

LOCAL PENSIONS BOARD

Thursday, 14 April 2016

Present: J Raisin (Chair)

G Broadhead	P Goodwin
M Hornby	P Wiggins
R Dawson	P Maloney
K Beirne	

Apologies D Ridland

20 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Members were asked to declare any disclosable pecuniary and non-pecuniary interests, in connection with any item(s) on the agenda and state the nature of the interest.

No such declarations were made.

21 MINUTES

Mr P Wiggins commented that Members would find it helpful if a glossary of acronyms could be included where appropriate. Members having agreed this it was:-

Resolved – That the accuracy of the Minutes of the Local Pension Board held on 13 October, 2015 be approved as a correct record.

22 LGPS UPDATE

Members considered the LGPS update reports that had been taken to Pensions Committee (25 January and 21 March 2016) since the last Pension Board meeting and were attached as appendices to the report.

Resolved – That the reports be noted.

23 ADMINISTRATION REPORT

A report of the Principal Pensions Officer provided the Pension Board with monitoring information on the key performance indicators in respect of the work undertaken by the administration team during the period 1 April 2015 – 31 March 2016.

The appendix to the report, the Pensions Administration Monitoring 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 be noted.**
- 2) the Board offer its thanks to the Officers and in particular Yvonne Caddock and Guy Hayton for their work in preparing the Administration Report.**

24 POOLING UPDATE

Members considered a report of the Head of the Pensions Fund that provided details of the Fund's initial submission to Government in relation to the ongoing consultation in relation to the requirement for the Local Government Pension Scheme to pool investments to deliver significantly reduced costs while maintaining overall investment performance.

The initial pooling submission to DCLG which had been reported to March Pensions Committee was attached an appendix to the report.

Appendix 4 – to the report – Cost Analysis and Appendix 5 – Legal Advice 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).

On a motion by Geoffrey Broadhead and seconded by Robin Dawson it was: -

Resolved: (Unanimously) -That;

- 1) the Local Pension Board of the Merseyside Pension Fund commends and supports the overall approach adopted by the Northern Powerhouse Pool in their February 2016 submission to the DCLG and the Memorandum of Understanding between the Administrating Authorities of the Merseyside, Greater Manchester and West Yorkshire Funds of 19 February 2016.**
- 2) in particular the Board commends**
 - i) the proposed approach to the structure and Governance of the Northern Powerhouse Pool noting in particular the intent to seek to retain genuine Elected Member oversight through a Joint Committee**

- ii) the Pool's proposed approach to the management of alternative/illiquid assets
 - iii) the intention to explore a range of options for the management of listed assets
- 3) the Pool's governance arrangements should ideally facilitate the genuine involvement and participation of non-district employer, employee and pensioner representatives.

25 **LGPS INVESTMENT REGULATIONS CONSULTATION**

The report of the Head of the Pension Fund provided Members with details of a consultation on proposals to revoke and replace the Local Government Pension Scheme (Management and Investment of Funds) Regulations 2009 and the Fund's submission to that consultation.

Resolved – That the report be noted.

26 **THE PENSIONS REGULATOR BREACHES POLICY**

The Board gave consideration to the policy that had been taken to Pensions Committee in relation to the requirement to report breaches of pension law as defined within section 13 (7) and 70 (2) a of the Pension Act 2004 to the Pension Regulator.

The report of the Head of the Pension Fund informed that under the Pension Act 2004, Wirral Council as administering authority of Merseyside Pension Fund, were under a legal obligation to consider making a report to the Regulator, if they become aware that there had been a breach of the legal requirements, relating to the administration and management of Merseyside Pension Fund. Failure to report a breach when required to do so was a civil offence which could result in a fine on the persons who failed to report.

Merseyside Pension Fund's proposed Breaches Policy and operational procedure for identifying breaches under both the jurisdiction of the Pension Regulator, and any non-compliance under the Local Government Pension Regulations, was attached as an appendix to the report. A decision tree based on the traffic light system of Red, Amber and Green was included within the policy to assess whether the breach was materially significant and the process for reporting the breach to the Regulator.

Members sought clarification of the timescales involved in the reporting of potential breaches and it was agreed that officers would revise the wording of the responsibilities of the responsible officer to clarify the policy intent.

Resolved – That;

- 1) the report be noted.

2) officers revise the wording of the responsibilities of the responsible officer to clarify the policy intent.

27 REVISED POLICIES

A report of the Head of the Pension Fund provided Board members with details of any Fund policies that had been revised since the last Pension Board meeting. The reports to Pensions Committee were attached as appendices to the report. Fund policies were subject to regular review and approval by Pensions Committee. Members commented that they were pleased to note the positive management and governance structure.

Resolved – That the report be noted.

28 MEMBER DEVELOPMENT PROGRAMME

A report of the Head of the Pension Fund outlined the development programme for Members of Pensions Committee that was attached an appendix to the report.

It was a regulatory requirement for LGPS funds to outline in their Statement of Investment Principles the extent of their compliance with the 2008 Myners Principles and associated guidance. Myners emphasises the importance, for effective governance of pension funds, of adequate training for those acting in a trustee-like role.

The Fund's Statement of Investment Principles stated that “an ongoing training programme (updated annually) for Committee Members and Fund officers [is provided] to ensure that decision-making is on an informed basis”.

A number of these development opportunities would also be made available to Pension Board members.

The Head of the Pension Fund indicated that he would be happy to hear about any other training Members had attended.

Resolved – That the report be noted.

29 IMWP MINUTES

The IMWP minutes taken to Pensions Committee since the last Pension Board meeting were attached as exempt appendices to the report.

The appendices to the report, the minutes of IMWPs, 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).

Members who had already attended IMWP meetings commented on their usefulness. The Head of the Pension Fund agreed he would circulate the date of the next meeting and bring dates to future meetings of the Board for members' information.

Resolved – That the report be noted.

30 **GRWP MINUTES**

Members considered the GRWP minutes that had been taken to September Pensions Committee and were attached as an exempt appendix to the report.

The appendix to the report, the minutes of the GRWP on 30 June 2015, 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 report be noted.

31 **DRAFT PENSION BOARD REPORT**

The Chair reported that this item would be discussed at the June meeting of the Pensions Board. The Chair and Head of the Pension Fund would prepare a report on the annual review of effectiveness a draft of which would come to the next meeting of the Board.

32 **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.

33 **POOLING UPDATE**

The appendix to the report on Pooling Update was exempt by virtue of paragraph 3.

34 **IMWP MINUTES**

The appendix to the report on IMWP Minutes was exempt by virtue of paragraph 3.

35 GRWP MINUTES

The appendix to the report on GRWP Minutes was exempt by virtue of paragraph 3.

36 ADMINISTRATION REPORT

The appendix to the report on the Administration Report was exempt by virtue of paragraph 3.

Members requested additional performance indicators in relation to staff absences and turnover.

Resolved – That Officers include an additional monitoring measure covering staff absence and turnover.

37 ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR

In accordance with the Breaches Policy (Minute 26 ante refers) members considered details of two breaches logged in the Register of Internal Breaches as T001 and T002 and were advised of the subsequent action taken.

Resolved – That the Breaches as T001 and T002 in the Register of Internal Breaches logged as Green – Non-reportable be agreed.