

LOCAL PENSIONS BOARD

Thursday, 24 February 2022

Present:

J Raisin (Chair)

G Broadhead
Dawson
Fieldsend

D Ridland
Irvine
Maloney

Apologies

L Robinson

S Van Arendsen

44 **WELCOME AND INTRODUCTION**

The Chair welcomed Members of the Local Pensions Board. It was noted that this meeting was being held remotely with public access available through registering as a guest into the teams meeting.

The Chair explained that it was hoped that the Local Pensions Board would resume face to face meetings within the next municipal year.

45 **APOLOGIES**

Apologies were received from L Robinson and S Van Arendsen.

46 **MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST**

Members were asked to consider whether they had any disclosable pecuniary interests and/or any relevant interest in connection with any items on the agenda and, if so, to declare them and state what they were.

No such declarations were made.

47 **MINUTES**

The Chair requested that the word ' industry' be removed from the third paragraph and replaced with ' Treasury'

Peter Wallach, Head of Merseyside Pension Fund provided the Board with an update on minute 40 and advised that the TUC had now written to the host authority of the Northern LGPS Joint Oversight Committee regarding concerns that employee representative positions had not been filled.

Resolved – That subject to the suggested amendment the minutes of the previous Local Pensions Board be approved as a true and accurate record.

48 **LOCAL GOVERNMENT PENSION SCHEME (LGPS) UPDATE**

A report by the Director of Pensions provided Board Members with a report on developments in the Local Government Pension Scheme (LGPS) taken to Pensions Committee since the previous board meeting.

The report advised that on 16 December 2021, the Department for Levelling Up, Housing and Communities (DLUHC) published the Government Actuary Department's (GAD) report on the 2019 LGPS valuations for England and Wales, as requires, under section 13 of the Public Service Pension Schemes Act 2013. Members of the board were advised that the report was expected to be published in the summer but was delayed due to ministerial time constraints and discussions between various stakeholders.

Yvonne Murphy, Head of Pensions Administration introduced the report and responded to questions.

Resolved – That the outcome of the Section 13 report and the specific information relating to Merseyside Pension Fund (MPF) be noted.

49 **MERSEYSIDE PENSION FUND BUDGET FINANCIAL YEAR 2022/23**

A report by the Director of Pensions provided Board Members with a budgetary report that had recently been considered at Pensions Committee.

Members of the Board were advised that the headline figures during the financial year 2022/23 are estimated that Merseyside Pension Fund (MPF) will pay £382m in pension benefits and receive £164m in contributions from employers and employees. The Board were informed that MPF has a value of £10.9bn at 31 December 2021.

Donna Smith, Head of Finance and Risk presented the report and responded to questions raised by Board Members.

In response to a question, the Head of MPF advised that performance fees are benchmarked, but the fund is looking towards using more flat fee payments going forward.

An observation were raised about the underspend on consultant fees and it was explained that some budgeted projects involving the use of consultants had been deferred to the next financial year. A comment was then made

regarding staffing costs whereby it was identified that MPF had spent less than 4p in every £100 on staff. The Board expressed how they would be supportive of increasing the staffing budget.

Resolved – That the report be noted.

50 **TREASURY MANAGEMENT POLICY FOR 2022/23 AND ANNUAL REPORT FOR 2020/21**

A report by the Director of Pensions provided Board Members with the Treasury Management Policy Statement and the treasury management practices for Merseyside Pension Fund (MPF) for the year 2022/22 that had recently been considered at Pensions Committee.

The report explained how treasury managements are defined as: the management of the Fund's cash flows, its banking, money market transactions, the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

Donna Smith, Head of Finance and Risk introduced the report.

Resolved – That the report be noted and the implications for Merseyside Fund be considered.

51 **COMPLAINTS POLICY FOR MERSEYSIDE PENSION FUND**

A report by the Director of Pensions provided Members with the Complaints Policy for Merseyside Pension Fund (MPF) that had recently been considered by the Pensions Committee.

Members of the Board were advised that the introduction of a 'Complaints Policy' was intended to formalise and enhance the operational practice adopted by Merseyside Pension Fund in responding to complaints. The policy outlined the methods and timeframes for recording, investigating, and implementing corrective actions in dealing with complaints from members, employers and other stakeholders.

Yvonne Murphy, Head of Pensions Administration introduced the report and advised that under the new policy, complaints would be reported more consistently.

Resolved – That the report be noted and the implications for Merseyside Pension Fund be considered.

52 **NORTHERN LGPS UPDATE**

A report by the Director of Pensions provided Members with an update on pooling arrangements in respect of Merseyside Pension Fund (MPF) and the Northern Local Government Pension Scheme (LGPS). Minutes of the previous Northern LGPS Joint Committee were appended to the report for noting.

Resolved – That the minutes of the Northern LGPS Joint Committee meeting be noted

53 **MEMBERS' LEARNING & DEVELOPMENT PROGRAMME**

A report by the Director of Pensions provided the most recent Members Learning and Development Programme and reminded Board Members of their learning and development responsibilities.

The report set out how in accordance with the Pensions Act 2004, each Member of the Local Pensions Board must be conversant with key areas of knowledge and understanding of the law relating to pensions. It was also set out within the report that Board Members have been provided with access to the Local Government Pension Scheme online learning academy.

Members of the board shared positive experiences with the training modules that they had recently completed describing them as high quality and well presented.

Resolved – That the report be noted.

54 **MINUTES OF WORKING PARTY MEETINGS**

The Director of Pensions introduced a report providing Board Members with the minutes of meetings of Working Parties held since the last Board meeting.

Resolved – That the minutes of the Working Party be notes.

55 **UPDATE ON THE CATALYST FUND**

A report by the Director of Pensions updated members of the progress of the Catalyst Fund.

Board Members were advised how The Catalyst Fund aims to support development and refurbishment projects in the Merseyside area that are additive to the regeneration of the Liverpool City Region.

Resolved – That the report be noted

56 **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 they involved the likely disclosure of exempt information as defined by paragraph 3 of Part 1 of Schedule 12A (as amended) to that Act. The public interest test had been applied and favoured exclusion

57 **RISK REGISTER**

A report by the Director of Pensions provided Board Members with Merseyside Pension Fund's Risk Register. The report contained exempt information by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

The report advised that risk management is an integral part of the Fund's business planning, policies and procedures and that the fund maintains a register of its principal risks and the controls and measures put in place to mitigate them. The changes that had been made to the register since the previous meeting were detailed within the report.

The report was presented by the Director of Pensions who responded to questions.

Resolved – That the report be noted

58 **PENSION ADMINISTRATION MONITORING REPORT**

A report by the Director of Pensions provided the Pensions Board with monitoring information on the key performance indicators in respect of work undertaken by the administration team during the period. 1 October to 21 December 2021. The report contained exempt information by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of the Local Government Act 1972.

Yvonne Murphy, Head of Pensions Administration introduced the report and responded to questions regarding data collection, training and members exceeding the annual allowance on pensions contributions and life time allowance. The Senior Manager for Operations and Information Governance also inputted with an update on cyber security.

Resolved – That the report be noted.