

PENSIONS COMMITTEE

Monday, 21 November 2011

<u>Present:</u>	Councillor	G Watt (Chair)	
	Councillors	G Davies P Doughty T Harney M Hornby AER Jones	P Johnson AR McLachlan C Povall H Smith
	Councillors	N Keats, Knowsley Council D McIvor, Sefton Council Robinson, Liverpool City Council (In place of J Hanson)	
<u>In attendance:</u>	UNISON	Mr P Goodwin Mr P Wiggins	
<u>Apologies</u>	Councillor	L McGuire Mr P McCarthy	

54 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Members were asked to consider whether they had any personal or prejudicial interests in connection with any item(s) on the agenda and, if so to declare them and state the nature of the interest.

Councillor George Davies declared a personal interest in general by virtue of his wife being a member of Merseyside Pension Fund.

Councillor N Keats declared a personal interest in general by virtue of a relative being a member of Merseyside Pension Fund.

Councillor Paul Doughty declared a personal interest in general by virtue of a relative being a member of Merseyside Pension Fund.

Councillor Geoffrey Watt declared a personal interest in general by virtue of a relative being a member of Merseyside Pension Fund.

55 MINUTES

The Director of Law, HR and Asset Management submitted the minutes of the meeting held on 19 September, 2011.

Resolved – That the minutes be received.

56 INVESTMENT MONITORING WORKING PARTY MINUTES 12 OCTOBER 2011

A report of the Director of Finance provided Members with the minutes of the Investment Monitoring Working Party (IMWP) held on 12 October 2011.

Appendix 2 to the report, the minutes of the IWMP on 12 October 2011, 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 minutes of the IMWP meeting be noted and approved.

57 LGPS UPDATE

A report of the Director of Finance informed Members of a consultation published on 7 October 2011 by the Department for Communities and Local Government (DCLG) that proposed options to change the Local Government Pension Scheme (LGPS) in order to deliver £900m savings by April 2015 .A copy of the consultation document was attached as an Appendix. The closing date for responses is 6 January 2012. A letter from MPF to Bob Holloway, Department of Communities and Local Government, Workforce, Pay and Pensions dated 22 November, 2011 that outlined the Funds submission of an alternative proposal for consideration was circulated to Members. It was noted that the Fund's formal response of the Fund would be made available by 6 January 2012, and would include statistical data from the planned members' survey. Members considered this report together with Item 11 on the Agenda – Public Service Pensions – HM Treasury.

Resolved – That

1. the letter from MPF dated 22 November, 2011 outlining the Fund's formal response to the Government be endorsed and;

2. the report be noted.

58 SECURITIES LENDING

A report of the Director of Finance requested changes to the types of collateral that the global custodian was permitted to hold as part of the securities lending programme. The specific changes were to permit the holding of cash and equity securities, which was projected to increase the income received by 15%-20%.

Resolved - That the relaxation of the guidelines for allowable collateral in the securities lending programme operated by State Street to include cash and international equities be approved.

59 INVESTMENT MONITORING WORKING PARTY OPERATION

A report of the Director of Finance requested some changes to the way in which the Investment Monitoring Working Party monitored investments. The report also invited

Members not present at recent training sessions or IMWP to give feedback on proposals and to suggest changes.

Resolved - That

1. The proposed changes to the way in which the IMWP works be approved and that officers note suggested amendments and implement them for future IMWP meetings.

2. It be noted that this recommendation may necessitate a review of some key documents such as SIP, compliance manual, and monitoring policy.

60 ANNUAL GOVERNANCE REPORT

A report of the Director of Finance provided Members with the final Annual Governance Report (AGR) from the Audit Commission as approved at Audit and Risk Management Committee on 28 September 2011.

Resolved - That the final Annual Governance Report plus the supplement and the audit opinion which were attached as an appendix to the report be noted.

61 ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR

The Chair reported that he had agreed to accept the following items of urgent business.

62 ANY OTHER URGENT BUSINESS - PUBLIC SERVICE PENSIONS - HM TREASURY

A report of the Director of Finance informed Members of the recent Parliamentary statement by the Chief Secretary to the Treasury, Rt Hon Danny Alexander MP on Public Service Pensions. The Pensions Committee considered this item together with Item 4 of the Agenda – LGPS Update.

Resolved - That the report be noted.

63 ANY OTHER URGENT BUSINESS - TRAINING OPPORTUNITY -"TAKING THE LONG VIEW"

A report of the Director of Finance informed Members of a training opportunity at the Cunard Building, arranged for 19 January 2012

Resolved - That Members attend the training event.

64 ANY OTHER URGENT BUSINESS - "GREEN APPLE" AWARDS

A report of the Director of Finance advised Members that the Tunsgate Square Shopping Centre, Guildford and The Fort Shopping Park, Birmingham, both of which formed part of the property portfolio, had received recognition for good environmental practice by the Green Organisation.

Resolved - That the “silver” category Sustainable Development environmental awards in respect of Tunsgate Square and The Fort be noted.

65 **ANY OTHER URGENT BUSINESS - LOCAL GOVERNMENT AWARDS (LGC) 2011**

A report of the Director of Finance informed Members that the Merseyside Pension Fund had been shortlisted for “Fund of the Year (above £2bn) and “Quality of Service Award” in the 2011 LGC Investment Awards and recommended attendance.

Resolved - That the shortlisting be noted and the attendance at the awards ceremony be approved.

66 **ANY OTHER URGENT BUSINESS - CHOBHAM HOUSE, WOKING - BUILDING REFURBISHMENT**

A report of the Director of Finance informed Members of the outcome for the recent tendering exercise in respect of the building refurbishment work for Chobham House, Woking which was owned by MPF as part of the direct property investment portfolio. The tendering process had been conducted on behalf of MPF by CB Richard Ellis (CBRE).

The appendix to the report, (report from CBRE on the tender process) 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 recommended tender in the sum outlined in the exempt appendix be accepted.