

PENSIONS COMMITTEE

Monday, 19 September 2011

<u>Present:</u>	Councillor	G Watt (Chair)	
	Councillors	G Davies P Doughty M Hornby AER Jones A Sykes (dep for Cllr P Johnson) A Brighouse (dep for Cllr Tom Harney)	AR McLachlan C Povall H Smith
	Councillors	N Keats, Knowsley Council D Mclvor, Sefton Council Mr P McCarthy, (NonDistrict Council Employers)	
<u>In attendance:</u>	Mr P Goodwin UNISON	Mr P Wiggins UNISON	
<u>Apologies</u>	Councillors	J Hanson L McGuire T Harney P Johnson	

31 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 George Davies declared a personal interest in Item 15 on the agenda - Academies (Minute No 46 refers) by virtue of being a Governor of two Academies.

Councillor D Mclvor declared a personal interest in Item 17 on the agenda –Taylor Shaw (Minute No 48 refers) by virtue of being a Member of Sefton Council.

Councillor Alan Brighouse declared a personal interest in Item 15 on the agenda – Academies (Minute No 46 refers) by virtue of being a Governor on an Academy and also a personal interest in general by virtue of his wife being a member of the Pension Fund.

Councillor N Keats declared a personal interest in Item 16 on the agenda – Admission Body Application – Mack Trading (Minute No 47 refers) by virtue of being a member of Knowsley Council.

32 MINUTES

The Director of Law, HR and Asset Management submitted the minutes of the meeting held on 27 June, 2011.

Resolved – That the minutes be received.

33 ORDER OF BUSINESS

The Chair agreed to vary the order of business.

34 ACCOUNTS 2010-11

A report of the Director of Finance presented members with the audited Statement of Accounts of Merseyside Pension Fund 2010/2011 (subject to outstanding matters) and responded to the Draft Annual Governance Report (AGR) from Audit Commission. Members were asked to approve the audited Statement of Accounts for 2010/2011 and consider the amendments to the draft accounts and the draft Annual Governance Report and the Letter of Representation. Members were also requested to agree the Action Plan within the Annual Governance Report and were informed of progress with its implementation. As the Pension Fund received a separate AGR, it was noted that this report would first be considered by the Pensions Committee and then by the Audit and Risk Management Committee.

Resolved – That

- 1. the Pensions Committee approve the audited Statement of Accounts for 2010/2011, and has given full consideration to the amendments to the draft accounts and the draft Annual Governance Report and the Letter of Representation.**
- 2. the Action Plan within the Annual Governance Report be agreed, and that the Pensions Committee be informed of progress with its implementation.**
- 3. the recommendations be referred to the Audit and Risk Management Committee.**

35 AUDIT COMMISSION ANNUAL GOVERNANCE REPORT

The District Auditor, gave a presentation on the Annual Governance Report summarising the findings of the 2010/2011 audit of Merseyside Pension Fund. and responded to Members questions.

Resolved – That the report be considered and noted.

36 MEMBERS' TRAINING DAY

A report of the Director of Finance informed Members of the training day on 20 October 2011, and provided details of the 2011 'Fundamentals' training programme.

Resolved – That

- 1. Members attend the training day on 20 October 2011.**

2. **Members notify the Director of Finance if they wish to attend any of the 'Fundamentals' days.**

37 **LAPFF CONFERENCE BOURNEMOUTH**

A report of the Director of Finance recommended the Committee to approve attendance by the Chair at the Local Authority Pension Fund Forum (LAPFF) Annual Conference, organised by PIRC, to be held in Bournemouth from 30 November to 2 December 2011.

Resolved – That attendance at the LAPFF conference by the Chair be approved.

38 **LGPS UPDATE**

A report of the Director of Finance updated Members on legislative and other developments affecting the Local Government Pension Scheme.

Resolved – That the report be noted.

39 **ANNUAL EMPLOYERS' CONFERENCE**

A report of the Director of Finance informed Members of the arrangements for the annual Employers' Conference to be held on Thursday 17 November 2011 at Aintree Racecourse.

Resolved - That Members attend the Annual Employers Conference.

40 **BANK AND OTHER AUTHORISED SIGNATORIES**

A report of the Director of Finance set out proposed changes to authorised signatories at Merseyside Pension Fund, following the completion of the restructuring.

The report described the different requirements for different institutions and functions, including the banks, custodian, and overseas pensions payment agent, as well as the granting of power of attorney where appropriate.

The report also referred to operational decisions regarding authorised signatories for other transactions and procedures, by officers nominated by the Director of Finance. The report avoided doubt by organisations undertaking due diligence on MPF as an investee company or as a financial services provider, or for overseas jurisdiction.

Resolved – That

1. **the following officers be authorised to open, close and amend bank accounts, authorise instructions for the payment of benefits and for investment transactions, for the accounts with the bankers (Royal Bank**

of Scotland), with the Global Custodian (State Street), and with other financial institutions for the purpose of making and redeeming deposits, “open” cheques, and counter sign cheques over £10,000:

Director of Finance	Ian E. Coleman
Deputy Director of Finance	David L.H. Taylor-Smith
Head of Financial Services	Thomas W. Sault
Head of Benefits, Revenues and Customer Services	Malcolm J. Flanagan
Head of IT Services	Geoffrey W. Paterson
Head of Support Services	Michael J. Fowler
Principal Pensions Officer	Yvonne M. Caddock
Members Services Manager	Margaret M Rourke
Members Services Manager	Susan J. Roberts
Operations Manager	Guy W. Hayton
Group Accountant	Donna S. Smith

- 2. Members confirm that the following officers have powers to authorise investment decisions and relevant documentation, but not to authorise the transfer of money:**

Head of Pension Fund	Peter J. Wallach
Senior Investment Manager	Leyland K. Otter
Investment Manager	Patrick G. Dowdall

- 3. Members note that, for the purposes of due diligence verification, Patrick G. Dowdall, Investment Manager, is designated an authorised officer.**

- 4. Members confirm, for the avoidance of doubt, that the Director of Finance can designate officers of MPF to exercise powers of attorney on behalf of MPF and Wirral Metropolitan Borough Council, which, from 1 July 2011, required two of the following officers:**

Head of Pension Fund	Peter J. Wallach
Senior Investment Manager	Leyland K. Otter
Principal Pensions Officer	Yvonne M. Caddock
Investment Manager	Patrick G. Dowdall

41 **DRAFT ANNUAL REPORT**

A report of the Director of Finance provided Members with the Draft Annual Report of Merseyside Pension Fund for 2010/11. The report was linked to the separate report on the Statement of Accounts for 2010/11 on the agenda.

A copy of the Annual Report was made available for Members at the meeting.

Resolved - That the Draft Annual Report of Merseyside Pension Fund be approved for publication.

42 **PROFESSIONAL PENSIONS AWARDS**

A report informed Members that Merseyside Pension Fund has been short listed by Professional Pensions in the Premier Scheme of the Year (over £2.5bn) category and asked Members to note the attendance at the awards by the Chair of the Committee.

Resolved – That

- 1. the short listing of Merseyside Pension Fund in the Premier Scheme of the Year (over £2.5bn) category be noted**
- 2. attendance at the awards ceremony by the Chair be noted.**

43 TUNSGATE SQUARE SHOPPING CENTRE 'GREEN APPLE' AWARD

A report of the Director of Finance advised Members that Tunsgate Square Shopping Centre, Guildford, part of the Merseyside Pension Fund property portfolio, has been identified for a “Green Apple” environment award.

Resolved – That

- 1. the environmental award in respect of Tunsgate Square be noted.**
- 2. attendance at the Green Apple Awards by the Chair be approved .**

44 CORPORATE GOVERNANCE AND VOTING

A report of the Director of Finance advised Members of the outcome of the procurement process to appoint a provider of corporate governance research and proxy voting services and to appoint the firm recommended in the Appendix.

The appendix to the report, (Selection of Corporate Governance Research and Proxy Voting Service Provider) contained exempt information. This was by virtue of paragraph 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

- 1. the outcome of the procurement process be noted.**
- 2. the firm recommended in the Exempt Appendix to the report be appointed.**

45 AUTO ENROLMENT

A report of the Director of Finance informed Members of impending workplace pension reforms which included a new duty on all employers to ensure employees were auto-enrolled into a qualifying pension scheme. The likely impact on Merseyside Pension Fund and its participating employers was highlighted with regard to additional costs, resources and the scheme’s membership base.

Resolved – That the report be noted.

46 ACADEMIES

A report of the Director of Finance informed Members of a substantial increase in the number of Scheme Employers, resulting from local authority schools choosing to convert to Academy status under the Academies Act 2010.

Resolved – That

- 1. the implications for MPF in terms of higher workloads and additional costs be noted.**
- 2. a report be presented to the Employment and Appointments Committee on the additional staffing requirements arising from this report.**

47 ADMISSION BODY APPLICATION - MACK TRADING

A report of the Director of Finance informed Members of a decision taken under delegation, to approve the application received from Mack Trading (Heaton Park) to Merseyside Pension Fund as a Transferee Admission Body. The company had secured the operation of Bowring Golf Course contract, outsourced by Knowsley Borough Council, for the period 1 September 2011 to 31 August 2031.

Resolved - That the approval of the application for admission to the Merseyside Pension Fund of Mack Trading be noted.

48 TAYLOR SHAW - REPORT

A report of the Director of Finance informed Members of his decision taken under delegation, to approve the application received from Taylor Shaw to Merseyside Pension Fund as a Transferee Admission Body. The company had secured the catering contract at Grange Primary School, a Sefton School, for the period 1 April 2009 to 31 March 2013.

The Director of Finance also submitted an exempt report to Members.

Resolved –

That approval of the application for admission to the Merseyside Pension Fund of Taylor Shaw to undertake the catering contract at Grange Primary School be noted.

49 IMWP MINUTES

A report of the Director of Finance provided members with the minutes of the Investment Monitoring Working Party held on 6 September, 2011.

Appendix 2 to the report, (The minutes of the IWMP on 6 September, 2011), contained exempt information. This was by virtue of paragraph 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 held on 6 September, 2011 be approved.

50 **GOVERNANCE & RISK WORKING PARTY MINUTES - REPORT**

A report of the Director of Finance provided members with the minutes of the Governance & Risk Working Party (GRWP) held on 14 July 2011.

The minutes of the GRWP on 14 July 2011, contained exempt information. This is 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) meeting on 14 July 2011 which were attached as an exempt appendix on the agenda be approved.

51 **ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR (PART 1) - ADMISSION BODY APPLICATION - AGILISYS**

A report of the Director of Finance informed Members of his decision taken under delegation, to approve the application received from Agilisys for admission to Merseyside Pension Fund as a Transferee Admission Body. The company had secured a schools' ICT. Contract for the period 1 August 2011 to 31 July 2019 with St. Helens Council.

Resolved – That the approval of the application for admission to the Merseyside Pension Fund of Agilisys be noted.

52 **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.

53 **NON RECOVERY OF OVERPAYMENTS**

A report of the Director of Finance requested approval to write off a total sum of £4,520.04 outstanding in respect of overpayments of pension that have arisen and which were now considered irrecoverable.

Details of the individual cases were submitted in the schedule attached to the report.

Resolved – That the sum of £4,520.04 in respect of pension overpayment be approved for write off.

