

PENSIONS COMMITTEE

Tuesday, 15 January 2013

Present:

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
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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.