

PENSIONS COMMITTEE

Monday, 25 March 2013

<u>Present:</u>	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	
<u>In attendance:</u>		Phil Goodwin (Unison)	
<u>Apologies</u>	Councillors	P Tweed P Hurley P McCarthy Paul Wiggins (Unison)	

76 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 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.

77 MINUTES

The Acting Director of Law, HR and Asset Management submitted the minutes of the meeting held on 15 January, 2013.

Resolved – That the minutes be received.

78 ORDER OF BUSINESS

The Chair agreed to vary the order of business.

79 LGPS UPDATE

A report of the Interim Director of Finance updated the Pensions Committee on the MPF technical response to the statutory consultation on the LGPS 2014 draft

membership, contributions and benefit regulations. The timetable for the remaining elements of the regulatory framework was outlined to enable the new Scheme to be assessed as fit for purpose on the grounds of affordability, governance and administrative ease.

The report also covered the revised earning bands used to assess employee contribution rates from April 2013, the Government's white paper on State Pension Reform and a position update on both the 'Universal Credit' and Auto-enrolment legislation.

The Pension Funds submission to DCLG Consultation on Draft LGPS 2014 Regulations, dated 5 February, 2013 was attached as an appendix to the report.

Yvonne Caddock, Principal Pension Officer, outlined the report and responded to members questions.

Resolved – That the report be noted.

80 **WITHHOLDING TAX CLAIMS**

A report of the Interim Director of Finance provided the Pensions Committee with an update on the progress made by the Fund in reclaiming withholding tax from the UK and European tax authorities and sought approval to continue the group action in respect of Manufactured Overseas Dividends (MODs).

In January 2009, the Pensions Committee had been informed of the engagement of KPMG and McGrigors (now Pinsent Masons) to assist in the recovery of withholding taxes (WHT) suffered on EU sourced dividend income and non-recoverable under existing Double Tax Agreements.

It was reported that in April 2009 this had been extended to the recovery of UK withholding tax suffered on Manufactured Overseas Dividend (MOD) income arising from stocklending.

Updates had been brought to Committee in September 2009 and March 2011.

Peter Wallach, Head of Pension Fund, outlined the report and responded to Members questions.

Resolved – That;

- 1. the progress of the European Withholding Tax Claims be noted.**
- 2. the contribution from the internal team be noted.**
- 3. the continuation of the MOD claim be noted.**

81 **PRIVATE EQUITY PROGRAMME 2011-2014**

A report of the Interim Director of Finance updated Members on progress made on the Private Equity Programme 2011-14 and asked Members to approve the proposed Private Equity investments for 2013.

The appendix to the report, MPF Private Equity Programme 2011-14, as updated March 2013, 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).

Paddy Dowdall, Investment Manager, Merseyside Pension Fund, outlined the report and responded to Members questions.

Resolved – That;

1 the report including the programme for 2011-14 in the Exempt Appendix and the proposed Private Equity investments for 2013 be approved and noted.

2 the Interim Director of Finance make the individual investments under delegated authority and use this delegated authority to make changes as and when circumstances demand.

3 the Pensions Committee continue to receive annual updates on the private equity programme and reports be continued to be made to the IMWP on a quarterly basis.

82 INTERNAL DISPUTE RESOLUTION PROCEDURE

A report of the Interim Director of Finance informed the Pensions Committee that the Local Government Pension Scheme (LGPS) had an inbuilt complaints procedure for dissatisfied members, called the Internal Dispute Resolution Procedure (IDRP).

The report sought to appoint and authorise officers who could consider appeals at stage 1 and stage 2 of the IDRP process in respect of MPF.

Resolved – That the proposed changes to the panel of authorised officers to consider appeals under the Internal Dispute Resolution Procedure be agreed.

83 NAPF LOCAL AUTHORITY CONFERENCE

A report of the Interim Director of Finance requested nominations to attend the National Association of Pension Funds (NAPF) Local Authority Conference 2013 to be held in Gloucester from 20 May to 22 May 2013.

Members discussed the possibility of the Spokespersons and Chair attending and suggested that there should be review of the rationale of who needs to be trained. Peter Wallach, Head of Pensions, indicated that it was for members to determine attendance but future reports would try to provide more information to enable this.

On a motion by Councillor Harry Smith and seconded by Councillor George Davies it was;

Resolved – That the wording of future reports be amended to clarify who needs to attend Pensions conferences.

84 PIRC ANNUAL CORPORATE GOVERNANCE CONFERENCE 2013

A report of the Interim Director of Finance sought approval for the Chair to attend the PIRC Annual Corporate Governance Conference 2013 to be held in London on 26 March, 2013.

Resolved – That the attendance of the Chair at the PIRC Annual Corporate Governance Conference 2013 be approved.

85 GOVERNANCE & RISK WORKING PARTY MINUTES

A report of the Interim Director of Finance provided members with the minutes of the Governance & Risk Working Party (GRWP) held 30 January 2013.

An exempt report on the agenda, the minutes of the GRWP on 30 January 2013, 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 on 30 January 2013 contained in the Exempt Appendix be approved.

86 AUDIT PLAN

Mike Thomas, Director Merseyside Pension Fund, presented the Audit Plan for Merseyside Pension Fund and responded to Members questions.

Resolved – That the Audit Plan be noted.

87 LGPS TRUSTEES CONFERENCE AND CIPFA ANNUAL CONFERENCE.

A report of the Interim Director of Finance requested nominations to attend the Tenth Annual LGPS 'Trustees' Conference 2013 to be held in Sheffield from 27 to 28 June 2013.

The report sought approval for the Chair of Pensions Committee to attend the Annual CIPFA Conference 2013 to be held in London from 9 to 11 July 2013.

Resolved – That :

- 1. Peter Wallach, Head of MPF, contact members of the Pensions Committee by email to confirm those members who wish to attend the Trustees conference.**
- 2. attendance at the CIPFA conference by the Chair and an officer be agreed.**

88 ADMISSION BODY APPLICATION GRAYSONS RESTAURANTS LTD LIVERPOOL CITY COUNCIL - CATERING CONTRACT

A report of the Interim Director of Finance informed members of his decision, taken under delegation, to approve the application received from Graysons Catering Services Limited for admission to Merseyside Pension Fund as a Transferee

Admission Body. The company had secured a catering contract with Liverpool City Council for a period of 3 years with effect from 1st March 2012 with an option to extend for a further 2 years.

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 the approval of the application for admission to the Merseyside Pension Fund of Graysons Restaurants Ltd be noted.

89 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 relevant paragraphs of Part 1 of Schedule 12A (as amended) to that Act. The public interest test had been applied and favoured exclusion.

90 PRIVATE EQUITY PROGRAMME 2011-2014 EXEMPT APPENDIX

The appendix to the report on Private Equity Programme (Minute 81 refers) was exempt by virtue of paragraph 3.

91 MINUTES OF THE MEETING OF THE GOVERNANCE AND RISK WORKING PARTY WEDNESDAY 30 JANUARY 2013 EXEMPT APPENDICES

The appendix to the report on the Minutes of the Governance and Risk Working Party 30 January 2013 (Minute 85 refers) was exempt by virtue of paragraph 3.

92 IMWP MINUTES 20/02/13 & 12/03/13

The appendix of the report on IMWP minutes 20/02/13 & 12/03/13 was exempt by virtue of paragraph 3.

Resolved – That the IMWP minutes of 20/02/13 & 12/03/13 attached as exempt appendices to the report be approved.

93 EXEMPT APPENDIX 2 MINUTES OF INVESTMENT MONITORING WORKING PARTY, 12TH MARCH 2013

The appendix to the report on IMWP MINUTES (Minute 92 refers) was exempt by virtue of paragraph 3.

94 EXEMPT APPENDIX 3 MEDIUM TERM ASSET ALLOCATION FRAMEWORK

The appendix to the report on IMWP MINUTES (Minute 92 refers) was exempt by virtue of paragraph 3.

95 **EXEMPT APPENDIX 1 MINUTES OF INVESTMENT MONITORING WORKING PARTY, 20TH FEBRUARY 2013**

The appendix to the report on IMWP MINUTES (Minute 92 refers) was exempt by virtue of paragraph 3.

96 **EXEMPT APPENDIX ADMISSION BODY APPLICATION GRAYSONS RESTAURANTS LTD LIVERPOOL CITY COUNCIL - CATERING CONTRACT**

The appendix to the report on Graysons Restaurants (Minute 88 refers) was exempt by virtue of paragraph 3.