

LOCAL PENSIONS BOARD

Wednesday, 13 June 2018

Present:

J Raisin (Chair)

G Broadhead

P Wiggins

M Hornby

R Irvine

K Beirne

L Robinson

D Ridland

P Maloney

1 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.

2 MINUTES

Resolved – That the accuracy of the Minutes of the Local Pension Board held on 20 March, 2018 be approved as a correct record.

3 ORDER OF BUSINESS

The Chair sought and received approval from the Committee to alter the order of the consideration of the agenda.

4 LGPS UPDATE

A report of the Director of Pensions provided Board members with copies of recent LGPS update reports taken to Pensions Committee. Yvonne Caddock, Head of Pensions Administration, outlined the report and responded to members questions.

Resolved – That the report be noted.

5 DRAFT COMMUNICATIONS STRATEGY

Members gave consideration to a report of Guy Hayton, Operations & Information Governance Manager, which reported that in accordance with regulations the Fund was required to publish a statement of policy concerning how it communicated with members and scheme employers. It was reported that the Communications Policy had last been changed in January 2012. The

revised draft policy attached as Appendix 1 to the report took into consideration the Fund's move to more electronic communications and the increasing use of technology by members and employers. Guy Hayton outlined the report, responded to members questions and invited any further comments from members to be returned to him by 21 June, 2018. The Chair commented that he was glad to see that the public enquiry counter would be maintained.

Resolved - That;

- 1. the report be noted.**
- 2. any suggested amendments to the proposed Communications Policy be submitted to Guy Hayton by 21 June, 2018 before the final draft is presented to the Pension Committee in July 2018.**

6 AUDIT PLAN

Members gave consideration to the External Audit Plan prepared by Grant Thornton for the year ending 31 March 2018 and had been submitted to the Audit and Risk Management Committee and the Pensions Committee. Donna Smith, Head of Finance and Risk, Merseyside Pension Fund outlined the report and responded to members questions.

Resolved – That the report be noted.

7 DRAFT DATA PROTECTION POLICY & GDPR UPDATE

The Pension Board gave consideration to the Draft Data Protection Policy prior to its submission to the Pension Committee. Guy Hayton, Operations & Information Manager, Merseyside Pension Fund outlined the report and responded to members questions.

Members noted some minor typographical errors and made suggestions regarding the inclusion of additional narrative to Section 9 of the Policy. Guy Hayton indicated that if members had any further comments/corrections they should get in touch with him before 21 June, 2018.

Resolved – That;

- 1. the actions undertaken by the Fund in regard its ongoing compliance to new Data Protection legislation be noted.**
- 2. any suggested amendments to the proposed Data Protection policy be submitted by 21 June, 2018 before the final draft is presented to the Pension Committee in July 2018.**

8 **ENGAGEMENT WITH THE PENSION REGULATOR**

Members gave consideration to a report of the Head of Pensions Administration that provided Board members with an update on The Pensions Regulator's plans for engagement with LGPS Funds. The report also recommended an early proactive engagement plan with the Regulator, as proposed by the Metropolitan Pension Fund Group.

Yvonne Caddock, Head of Pensions Administration, informed members that the Pensions Regulator (TPR) had started to become more heavily involved in the work of LGPS funds; particularly in the area of data and Funds were expected to face further scrutiny in regard the quality of their data. The white paper entitled "Protecting Defined Benefit Pension Schemes" published on 19 March 2018 stated that the Government intended to support TPR to become a clearer, quicker and tougher organisation by giving it new and improved powers to gather information and require employer co-operation.

Inherent within the regulator's 2018-2021 Corporate Plan was a collective project to engage with particular cohorts of pension administrators with a clear line of sight on the LGPS. The Metropolitan Pension Fund Group (Mets) which is made up of the largest LGPS Funds in England and Wales had approached TPR in an attempt to proactively engage at a high-level to explore ideas and, where possible to receive direction and guidance from TPR to shape actions and develop best practice amongst the group.

Members discussed the possibility of arranging an additional meeting of the Local Pension Board as the frequency of Board meetings had been highlighted by TPR. The Chair noted that Board members were good attendees and engaged proactively with the TPR. The Director of Pensions indicated that an additional meeting would enable timings to be more easily aligned with meetings of the Pensions Committee

Resolved - That;

- 1. MPF's intent to work collectively with the Metropolitan Pension Fund Group, specifically to establish a programme of proactive engagement with the Pension Regulator, be agreed. The objective being to demonstrate compliance against Code of Practice 14 through the process of peer reviews.**
- 2. Local Pension Board meetings increase to 4 meetings per year and that the arrangements to enable this be delegated to the Director of Pensions.**

9 **GIFTS & HOSPITALITY**

A report of the Director of Pensions provided Board members with a copy of the recent report taken to Pensions Committee on the monitoring of gifts and hospitality received by officers and attendance at subsidised business events. The appendices to the report provided schedules of declarations from January 2017 to December 2017.

Resolved – That the report be noted.

10 **DRAFT ANNUAL BOARD REPORT**

A report of the Independent Chair of the Pension Board, which has been prepared in accordance with the Terms of Reference of the Pension Board, was considered by the Board. The report reviewed the performance of the Board and its members during its third year. The third year of the Board had been taken as from 1 April 2017 to 31 March 2018. This report also included a proposed Work Plan for 2018-19.

Under Section 11.3 of its Terms of Reference the Board was required to produce, on an annual basis, a report for consideration by the Scheme Manager which is the Wirral MBC Pensions Committee. Following consideration by the Board, an approved version of this review would be presented by the Independent Chair to the Pensions Committee. On behalf of the Board the Director of Pensions thanked the Independent Chair for the report and it was;

Resolved – That;

- 1. the Pension Board Review 2017-18 be received and approved.**
- 2. the proposed Work Plan 2018-19 be approved.**

11 **POOLING UPDATE**

A report of the Director of Pensions provided Board members with copies of recent Pooling update reports taken to Pensions Committee. The Director of Pensions outlined the report and responded to members' questions. Members raised the question of how the Pension Board could contribute to Pooling and requested that the Director of Pensions raise this with the Chair of the Northern Pool on behalf of the Board. The Director highlighted that a meeting of the Northern Pool Shadow Joint Committee had taken place on 26 February, 2018 and Mr Ian Greenwood had been agreed as Chair. The report also set out the principal ongoing work streams for the Northern Pool and these were reported as making satisfactory progress.

The appendix to this report contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of 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.

12 MONITORING OF INVESTMENT MANDATES & GOVERNANCE

A report of the Director of Pensions provided Board members with a copy of the report to Pensions Committee that had sought approval for a revised policy for the monitoring of investment mandates for Merseyside Pension Fund.

The appendix to the report contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of 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.

13 PROPERTY ARREARS

Members gave consideration to a report of the Director of Pensions that provided Board members with a copy of the report to Pensions Committee that sought approval for the write-off of irrecoverable rent arrears arising from the Fund's property portfolio.

The appendix to the report contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of 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.

14 WORKING PARTY MINUTES 16/11/17 & 30/01/18

A report of the Director of Pensions provided Board members with copies of working party minutes since the previous Board meeting.

The appendix to the report contained exempt information. This was by virtue of paragraph(s) 3 of Part 1 of Schedule 12A of 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.

15 MR GEOFF BROADHEAD

The Director of Pensions informed members that this Board meeting could be the last one attended by Geoff Broadhead as he would be retiring from his post in September 2018. The Director offered his thanks to Mr Broadhead for his invaluable contribution to the Local Pension Board.

16 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.

17 AUDIT PROGRAMME & SUMMARY EXEMPT REPORT

Mark Niblock, Chief Internal Auditor and Tony Dennis, Programme Auditor attended the meeting to present the Merseyside Pension Fund Internal Audit Annual Report to the Board and responded to members questions. The report was exempt by virtue of paragraph 3.

Resolved: -That;

- 1. the representatives from Audit be thanked for the report.**
- 2. the Pension Board notes that Internal Audit has, during 2017-18, undertaken a number of reviews of aspects of the operations of the Merseyside Pension Fund and on the basis of this work has provided a view that significant assurance can be placed on the adequacy and effectiveness of the Merseyside Pension Fund internal control environment.**
- 3. the Pension Board commends the decision mutually agreed between the Merseyside Pension Fund and Internal Audit to increase the number of Audit days going forward by 50 to 150 to reflect the challenges, complexity and to further demonstrate and facilitate good governance at the Fund.**

18 POOLING UPDATE EXEMPT REPORTS

The appendices to the report on Pooling Update were exempt by virtue of paragraph 3.

19 MONITORING OF INVESTMENT MANDATES EXEMPT REPORT

The report on Monitoring of Investment Mandates was exempt by virtue of paragraph 3.

20 **PROPERTY ARREARS EXEMPT REPORTS**

The appendices to the report on Property Arrears were exempt by virtue of paragraph 3.

21 **ADMINISTRATION KPI EXEMPT REPORT**

The report on Administration KPI was exempt by virtue of paragraph 3.

22 **WORKING PARTY EXEMPT MINUTES**

The appendices to the report on Working Party Exempt Minutes were exempt by virtue of paragraph 3.