

PENSIONS COMMITTEE

Monday, 13 November 2017

<u>Present:</u>	Councillor	P Doughty (Chair)	
	Councillors	G Davies T Jones B Kenny G Watt	K Hodson C Povall P Cleary
	Councillors	T Byron, Knowsley Council P Lappin, Sefton Council	
		R Bannister, Unison retired member representative	
<u>Apologies</u>	Councillors	B Mooney N Crofts, Liverpool City Council J Fulham, St Helens Council	

43 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.

Mr Roger Bannister declared a pecuniary interest by virtue of 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.

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

Councillor Tony Jones declared a pecuniary interest by virtue of being a member of Merseyside Pension Fund.

Councillor Paulette Lappin 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

44 MINUTES

Resolved – That the accuracy of the Minutes of the Pensions Committee held on 18 September, 2017 be approved as a correct record.

45 **LGPS UPDATE**

A report of the Managing Director for Delivery provided the Pensions Committee with an overview of the prospective changes affecting the future administration of the LGPS. A synopsis of prospective changes to LGPS & Overriding Pension Legislation was attached as Appendix One to the report and provided the latest position on the prospective changes and overriding legislation that would affect the future administration of the LGPS.

Members were informed that there were a number of government initiatives and policy reform activities that had been consulted upon during the last twelve months. It was reported that as parliamentary time had been focused on Brexit the timescales for implementation of various reforms had been delayed. Yvonne Caddock, Head of Pensions Administration, highlighted that due to the delay in the exit cap reforms a standardised approach to calculate strain costs would not be implemented in the short term. Therefore upon the advice of the actuary the Fund had given notice to employers that a 5% loading to the pension costs factors would be applied from 1 April 2018 in alignment with the underlying funding cost of an individual retirement.

Resolved – That the report be noted.

46 **PENSIONS ADMINISTRATION STRATEGY**

Members of the Committee gave consideration to a report of the Managing Director of Delivery that outlined and recommended proposed revisions to the Pensions Administration Strategy (PAS), following completion of the consultation period with employers on 2 October 2017.

The proposed revisions had undergone due consideration by the Pension Board as to the reasonableness of the amendments and the impact on policy objectives.

The revised draft PAS was attached as Appendix One to the report and Appendix Two contained a synopsis of the consultation feedback.

Members were informed that under the LGPS Regulations, the Fund may produce and publish a PAS and ensure it is reviewed and revised as appropriate. The PAS set out a framework for assessing Fund and employer performance standards in ensuring a cost-effective, high quality pension administration service.

The Fund had published the latest version of its PAS in 2013 and committee had considered the rationale for a radical overhaul of the policy at its meeting on 17 July 2017 (minute 13 refers).

Predominantly the PAS had been updated to reflect the Fund's strategic business plan, to conduct more operational processes and stakeholder communications using online systems and secure portals for the exchange of electronic data.

Yvonne Caddock, Head of Pensions Administration, provided members with details of the primary aims of the PAS, the key revisions and outcome of the employer consultation and responded to members' questions.

Resolved – That, subsequent to the Pension Board’s agreement following the consultation with scheme employers, the revised Pension Administration Strategy and charging schedule be approved.

47 **RECORDS MANAGEMENT & DATA IMPROVEMENT POLICY**

A report of the Managing Director for Delivery informed Members of the introduction of a Records & Data Improvement Policy for the Pension Administration Section.

The strategic objectives of the policy were to strengthen governance in regard to the Fund’s record keeping activity and demonstrate transparency to stakeholders that data was readily available and fit for purpose at all times.

Members were informed that the draft policy documented the Fund’s strategy to embed conformity measures and process reviews within its business operations in order to deliver a rigorous approach to continuous data quality improvement.

The Pension Board had considered the draft policy at its meeting on 10 October 2017 and had deemed it suitable for presentation to Pension Committee for approval; on the basis that accurate data drove confident and proactive decision making and supported a solid risk management framework.

The Records & Data Improvement Policy was attached as Appendix One to the report.

Resolved –That, following the Pension Board’s agreement that it appropriately outlined the objectives and practice to achieve and maintain a high level of data quality in regard pension administration records, the draft Records & Data Improvement Policy be approved.

48 **PENSION BOARD MINUTES 10/10/2017**

A report of the Managing Director for Delivery provided members with the Minutes of the local Pension Board held 10 October 2017. The Chair commented that the Pension Fund was fortunate to have a very active Pension Board.

Resolved - That the minutes of the Local Pension Board held on 10 October, 2017 be noted.

49 **LGPS PERFORMANCE 2016/17**

Members gave consideration to a report of the Managing Director for Delivery that provided Committee with information compiled by PIRC relating to the performance of LGPS funds.

The appendix to the report contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of Local Government Act 1972 i.e. information relating to the financial or business affairs of any particular person (including the authority holding that information).

Members were informed that Merseyside Pension Fund participated in the Local Authority Pension Performance Analytics service which was being administered by PIRC since State Street withdrew from offering this service.

The presentation, attached as an exempt appendix to the report, provided an overview of the LGPS universe and information on risk and returns over the short, medium and long term.

Resolved – That the report be noted.

50 **POOLING UPDATE**

A report of the Managing Director for Delivery provided Members with an update on pooling arrangements relating to MPF and the Northern Pool.

The appendices to the report contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of Local Government Act 1972 i.e. information relating to the financial or business affairs of any particular person (including the authority holding that information).

DCLG had requested that all Pools provide a report on progress as at 30 September 2017. A copy of the Northern Pool's report was attached in the exempt appendix. Draft terms of reference considered at the Northern Pool Shadow Joint Committee meeting on 12 September 2017 were also attached as an exempt appendix.

Resolved – That the report be noted.

51 **IMWP MINUTES 12/10/2017**

Members gave consideration to a report of the Managing Director for Delivery that provided Members with the minutes of the Investment Monitoring Working Party held on 12 October 2017.

The appendix to the report contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of 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 held on 12 October, 2017 which were attached as an exempt appendix to the report be approved.

52 **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 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.

53 **LGPS PERFORMANCE 2016/17 EXEMPT APPENDIX**

The appendix to the report on LGPS Performance 2016/17 was exempt by virtue of paragraph 3.

54 **POOLING UPDATE EXEMPT APPENDICES**

The appendices to the report on Pooling Update were exempt by virtue of paragraph 3.

55 **EXEMPT IMWP MINUTES 12/10/2017**

The appendix to the report on Exempt IMWP Minutes 12/10/2017 was exempt by virtue of paragraph 3.