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PENSIONS COMMITTEE

Thursday, 18 June 2009

<u>Present:</u>	Councillor	AR McLachlan (Chair)	
	Councillors	G Watt T Harney W Duffey C Povall	D Knowles G Davies F Doyle
	Councillor	R Oglethorpe, Liverpool City Council	
	Councillor	N Keats, Knowsley Council	
	Councillor	G Pearl, St Helens Council	
	Councillor	A Ibbs, Sefton Council	
		Jayne Brown, Non District Council Employer	
<u>In attendance:</u>	UNISON	Paul Wiggins	
<u>Apologies</u>		Councillor H Smith Phil Goodwin (UNISON)	

1 MINUTES

The Director of Law, HR and Asset Management submitted the minutes of the meeting held 6 April 2009.

Resolved – That the minutes be received.

2 DECLARATIONS OF INTEREST

Members were asked to consider whether they had any personal or prejudicial interests in connection with any matter on the agenda.

Councillor Ibbs declared a prejudicial interest in minute 26 by virtue of being an elected member with Sefton Council.

3 APPOINTMENT OF VICE-CHAIR OF THE PENSIONS COMMITTEE

The Director of Law HR and Asset Management requested nominations for the position of Vice–Chair of Pensions Committee.

On a motion by the Chair and seconded by Councillor Harney it was;

Resolved – That Councillor Harry Smith be appointed Vice-Chair of the Pensions Committee.

4 **PENSION FUND ACCOUNTS YEAR ENDED 31 MARCH 2009**

The Director of Finance submitted a report and presented the accounts and financial statements which in due course would be contained in the Annual Report of Merseyside Pension Fund 2008/2009.

He reported that the accounts were required to be approved by the Pensions Committee prior to presentation to the Audit Commission.

The Director reported that this set of accounts were the first to be produced under the new Pensions Statement of Recommended Practice (SORP), they also took into account the requirements of the Local Authority SORP.

Resolved – That the accounts and financial statements of Merseyside Pension Fund for the year ended 31 March 2009 be approved.

5 **LGPS CONSULTATION PAPER**

The Director of Finance reported verbally upon the LGPS Consultation Paper.

He reported that the document was still awaited to be issued and that a report would be submitted to Pensions Committee in September.

Resolved

That should the consultation paper be issued before the next scheduled meeting of Pensions Committee the Councillor Ann McLachlan, Chair of Pensions Committee be authorised to issue a response to the Local Government Minister responsible and that a report be brought back to this committee on the response given.

6 **TREASURY MANAGEMENT ANNUAL REPORT 2008/09**

The Director of Finance submitted the annual report on Treasury Management within MPF for the 2008/09 financial year, which complied with the reporting requirements of the Code of Practice for Treasury Management in Local Authorities.

Resolved – That the report be noted

7 **AUDIT COMMISSION FEES 2009-2010**

The Director of Finance submitted a report upon the fee levels proposed by the Audit Commission for the current financial year.

Resolved - That the proposed increase in Audit Commission fees for 2009-2010 be approved.

8 **STATEMENT OF RESPONSIBILITIES OF AUDITORS**

The Director of Finance submitted an updated version of the Audit Commission Statement of Responsibilities of Auditors and of Audited Bodies.

He reported that the Audit Commission had asked that this document be presented to Pensions Committee.

Resolved – That the report be noted.

9 INVESTMENT PERFORMANCE 2008 - 2009

The Director of Finance submitted a report outlining the investment performance of Merseyside Pension Fund for the year ended 31 March 2009 as reported by the WM Company.

Resolved - That the investment performance of the Fund in the year ended 31 March 2009 be noted.

10 LGPS REFORM UPDATE

The Director of Finance submitted a report informing Pensions Committee of progress with the production of regulations and other guidance by the Department for Communities and Local Government (DCLG) following the introduction of the revised LGPS on 1 April 2008.

Resolved – That the draft response to DCLG on Scheme Governance be approved.

11 FAIR PENSIONS 2008/09 RESPONSIBLE INVESTMENT SURVEY

The Director of Finance submitted a report informing the Pensions Committee of the result of a national survey of responsible investment practice, wherein Merseyside Pension Fund had been ranked 4th out of its peer group of 30 leading UK occupational pension schemes (2nd of 5 LGPS funds in the survey).

Resolved - That the recognition of the Merseyside Pension Fund responsible investment policy be noted.

12 CASH MANAGEMENT

The Director of Finance submitted a report requesting approval of a revision made to the cash management policy agreed by Pensions Committee 14 January 2009.

Resolved - That the proposed change in Treasury Management policy be approved.

13 REPRESENTATION ON OUTSIDE BODIES

The Director of Finance submitted a report request the Pensions Committee to review positions held by Elected Members on external bodies on behalf of Merseyside Pension Fund.

Resolved – That Councillor Ann McLachlan be nominated for election to the Executive of LAPFF for 2009-10.

14 LOCAL GOVERNMENT CHRONICLE INVESTMENT CONFERENCE

The Director of Finance submitted a report requesting Pensions Committee to consider if it wished to be represented at the Local Government Chronicle (LGC) Investment Conference to be held in Newport on 9 to 11 September 2009.

Resolved – That members notify the Director of Finance of their interest in attending.

15 JULY TRAINING EVENT

The Director of Finance submitted a report reminding Members of arrangements made for a training event to be held at the Cunard Building on 2 July 2009.

Resolved – That all members attend the training event.

16 REFURBISHMENT AND REPAIRS AT CUNARD BUILDING, LIVERPOOL

The Director of Finance submitted a report advising Members of a major review of the Cunard Building, Liverpool, covering external works and communal areas to be implemented over a period of three years.

Resolved -

1. That Pensions Committee agree to the proposed three year phased programme of refurbishment and repair at the Cunard Building, Liverpool at an estimated cost of £4.02m plus VAT.

2. That Pensions Committee note that another report will be submitted in due course for further refurbishment at the Cunard Building.

17 REFURBISHMENT AT CROMWELL HOUSE, HOOK, HAMPSHIRE

The Director of Finance submitted a report advising Members of a comprehensive refurbishment programme at Cromwell House, Hook, Hampshire.

Resolved - That the proposed refurbishment of Cromwell House, Hook, Hampshire be agreed.

18 GLOBAL CUSTODIAN SERVICES

The Director of Finance submitted a report setting out the functions performed by the Global Custodian. He recommended the take up of optional years within the existing contract, and proposes the use of a custodian monitoring service.

Resolved

1. That this Committee agrees to extend the existing contract with State Street as Global Custodian to 30 September 2011.

2. That this Committee agrees that a procurement process commence for the selection of a custodian monitoring service.

19 **EXEMPT INFORMATION - EXCLUSION OF MEMBERS OF THE PUBLIC**

20 **ALTERNATIVE INVESTMENTS**

The Director of Finance submitted a report covering the background to the investments in alternatives, an analysis of 2008, portfolio management issues going forward and benchmarking issues.

Resolved - That the report be noted.

21 **PRIVATE EQUITY**

The Director of Finance submitted a report covering the background to the previous private equity plan a cash flow analysis from Capital Dynamics (the Fund advisers on private equity), conclusions and a new programme.

Resolved – That the private equity programme for 2009 be approved.

22 **APPOINTMENT OF A FRAMEWORK LIST OF TRANSITION MANAGERS**

The Director of Finance submitted a report informing Pensions Committee of the results of a procurement exercise to maintain a framework list of transition managers for the purpose of moving assets between investment managers in a cost effective manner following changes in investment strategy.

Resolved - That the framework list of transition managers be approved.

23 **KEEL ROW SHOPPING CENTRE, BLYTH, NORTHUMBERLAND - SECURITY AND CLEANING CONTRACT**

The Director of Finance submitted a report advise Pensions Committee of the acceptance under delegation of the lowest tender for the provision of security and cleaning services at Keel Row, Blyth, Northumberland. The tendering exercise had been conducted on behalf of MPF by CB Richard Ellis (CBRE).

Resolved - That the acceptance under delegation of the lowest tender for the provision of security and cleaning services at Keel Row, Blyth be noted.

24 **CLEANING CONTRACTS FOR LIVERPOOL OFFICES (CUNARD BUILDING, CASTLE CHAMBERS AND ST NICHOLAS HOUSE)**

The Director of Finance submitted a report informing Pensions Committee of the outcome of a tendering exercise in respect of cleaning contracts located in Liverpool for properties owned by MPF as part of the direct property investment portfolio. The tendering exercise had been conducted on behalf of MPF by CB Richard Ellis (CBRE).

Resolved -That the tender submitted by Europa for the sum now reported for cleaning services in the Liverpool offices be accepted.

25 **CUNARD BUILDING LIVERPOOL - PHASE 1 IMPLEMENTATION**

The Director of Finance submitted a report requesting approval by Pensions Committee of the outcome of the recent tendering exercise in respect of refurbishment work for the internal common area (first –sixth floor) to the Cunard Building, Liverpool. He reported that the tendering exercise had been conducted on behalf of MPF by CB Richard Ellis (CBRE).

Resolved - That the lowest tender submitted by Jennor for Phase 1 of the refurbishment work at the Cunard Building, Liverpool be accepted.

26 **TRANSFEEE ADMISSION BODY APPLICATION - CRIME REDUCTION INITIATIVE**

The Director of Finance submitted a report informing Members of his decision taken under delegation to approve the application received from Crime Reduction Initiative (CRI) a Transferee Admission Body for admission to Merseyside Pension Fund. The Company would undertake the Drug Interventions Programme (DIP) formerly provided by the Sefton Drug Action Team.

Resolved - That Pensions Committee notes the approval by delegated authority by the Director of Finance of the application for admission body status received from Crime Reduction Initiative.

27 **TRANSFEEE ADMISSION BODY APPLICATION - VEOLIA ES, MERSEYSIDE AND HALTON**

The Director of Finance submitted a report informing the Pensions Committee of his decision taken under delegation, to approve the application received from Veolia ES Merseyside and Halton (“Veolia”) a transferee admission body for admission to Merseyside Pension Fund. The Company had taken over the provision of the waste management and recycling contract formerly provided by Mersey Waste Holdings a resolution body of MPF since 21 August 1995.

Resolved - That the approval of the application by the Director of Finance under his delegated authority for admission body status received from Veolia ES Merseyside and Halton.be noted

28 **ADMISSION APPLICATION - BRAMALL CONSTRUCTION**

The Director of Finance submitted a report informing Members of his decision taken under delegation, to approve the application received from Bramall Construction a transferee admission body for admission to Merseyside Pension Fund. The Company had been successful in winning the contract to maintain housing stock transferred to Liverpool Mutual Homes a Community Admission Body since 1 April 2008.

Resolved - That the approval of the application for admission body status received from Bramall Construction by the Director of Finance be noted.

29 **MINUTES OF INVESTMENT MONITORING WORKING PARTY 22 APRIL 2009 AND 10 JUNE 2009**

The Director of Finance submitted the minutes of the Investment Monitoring Working Party held on 22 April 2009 and 10 June 2009 respectively.

Resolved – That the minutes be agreed.

30 **INSURANCE OF THE PROPERTY PORTFOLIO**

The Director of Finance submitted a report request the Pensions Committee to accept the lowest priced tender for insuring the 27 properties held by MPF.

He reported that the contract period would be for three years, commencing 25 June 2009. The tender process had been managed by CB Richard Ellis (CBRE), the property management agent and had followed Council procurement procedures.

Resolved - That the lowest tender for property insurance for a three year period from 25 June 2009 for the property portfolio be accepted.

31 **ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR**

32 **POWER OF ATTORNEY**

The Chair reported that she had accepted this item of business on the grounds that a decision was required before the next scheduled meeting of the Pensions Committee.

The Director of Finance submitted a report recommending that Pensions Committee formally authorise that designated officers of MPF be empowered to sign powers of attorney on behalf of MPF and Wirral Metropolitan Borough Council, and requested a

change to the Scheme of Delegation to eliminate any doubt as to its ability to make such a decision.

Resolved –

1. That the following persons be authorised to sign deeds of Power of attorney on behalf of the Pensions Committee and as authorised representatives and signatories of the Administering Authority:

**Head of Pension Fund: Peter Wallach
Deputy Head of Pension Fund: Peter George Mawdsley
Financial Controller: Gerard Francis Moore
Chief Investment Officer: Leyland Otter**

who are all based at; Castle Chambers, 43, Castle Street, Liverpool, L69 2NW

2. That a minimum of two of the officers delegated mentioned above, are authorised to execute and deliver the deeds of Powers of Attorney.

Asking for additional wording to the scheme of delegation which would state: in section 11 (9)

3. That Pensions Committee requests that the Administering Authority amend its scheme of delegation to include the power "To enter into and grant powers of attorney on behalf of the Administering Authority. The Pensions Committee shall delegate the signing of such powers of attorney to individuals designating in a resolution of the said Pensions Committee."