on what information is available within this one set of draft regulations. We have an expectation of being able to provide further feedback via consultation once all parts of the Regulatory Framework are in place.

Yours sincerely

A handwritten signature in black ink. The first letter 'Y' is large and stylized, with a long vertical stroke that curves at the bottom. To the right of the 'Y', the name 'Caddock' is written in a cursive, handwritten style.

Yvonne Caddock,
Principal Pension Officer

cc. Jeff Houston, Director of Pensions – LGA

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WIRRAL COUNCIL

PENSIONS COMMITTEE

25 MARCH 2013

SUBJECT:	WITHHOLDING TAX CLAIMS
WARD/S AFFECTED:	NONE
REPORT OF:	INTERIM DIRECTOR OF FINANCE
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

1.1 The purpose of this report is to provide Members with an update on the progress made by the Fund in reclaiming withholding tax from the UK and European tax authorities and seeks approval to continue the group action in respect of Manufactured Overseas Dividends (MODs).

2.0 BACKGROUND AND KEY ISSUES

2.1 In January 2009, Committee was informed of the engagement of KMPG and McGrigors (now Pinsent Masons) to assist in the recovery of withholding taxes (WHT) suffered on EU sourced dividend income and non-recoverable under existing Double Tax Agreements.

2.2 In April 2009, this was extended to the recovery of UK withholding tax suffered on Manufactured Overseas Dividend (MOD) income arising from stocklending.

Updates were brought to Committee in September 2009 and March 2011.

2.3 European Withholding tax

At the year end, a cumulative £293,735.52 had been recovered from the Dutch and Norwegian tax authorities since 2009. Claims filed against the German, French, Spanish and Italian authorities, amounting to more than £2.0m, remain unsettled. However, there have been some positive developments:

France: the Supreme Court has decided that French WHT rules contravene EU law. French NPO's are now subject to tax on their French source dividends at the rate of 15%. Claims and questionnaires filed by foreign pension funds to challenge the former rules are still under examination by the French Tax Authorities.

Germany: the German Ministry of Finance issued guidance on 18 July 2012 that stated that the Federal central Tax office is currently not competent for EU-law claims. This confirms the need to approach local tax offices in relation to EU law claims. This has been done and we are waiting for a response.

Italy: the CJEU issued its decision on 19 November 2009 and stated that Italian WHT rules were in breach of EU law.

On 5 July 2011, the Regional Tax Court of Pescara decided for the first time in favour of the taxpayer (a UK Pension Fund) in relation to a tax credit claim confirming that the Italian tax rules were contrary to EU law. The Italian Tax Authority have recently appealed the case (the hearing date has not been fixed).

Spain: the Spanish Tax Authorities did not appeal a decision by the Spanish Administrative Court that Spanish rules are contrary to EU Law as the tax treatment of non-resident investment funds is different from that of resident investment funds. A repayment was made to an investment fund and, although there is no certainty that this will set a precedent, it is progress.

Despite the need to re-file and appeal some of the claims, costs incurred to date are within the parameters set out in January 2009.

2.4 MOD claims

Test case pending and test claimant identified. KPMG and Pinsent Masons have prepared draft Tribunal pleadings including supporting evidence and statement of the case for HMRC to agree.

HMRC has reviewed the supporting evidence and statement of case and confirmed it wishes to litigate. The test claimant has been agreed and it has been agreed all other GFA members' claims will be placed on hold until the outcome of the test case. In October, however, the HMRC solicitor changed and further questions have been raised which may slow the process down.

In view of the time that has elapsed, it has been possible to make 'top up' claims of £3.75m and this has involved some incremental additional cost. The costs of litigation incurred so far are around the £35,000 initially advised. However, with no certainty as to the timing of a conclusion to the claim, they will exceed the initial estimate. They are being pooled with several other institutional investors under a Group Funding Arrangement (GFA). In view of the value of the additional claims that we have made since 2009 it is recommended that this action is continued.

2.5 Internal Claims

Since July 2011, the Fund's internal accounting team has been successful in recovering over £250,000 of unclaimed tax that had not been identified by our Custodians or other external managers. As this will be an ongoing requirement, I am reviewing the need to strengthen the resource in this area in view of the financial benefit to the Fund.

3.0 RELEVANT RISKS

3.1 The Fund is working with its advisers and other institutional investors in these matters and this should ensure that appropriate action is taken.

4.0 OTHER OPTIONS CONSIDERED

4.1 The litigation could be allowed to lapse but in view of the substantial claims involved it is believed to be in the best interests of the Fund not to do so.

5.0 CONSULTATION

5.1 There has been no consultation undertaken or proposed for this report. There are no implications for partner organisations arising out of this report.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 There are none arising from this report.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

7.1 Costs incurred to date are within the parameters approved by Pensions Committee and are offset by recoveries of £293,735.52 from European tax authorities. An additional £255,000 has been recovered by the internal team. Outstanding withholding tax claims amount to over £2.0m and MOD claims to £5.1m.

8.0 LEGAL IMPLICATIONS

8.1 There are none arising from this report.

9.0 EQUALITIES IMPLICATIONS

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

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

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are none arising from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are none arising from this report.

12.0 RECOMMENDATION/S

12.1 That Members: note the progress of the European Withholding Tax claims;

12.2 Note the contribution from the internal team;

12.3 Approve the continuation of the MOD claim.

13.0 REASON/S FOR RECOMMENDATION/S

13.1 The Fund has the potential to recover substantial amounts of tax from the UK and European tax authorities.

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APPENDICES

None

REFERENCE MATERIAL

NONE

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Pensions Committee	March 2011

WIRRAL COUNCIL

PENSIONS COMMITTEE

25 MARCH 2013

SUBJECT:	PRIVATE EQUITY PROGRAMME 2011-2014
WARD/S AFFECTED:	ALL
REPORT OF:	INTERIM DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER:	N/A
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to update Members on progress made on the Private Equity Programme 2011-14 and specifically, to ask Members to approve the proposed Private Equity investments for 2013.
- 1.2 The appendix to the report, MPF Private Equity Programme 2011-14 as updated March 2013, contains exempt information. This is by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the 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 Members approved a private equity programme for 2011-14 at the meeting of the Pensions Committee on 23 March 2011. The intention of this plan was to maintain a 4% allocation to private equity and to make an overall commitment programme of £330m over the next four years diversified across geography, sector and vintage. The plan made assumptions regarding the rate of return achieved by MPF overall and the rate of investment and performance by private equity, based on long term averages with exchange rates being stable.
- 2.2 The appendix to this report is an updated version of this document as at March 2013 including updates for actual investments made in 2011 and 2012 and a revised valuation and programme for 2013.
- 2.3 As a consequence of progress during 2011/2012 and changes within financial markets and in particular the private equity market environment, there are changes to the plan for 2013 compared to that envisaged 12 months ago.
- 2.4 The overall market value of current investments in private equity both in absolute terms and as a percentage of the overall Fund is higher than envisaged. This is due to the fact that valuations in private equity have held up due to strong underlying company performance; however distributions have been disappointing largely due to uncertainty caused by volatility in financial markets.

3.0 RELEVANT RISKS

3.1 With all investment activity there is an element of risk, the Fund's approach to the overall level of risk that it takes is covered in its Statement of Investment Principles and within this document it is considered that allocations to private equity improve the risk return profile of the Fund. The key tool used to control risk within the private equity programme is diversification. The Fund's private equity investments are diversified across geography, sector and year of investment.

4.0 OTHER OPTIONS CONSIDERED

4.1 Not relevant for this report.

5.0 CONSULTATION

5.1 Not relevant for this report.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 There are no implications arising directly from this report

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

7.1 There are no implications arising directly from this report.

8.0 LEGAL IMPLICATIONS

8.1 There are no implications arising directly from this report.

9.0 EQUALITIES IMPLICATIONS

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

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

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are no implications arising directly from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are no implications arising directly from this report.

12.0 RECOMMENDATIONS

12.1 Members note the report including the programme for 2011-14 in the Appendix and specifically approve the proposed Private Equity investments for 2013. The Interim Director of Finance will make the individual investments under delegated authority and will use this delegated authority to make changes as and when circumstances demand.

12.2 Pensions Committee will continue to receive annual updates on the private equity programme. Reports will also continue to be made to the IMWP on a quarterly basis.

13.0 REASON FOR RECOMMENDATIONS

13.1 The Fund has an on going programme of private equity investment; this has been place since the mid 1980's which has made a positive contribution to the Fund's return both in terms of returns and risk control through diversification. The governance arrangements of the Fund mean that Pensions Committee approves major strategic decisions. This recommendation covers the strategy for the private equity programme over the medium term and can have a significant impact on investment performance.

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APPENDICES

A revised programme for private equity 2011-14 including actual investments for 2011 and 2012 and the commitment plan for 2013 is attached as appendix 1 to this report.

REFERENCE MATERIAL

Data from the Fund's internal records on its private equity portfolio plus market data has been used in the preparation of this report.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Pensions Committee Private Equity Programme 2012	20th March 2012
Pensions Committee Private Equity Programme 2011-2014	23rd March 2011
Pensions Committee Private Equity Investments	23rd March 2010

WIRRAL COUNCIL

PENSIONS COMMITTEE

25 MARCH 2013

SUBJECT:	INTERNAL DISPUTE RESOLUTION PROCEDURE
WARDS AFFECTED:	ALL
REPORT OF:	INTERIM DIRECTOR OF FINANCE
RESPONSIBLE PORTFOLIO HOLDER:	
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

- 1.1 The Local Government Pension Scheme (LGPS) has an inbuilt complaints procedure for dissatisfied members, called the Internal Dispute Resolution Procedure (IDRP).
- 1.2 This report seeks to appoint and authorise officers who can consider appeals at stage 1 and stage 2 of the IDRP process in respect of MPF.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 Section 50 of the Pensions Act 1995 and the Occupational Pensions Schemes (Internal Dispute Resolution Procedures) Regulations 1996 requires the LGPS to operate a two stage procedure for the resolution of disagreements.
- 2.2 The Regulations require the individual Scheme Employers to consider any stage 1 appeal against a decision taken by them. If the applicant is dissatisfied with the stage 1 decision then he or she may appeal further to the Administering Authority (MPF) which is responsible for consideration of the stage 2 appeal.
- 2.3 Both stage 1 and stage 2 appeals against decisions taken by the Pension Fund need to be considered by the persons appointed by the Administering Authority to undertake this role. The same appointed person cannot consider an appeal from an individual at both the first and second stage of the process.
- 2.4 At the present the panel of Appointed Persons established by the Merseyside Pension Fund consists of:-

Ian Coleman	Director of Finance
David Taylor Smith	Deputy Director of Finance
Michael Fowler	Head of Support Services
Peter Wallach	Head of Merseyside Pension Fund
Yvonne Caddock	Principal Pension Officer

2.5 It is proposed to amend the panel of Appointed Persons to:

Malcolm Flanagan	Head of Benefits, Revenue & Customer Services
Peter Wallach	Head of Merseyside Pension Fund
Yvonne Caddock	Principal Pension Officer
Barbara King	Benefit Manager
Keith Higgins	Benefit Manager

2.6 The proposed changes are intended to ensure sufficient resource is available for the administration, consideration and appropriate determinations of cases within the IDR process.

2.7 The inclusion of the Head of Benefits, Revenue & Customer Services is based on the need to appoint a non Fund officer to demonstrate appropriate governance when re-considering previous Fund determinations. The post holder is an authorised signatory to MPF and the officer responsible for the operational aspects of the department's complaints procedure.

3.0 RELEVANT RISKS

3.1 If the Pension Fund does not have a suitably qualified panel of persons to determine disputes then there is a risk of criticism from the Pensions Ombudsman.

4.0 OTHER OPTIONS CONSIDERED

4.1 Any officer could be appointed to consider appeals but I recommend these officers as having the most relevant experience.

5.0 CONSULTATION

5.1 No specific consultation has been undertaken with regard to this report

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 There are none arising from this report.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

7.1 There are no additional requirements

8.0 LEGAL IMPLICATIONS

8.1 There are none arising from this report.

9.0 EQUALITIES IMPLICATIONS

9.1 Has the potential impact of your proposal(s) been reviewed with regard to equality? Equality Impact Assessment (EIA) is not required for this report.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 None arising from this report

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 None arising from this report

12.0 RECOMMENDATION/S

12.1 That Members agree the proposed changes to the panel of authorised officers to consider appeals under the Internal Dispute Resolution Procedure

13.0 REASON/S FOR RECOMMENDATION/S

13.1 Three of the existing signatories are no longer available to undertake IDRP reviews and it has been necessary to refresh the panel of authorised officers.

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REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date

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WIRRAL COUNCIL

PENSIONS COMMITTEE

25 MARCH 2013

SUBJECT:	NAPF LOCAL AUTHORITY CONFERENCE
WARD/S AFFECTED:	NONE
REPORT OF:	INTERIM DIRECTOR OF FINANCE
KEY DECISION? <i>(Defined in paragraph 13.3 of Article 13 'Decision Making' in the Council's Constitution.)</i>	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report requests nominations to attend the National Association of Pension Funds (NAPF) Local Authority Conference 2013 to be held in Gloucester from 20 May to 22 May 2012.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 Merseyside Pension Fund is a member of the NAPF which represents some 10 million employees in pension schemes. The NAPF seeks to make effective representation to encourage provision as well as sound stewardship of pension fund assets.
- 2.2 MPF has been represented at all previous NAPF Local Authority Conferences usually by the Chair of Pensions Committee and party spokespersons.
- 2.3 Accommodation will be required for the nights of 20 and 21 May 2012.
- 2.4 Conference costs including accommodation are £310 plus VAT per person, with travel an additional cost.

3.0 RELEVANT RISKS

- 3.1 The Fund is required to demonstrate that Members of Pensions Committee have been adequately trained. This conference is a recognised training opportunity.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 No other options have been considered

5.0 CONSULTATION

- 5.1 There has been no consultation undertaken or proposed for this report. There are no implications for partner organisations arising out of this report.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 There are none arising from this report.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

7.1 The cost of attendance plus two nights' accommodation will be about £310 per delegate plus VAT, excluding travel which can be met from the existing Pension Fund budget.

8.0 LEGAL IMPLICATIONS

8.1 There are none arising from this report.

9.0 EQUALITIES IMPLICATIONS

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

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

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are none arising from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are none arising from this report.

12.0 RECOMMENDATION/S

12.1 That Committee considers if it wishes to send a delegation to attend this conference and, if so, to determine the number and allocation of places.

13.0 REASON/S FOR RECOMMENDATION/S

13.1 The conference forms a part of the Members' development plan approved by Committee in January 2013.

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APPENDICES

NONE

REFERENCE MATERIAL

NONE

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Pensions Committee	29 March 2011
Pensions Committee	23 March 2010
Pensions Committee	6 April 2009

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WIRRAL COUNCIL

PENSIONS COMMITTEE

25 MARCH 2013

SUBJECT:	PIRC ANNUAL CORPORATE GOVERNANCE CONFERENCE 2013
WARD/S AFFECTED:	NONE
REPORT OF:	INTERIM DIRECTOR OF FINANCE
KEY DECISION? <i>(Defined in paragraph 13.3 of Article 13 'Decision Making' in the Council's Constitution.)</i>	NO

1.0 EXECUTIVE SUMMARY

1.1 This report seeks approval from Committee for the Chair to attend the PIRC Annual Corporate Governance Conference 2013 to be held in London on 26 March 2013.

2.0 BACKGROUND AND KEY ISSUES

2.1 Merseyside Pension Fund is a member of the Local Authority Pension Fund Forum (LAPFF) and is represented on the executive board by the Chair of Pensions Committee. PIRC is the UK's leading independent research and advisory consultancy providing services to institutional investors on corporate governance and corporate social responsibility. The Fund is a client of PIRC.

2.2 The conference "Future Stewardship – Building on the Shareholder Spring" is being held on 26 March 2013.

2.3 Attendance is complimentary for PIRC clients. Travel will be an additional cost.

3.0 RELEVANT RISKS

3.1 The Fund is required to demonstrate that Members of Pensions Committee have been adequately trained. This conference is a recognised training opportunity.

4.0 OTHER OPTIONS CONSIDERED

4.1 No other options have been considered

5.0 CONSULTATION

5.1 There has been no consultation undertaken or proposed for this report. There are no implications for partner organisations arising out of this report.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 There are none arising from this report.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

7.1 The conference is complimentary and the principal cost of attendance, travel, can be met from the existing Pension Fund budget.

8.0 LEGAL IMPLICATIONS

8.1 There are none arising from this report.

9.0 EQUALITIES IMPLICATIONS

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

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

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are none arising from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are none arising from this report.

12.0 RECOMMENDATION/S

12.1 That Committee approves the attendance of the Chair at this conference.

13.0 REASON/S FOR RECOMMENDATION/S

13.1 The conference is supplementary to the Members' development plan approved by Committee in January 2013 and provides a useful training opportunity in a topical area.

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APPENDICES

NONE

REFERENCE MATERIAL

NONE

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Pensions Committee	29 March 2011
Pensions Committee	23 March 2010
Pensions Committee	6 April 2009

WIRRAL COUNCIL

PENSIONS COMMITTEE

25 MARCH 2013

SUBJECT:	GOVERNANCE & RISK WORKING PARTY MINUTES
WARD/S AFFECTED:	NONE
REPORT OF:	INTERIM DIRECTOR OF FINANCE
KEY DECISION? <i>(Defined in paragraph 13.3 of Article 13 'Decision Making' in the Council's Constitution.)</i>	NO

1.0 EXECUTIVE SUMMARY

- 1.1 This report provides members with the minutes of the Governance & Risk Working Party (GRWP) held 30 January 2013.
- 1.2 An exempt report on the agenda, the minutes of the GRWP on 30 January 2013, contains exempt information. This is by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the 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 GRWP meets twice yearly to enable Members and their advisers to consider governance and risk matters, relating to Merseyside pension Fund, in greater detail.

3.0 RELEVANT RISKS

- 3.1 There are none arising from this report

4.0 OTHER OPTIONS CONSIDERED

- 4.1 No other options have been considered.

5.0 CONSULTATION

- 5.1 There has been no consultation undertaken or proposed for this report. There are no implications for partner organisations arising from this report.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 There are none arising from this report

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 7.1 There are no implications arising directly from this report.

8.0 LEGAL IMPLICATIONS

8.1 There are none arising from this report

9.0 EQUALITIES IMPLICATIONS

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

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

10.0 CARBON REDUCTION IMPLICATIONS

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

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are none arising from this report.

12.0 RECOMMENDATION/S

12.1 That members approve the minutes of the GRWP

13.0 REASON/S FOR RECOMMENDATION/S

13.1 The approval of the GRWP 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 on 27 June 2011.

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APPENDICES

Appendix 1 – Attendance and declarations of interest.

Appendix 2 – Exempt item

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
GRWP minutes	September 2011
GRWP minutes	March 2012
GRWP minutes	September 2012

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APPENDIX 1

Minutes of the Meeting of the Governance and Risk Working Party

Wednesday 30 January 2013

In attendance:

Councillor Pat Glasman (Chair) (WBC)	Peter Wallach (Head of MPF)
Councillor Norman Keats	Yvonne Caddock (Principal Pensions Officer)
Councillor George Davies (WBC)	Guy Hayton (Operations Manager)
Councillor Harry Smith (WBC)	Emma Jones (PA to Head of MPF)

Apologies were received from:

Councillor Ann McLachlan (WBC)	Councillor Cherry Povall (WBC)
Councillor Adrian Jones (WBC)	Patrick McCarthy (Co-optee)
Paul Wiggins (Unison)	Councillor Patrick Hurley (LCC)
Councillor Mike Hornby (WBC)	Peter Timmins (Interim Director of Finance)

1. Approval of Minutes

Minutes of G&RWP, dated Thursday 12 July 2012, were approved.

2. Declarations of Interest

Councillor Norman Keats declared that he was a member of Merseyside Pension Fund.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

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