

PENSIONS COMMITTEE

Monday, 24 March 2014

<u>Present:</u>	Councillor	A R McLachlan (Chair)	
	Councillors	G Watt G Davies T Harney AER Jones	H Smith M Hornby C Povall P Doughty
	Councillors	N Keats, Knowsley Council	
		Mr P Goodwin (UNISON)	
<u>Apologies</u>	Councillors	P Glasman J Fulham P Tweed P Hurley	
		Mr P McCarthy (Non District Council Employers) Mr P Wiggins (UNISON)	

92 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Members were asked if 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 pecuniary interest by virtue of being a member of Merseyside Pension Fund.

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

Councillor Paul Doughty declared a pecuniary interest by virtue of his wife being a member of Merseyside Pension Fund.

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

93 MINUTES

The Strategic Director Transformation and Resources submitted the minutes of the meeting held on 20 January, 2014.

Resolved – That the minutes be received.

94 **AUDIT PLAN 2013/14**

Fiona Blatcher, Associate Director, Grant Thornton UK, attended the meeting and presented the Audit Plan for Merseyside Local Government Pension Scheme Year ended 31 March 2014.

Resolved – That the Audit Plan be noted.

95 **LGPS UPDATE**

A report of the Strategic Director Transformation and Resources informed Members on the current position of the regulatory framework of the Local Government Pension Scheme (LGPS) and provided an update on the collaborative project between Merseyside and Cheshire Pension Funds on implementing the New Scheme from 1 April 2014.

The report also covered the Shadow Scheme Advisory Board report on the call for evidence on the structural reform of the LGPS and Merseyside Pension Fund's response to the consultation on the "Transforming Rehabilitation Programme the Local Government Pension Scheme". A copy of the response was attached as an appendix to the report.

Yvonne Caddock, Principal Pension Officer, outlined the key issues in the report and responded to Members questions. In response to a question from a member of the Committee regarding the impact on staff arising from the additional workload as a result of the transfer of a significant number of Probation membership records from Merseyside Pension Fund to Greater Manchester Pension Fund she confirmed that there was a project plan in place and the situation would be monitored and if necessary further resource would be sought from appropriate third parties.

Resolved – That the report be noted.

96 **COMPLIANCE MANUAL**

A report of the Strategic Director Transformation and Resources sought of a revised Compliance Manual.

Peter Wallach, Head of the Pension Fund, outlined the key issues and major changes outlined in the report. He informed the Committee that the Compliance Manual set out the powers, duties and responsibilities of officers in respect of the financial services legislative and regulatory regimes relevant to MPF. Although the Pension Fund was not regulated by the Financial Conduct Authority (FCA) the manual incorporated, where appropriate, best practice as set out by the FCA and the codes of other professional bodies.

It was reported that the manual was due for review every three years and should have been reviewed in 2011. This review was postponed for a year to assess the implications of Wirral's new senior management structure and Constitutional changes. The existing Compliance Manual had been approved by Pensions Committee on 20 March 2012. The Compliance Manual would be due for formal review by the Pensions Committee in 2017.

The revised Compliance Manual was attached as Appendix 1 to the report.

Resolved – That the revised Compliance Manual be approved.

97 **MPF CONTRACTS**

A report of the Strategic Director Transformation and Resources informed Members of the extension of three MPF contracts, under delegated authority.

It was reported that the Pensions Committee had first approved the appointment of Colliers in 2010 for a period of four years with the option to extend for a further two years. Colliers had been appointed at that time as the preferred supplier ranking first overall and quoting the lowest price. Officers had assessed the quality of the service provision since then as fully satisfactory and, in view of the competitive bid at the initial tender stage and the costs/resources of retendering, had exercised the option to extend for a further two years.

Members were informed that the contract for strategic property advice had been let from 1 January 2010 for a period of four years with an option to extend for a further two years. CBRE had been appointed at that time as the preferred supplier ranking first overall and quoting the lowest price. Officers had assessed the quality of the service provision since then as fully satisfactory and, in view of the competitive bid at the initial tender stage and the costs/resources of retendering, had exercised the option to extend for a further two years.

It was reported that the Fund had sought a waiver of the contract procedure rules to allow an extension of the existing contract with one of its independent advisors for a further 24 months.

Resolved – That the report be noted.

98 **NAPF LOCAL AUTHORITY CONFERENCE**

A report of the Strategic Director Transformation and Resources requested nominations to attend the National Association of Pension Funds (NAPF) Local Authority Conference 2014 to be held in Gloucester from 19 May to 21 May 2014. Members noted that given the proximity of the local government elections it may be difficult to for members to commit to this event and therefore the scope should be widened to invite those members not present at this meeting of the Pensions Committee

Resolved - That

- 1. the Pensions Committee agree to send a delegation to attend the National Association of Pension Funds (NAPF) Local Authority Conference 2014 to be held in Gloucester from 19 May to 21 May 2014.**
- 2. Members of the Pensions Committee not in attendance at the Pensions Committee meeting on 24 March, 2014 be invited to attend this event.**

99 **LGPC ANNUAL TRUSTEES CONFERENCE**

A report of the Strategic Director Transformation and Resources requested nominations to attend the eleventh Annual LGPS Trustees' conference in Bournemouth organised by the Local Government Pensions Committee. Peter Wallach informed the Committee that the amended date for this conference would be from 18-19 June 2014.

Resolved – That

- 1. the Pensions Committee agree to send a delegation to attend the Annual LGPS Trustees' Conference.**
- 2. noting that this date is post local elections, provisional names of attendees be forwarded to Peter Wallach, Head of Pensions.**

100 **CUNARD BUILDING**

A report of the Strategic Director Transformation and Resources provided the Pensions Committee with an update on developments in relation to the disposal of the Cunard Building.

The appendix 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 a particular person (including the authority holding that information).

It was reported that In November 2013, a report had been brought to the Pension Committee that provided an update on negotiations with Liverpool City Council regarding the Cunard Building. Negotiations had reached a successful conclusion in February 2014 and the transaction was completed on 7 March 2014.

Resolved – That the report be noted.

101 **IMWP MINUTES**

A report of the Strategic Director Transformation and Resources provided the Pensions Committee with the minutes of the Investment Monitoring Working Party (IMWP) held on 20 February 2014. It was noted that the Strategic Director Transformation and Resources had been omitted from the register of attendees.

The appendix to the report, the minutes of the IMWP on 20 February 2014, 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, subject to the addition of the Strategic Director Transformation and Resources as an attendee at this meeting, the minutes of the Investment Monitoring Working Party (IMWP) held on 20 February 2014 be approved.

102 **GRWP MINUTES**

A report of the Strategic Director Transformation and Resources provided members with the minutes of the Governance & Risk Working Party (GRWP) held 23 January 2014.

An exempt report on the agenda, the minutes of the GRWP on 23 January 2014, 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 Governance & Risk Working Party (GRWP) held 23 January 2014 be approved.

103 **TUNSGATE DEVELOPMENT**

A report of the Strategic Director Transformation and Resources provided the Pensions Committee with a review of options considered by the Fund's property advisers, for the Tunsgate Shopping Centre, Guildford and sought their 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).

It was reported that the Fund owned a portfolio of properties around the UK and this report formed part of an assessment by the Fund's property advisers of that portfolio. In January 2013, the Pensions Committee had considered and approved a recommendation in relation to a refurbishment of the Tunsgate Shopping Centre. Following a feasibility study and further assessment of the situation, the advisers believed that a more significant redevelopment was appropriate to take advantage of the strengthening property market and Tunsgate's particular characteristics. All procurement would be undertaken in accordance with Wirral's contract procedure rules.

Resolved - That

- 1. the recommendation of the Fund's property advisers be approved.**
- 2. the officers be authorised to implement that option in conjunction with CBRE.**

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

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

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 involved the likely disclosure of exempt information as defined by relevant paragraphs of Part 1

of Schedule 12A (as amended) to that Act. The public interest test had been applied and favoured exclusion.

105 TUNSGATE DEVELOPMENT

The appendix to the report on Tunsgate Square was exempt by virtue of paragraph 3.

106 CUNARD BUILDING EXEMPT APPENDIX

The appendix to the report on the Cunard Building was exempt by virtue of paragraph 3.

107 IMWP MINUTES 20/02/14 EXEMPT APPENDIX

The appendix to the report on IMWP Minutes 20 February, 2014 was exempt by virtue of paragraph 3.

108 GRWP MINUTES 23/01/14 EXEMPT APPENDIX

The appendix to the report on GRWP Minutes 23 January, 2014 was exempt by virtue of paragraph 3.

109 VOTE OF THANKS

As this was the last meeting of this municipal year the Chair offered thanks to the officers for their support and hard work in delivering and upholding the Pension Fund. She also offered her best wishes to those Members of the Committee who would be seeking re-election in the forthcoming local elections.

Members of the Committee then recorded their thanks to Councillor Pat Glasman for so effectively Chairing the meetings of the Pensions Committee and also for her attendance at forums on behalf of the Pensions Committee.