

PENSIONS COMMITTEE

Monday, 16 September 2013

<u>Present:</u>	Councillor	A R McLachlan (Vice Chair)	
	Councillors	G Watt T Harney G Davies M McLaughlin (dep for Cllr S Hodrien)	AER Jones H Smith C Povall
	Councillors	N Keats, Knowsley Council P Hurley, Liverpool City Council	
<u>In attendance:</u>		Mr P McCarthy (Non District Council Employers) Mr P Goodwin (Unison) Mr P Wiggins (Unison)	
<u>Apologies</u>	Councillors	P Glasman M Hornby J Fulham St Helens Council P Tweed, Sefton Council	

26 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.

27 MINUTES

The Strategic Director Transformation and Resources submitted the minutes of the meeting held on 24 June 2013.

Resolved – That the minutes be received.

28 MERSEYSIDE PENSION FUND - AUDIT FINDINGS REPORT - 2012-13

The Pensions Committee gave consideration to the Audit Findings for Merseyside Pension Fund for the year ended 31 March 2013.

Mike Thomas, Director, Grant Thornton outlined the keys findings of the report and responded to Members questions.

Resolved – That the report be noted and referred to the Audit & Risk Management Committee.

29 **DRAFT ANNUAL REPORT**

A report of the Strategic Director Transformation and Resources provided the Pension Committee with the draft Annual Report of Merseyside Pension Fund for 2012/13.

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

Resolved – That the draft Annual Report of Merseyside Pension Fund be approved for publication.

30 **FUND ACCOUNTS 2012/13**

A report of the Interim Director of Finance presented Members with the audited statement of accounts of Merseyside Pension Fund for 2012/13 and responded to the Annual Governance Report (AGR) from Grant Thornton.

The purpose of the Statement of Audited Accounts is to present the overall financial position of the Pension Fund as at 31st March 2013 in accordance with prescribed guidance.

A summary of the response to the AGR and action plan was attached as an appendix to the report.

Resolved - That:

- 1 having considered the amendments to the draft accounts, the draft Annual Governance Report and the Letter of Representation, the audited Statement of Accounts for 2012/13 be approved**
- 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.**

31 **LGPS UPDATE**

A report of the Strategic Director Transformation and Resources updated Members of the latest developments relating to the proposed reform of the Local Government Pension Scheme (LGPS) and outlined the current consultations that were taking place. In addition, it presented a position statement on the national Communication Plan - the focus of which was to promote the value of the new Scheme to the current membership.

It also covered the recent Ministerial Statement and the guarantee from the Department for Education to cover outstanding LGPS exit debts upon the closure of an Academy.

MPF submission dated 2 August 2013 to DCLG Consultation on Draft LGPS 2013 Regulations, MPF submission dated 30 August 2013 to DCLG Discussion Paper on the New Governance Arrangements LGPS 2014, MPF submission dated 5 July to DCLG on Tax-Payer Funded Pensions for Councillors and LGPS2014 – Scheme Changes Leaflet were attached as appendices to the report.

Resolved – That the report be noted.

32 **FUTURE STRUCTURE OF THE LGPS**

A report of the Strategic Director Transformation and Resources updated Members with the latest developments relating to the proposed changes to the structure of the Local Government Pension Scheme (LGPS) and sought approval for a proposed response to the DCLG's call for evidence.

The Draft MPF submission to DCLG call for evidence on reform of the LGPS was attached as appendix to the report.

Resolved – That the report be noted and the response to the call for evidence be approved.

33 **TACTICAL ASSET ALLOCATION**

A report of the Strategic Director Transformation and Resources updated the Pensions Committee on progress on the implementation of a framework for active management of medium term asset allocation.

Appendices 1 and 2 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

- 1 the report on progress to date on the implementation of the framework for active management of medium term asset allocation be noted.**
- 2 subject to approval, the Compliance Manual be amended to reflect the MTAA framework.**
- 3 the additional consultancy fees paid to Aon Hewitt for conducting due diligence on the recommended arrangements be noted.**

34 **IT COSTS 2014 REFORM**

A report of the Strategic Director Transformation and Resources informed the Pension Committee of the IT costs relating to updating the pension administration computer system in order to meet the legislative changes of the Local Government Pension Scheme (LGPS) in April 2014.

The report also covered the current Electronic Document Management and Workflow system, with the request to align procurement arrangements with the contractual renewal date for the Pensions Administration and Pensioner Payroll system.

An exempt report on the agenda, setting out the IT costs, 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

- 1 the additional costs required to update the Altair IT System for the new regulations from April 2014 be noted.**
- 2 the current annual renewal arrangement for Pensions⁵ continue until December 2016, in order to align procurement arrangements with the contractual renewal date for the Altair system be agreed.**

35 ANNUAL EMPLOYERS CONFERENCE

A report of the Strategic Director Transformation and Resources informed Members of the arrangements for the annual Employers' Conference to be held on Thursday 28 November 2013.

Resolved – That the report be noted.

36 LGPS FUNDAMENTALS TRAINING

A report of the Strategic Director Transformation and Resources recommended the Committee to approve participation by Members in the LGPS Trustee Training 'Fundamentals XII' organised by the Local Government Pensions Committee.

Details of the training event were attached at Appendix 1 to the report.

Resolved – That

- 1 attendance by Members on the 'Fundamentals training' be approved.**
- 2 Members wishing to attend notify the Head of Pension Fund to enable the necessary registration and administration to be undertaken.**

37 LAPFF CONFERENCE

A report of the Strategic Director Transformation and Resources recommended the Committee to approve attendance by the Chair and the Executive Board member at the Local Authority Pension Fund Forum (LAPFF) Annual Conference, organised by PIRC, to be held in Bournemouth from 4 to 6 December 2013.

Resolved - That attendance at the LAPFF conference by the Chair and party spokespersons be approved.

38 **INFRASTRUCTURE & PRIVATE EQUITY SEMINAR**

A report of the Strategic Director Transformation and Resources asked the Pensions Committee to consider attendance by Members at an Infrastructure & Private Equity Seminar, organised by Capital Dynamics, to be held in Manchester on 13 November 2013.

Resolved - That attendance at this seminar be approved and the Head of Pension Fund contact Members to determine interest in attendance.

39 **NAPF CONFERENCE**

A report of the Strategic Director Transformation and Resources recommended the Pensions Committee to consider attendance by Members at the National Association of Pension Funds (NAPF) Annual Conference, to be held in Manchester from 16 to 18 October 2013. Appendix 1 to the report provided further information on the event including the programme of events.

Resolved - That

- 1 attendance at the NAPF conference by Members be approved.**
- 2 Members wishing to attend the conference notify the Head of Pension Fund to enable the necessary registration and administration to be undertaken.**

40 **AMEY SERVICES**

A report of the Strategic Director Transformation and Resources informed members of the Interim Director of Finance decision taken under delegation, to approve the application received from Amey Services Limited for admission to Merseyside Pension Fund as a Transferee Admission Body. The company had secured the Highways/Street Lighting contract (Lot 1) and the Street Cleansing contract (Lot 2) at Liverpool City Council from 1st July 2013 for a period of 9 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 applications for admission to the Merseyside Pension Fund of Amey Services Ltd be noted.

41 **TUNSGATE SQUARE TENDER**

A report of the Strategic Director of Transformation and Resources informed the Pension Committee of the outcome for the recent tendering exercise in respect of replacing the patio roof covering for the flats which formed part of the Tunsgate shopping centre in Guildford which was owned by MPF as part of the direct property

investment portfolio. The Tendering process had been conducted on behalf of MPF by CB Richard Ellis (CBRE).

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

Resolved – That the acceptance by the Interim Director of Finance of the lowest cost tender as outlined in the exempt appendix to the report be noted.

42 GRWP MINUTES 18 JULY 2013

A report of the Strategic Director of Transformation and Resources provided members with the minutes of the Governance & Risk Working Party (GRWP) held 18 July 2013.

An exempt report on the agenda, the minutes of the GRWP on 18 July 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 GRWP be noted.

43 MINUTES OF THE INVESTMENT MONITORING WORKING PARTY 11 SEPTEMBER, 2013.

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 11 September, 2013.

The appendices to the report, the minutes of the IMWP held on 11 September, 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 be noted.

44 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.

45 TACTICAL ASSET ALLOCATION EXEMPT APPENDICES

The appendix to the report on Tactical Asset Allocation (Minute 33 refers) was exempt by virtue of paragraph 3.

46 IT COSTS 2014 REFORM EXEMPT APPENDIX

The appendix to the report on IT Costs 2014 Reform (Minute 34 refers) was exempt by virtue of paragraph 3.

47 AMEY SERVICES EXEMPT APPENDIX

The appendix to the report on Amey Services (Minute 40 refers) was exempt by virtue of paragraph 3.

48 TUNSGATE SQUARE TENDER EXEMPT APPENDIX

The appendix to the report on Tunsgate Square Tender (Minute 41 refers) was exempt by virtue of paragraph 3.

49 GRWP MINUTES EXEMPT APPENDIX

The appendix to the report on GRMP Minutes (Minute 42 refers) was exempt by virtue of paragraph 3.

50 IMWP MINUTES 11 SEPTEMBER 2013 EXEMPT APPENDIX

The appendix to the report on the IMWP Minutes (Minute 43 refers) was exempt by virtue of paragraph 3.