

PENSIONS COMMITTEE

Tuesday, 17 January 2012

<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	
<u>In attendance:</u>	UNISON	Mr P Goodwin Mr P Wiggins	
<u>Apologies</u>	Councillors	J Hanson L McGuire McCarthy	

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

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

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

68 MINUTES

The Director of Law, HR and Asset Management submitted the minutes of the meeting held on 21 November, 2011.

Resolved - That the minutes be received.

69 ORDER OF BUSINESS

The Chair agreed to vary the order of business.

70 PENSION FUND BUDGET

A report of the Director of Finance requested that Members approve the budget for 2012/13.

It was reported that during 2012/13, it was estimated that MPF would pay £262.3m in pensions and receive £251.4m in contributions from employers and employees. The Fund had a value of £4,693m at 30 September 2011. The proposed administration costs of £15.7m including £10.3m of investment management charges to external managers represented a cost of £129.46 per member of the scheme. The investment management costs were approximately 0.22% of total assets.

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

Resolved – That

1) the budget for 2012/13 be approved.

2) the officers be congratulated for keeping costs low.

71 **IMWP MINUTES**

A report of the Director of Finance provided Members with the minutes of the Investment Monitoring Working Party held on 23 November, 2011.

The minutes of the IWMP on 23 November 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 which formed an exempt report on the agenda be approved.

72 **TRAINING PROGRAMME 2012**

A report of the Director of Finance provided Members with an outline of the proposed programme for Member Training in 2012.

Resolved - That the training programme for 2012 be approved.

73 **LGC CONFERENCE CHESTER**

A report of the Director of Finance requested nominations to attend the Local Government Chronicle (LGC) Investment Conference, to be held in Chester on 1 and 2 March 2012. It was brought to Members attention that the first of these dates would fall on the same night as Budget Council and the Director indicated therefore that if necessary arrangements would be made for Members to attend for one or half a day as required.

Resolved - That the Committee sends a delegation to attend this conference and that the names of interested parties and their availability be forwarded to the Director of Finance.

74 **TREASURY MANAGEMENT STRATEGY**

A report of the Director of Finance requested that the Pension Committee approve the treasury management policy statement and the treasury management annual plan and strategy for Merseyside Pension Fund for the financial year 2012/13.

Resolved - That the treasury management policy statement and the treasury management annual plan and strategy for Merseyside Pension Fund for the financial year 2012/13 be approved.

75 **LGPS UPDATE**

A report of the Director of Finance informed Members of the issues in formulating the Merseyside Pension Fund (MPF) formal response to the Department for Communities and Local Government (DCLG) consultation document of 7 October 2011 on reform of the Local Government Pension Scheme (LGPS).

It also covered the draft LGPS (Miscellaneous) Regulations 2012 and other developments which affect the LGPS.

Resolved – That

1) the report be noted.

2) the officers be thanked for producing the Funds alternative proposal for consideration.

3) the officers be authorised to submit comments to DCLG on the draft LGPS Miscellaneous Regulations by the closing date of 27 February 2012 and that the proposed response be shared with the Chair of the Pensions Committee for comment before submission.

76 **COMMUNICATIONS POLICY**

A report of the Director of Finance informed the Pensions Committee that in accordance with the Scheme Regulations the Authority was required to regularly review and publish a statement of policy concerning how it communicated with members and employing authorities. The draft Communications Policy - Improving Communications - Improving Services was attached as an appendix to the report for Members consideration.

Resolved - That

1) the draft updated Communications Policy be approved.

2) the officers be congratulated on improving communications to the Funds pensioners with the outcome being both more streamlined and cost effective.

77 **AUDIT COMMISSION - AUDIT PLAN**

The District Auditor gave a presentation on Merseyside Pension Funds Audit Plan 2011/12 and responded to Members questions.

Resolved – That the report be noted.

78 **CHOBHAM HOUSE WOKIING**

A report of the Director of Finance informed Members of the acceptance of the lowest tender in respect of lift refurbishment work for Chobham House, Woking which is owned by MPF as part of the direct property investment portfolio. The Tendering process was conducted on behalf of MPF by CB Richard Ellis (CBRE).

Resolved - That the acceptance of the lowest tender for lift refurbishment at Chobham House, Woking be noted.

79 **CUNARD BUILDING**

A report of the Director of Finance informed Members of the acceptance of the lowest tenders in respect of internal refurbishment works for the Cunard Building, Liverpool which is owned by MPF as part of the direct property investment portfolio. The tendering process was conducted on behalf of MPF by CB Richard Ellis (CBRE).

The refurbishment included asbestos removal and given the specialist nature of this work a separate tender was required from the main refurbishment resulting in two tenders for all the works.

Resolved - That the acceptance of the lowest tenders for refurbishment works to the third floor of the Cunard Building be noted.

80 **INTERSERVE FACILITIES MANAGEMENT REPORT**

A report of the Director of Finance informed Members of the decision taken under delegation, to approve the application received from Interserve (Facilities Management) to Merseyside Pension Fund as a Transferee Admission Body. The company had secured the cleaning and caretaking contract at a St Helens school, from 1 January 2012 to 7 November 2036.

Resolved - That the approval of the application for admission to the Merseyside Pension Fund of Interserve (Facilities Management), taken under delegation, to undertake the Facilities Management contract at Rainford High School, St Helens be noted.

81 **PROPERTY ARREARS**

A report of the Director of Finance outlined the decision write off £30,112.39 of unrecoverable rent arrears from the property portfolio.

A report from CBRE that gave details of property rent arrears 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). This was included on the exempt part of this agenda.

Resolved - the write-off of uncollectible property rental income of £30,112.39 be approved.

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

Resolved – 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 paragraph of Part1 of Schedule 12A (as amended) to that Act. The Public interest test has been applied and favours exclusion.