

LOCAL PENSIONS BOARD

Friday, 8 July 2022

Present: J Raisin (Chair)

G Broadhead	R Irvine
R Dawson	P Maloney
P Fieldsend	S Van Arendsen
D Ridland	

1 WELCOME AND INTRODUCTION

The Chair welcomed attendees to the meeting and informed them that he would be varying the agenda to bring his annual report forward to the end of the public part of the meeting.

2 APOLOGIES

An apology for absence was received from Lyn Robinson, St Helen's College.

3 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Members were asked to declare any interests they had in any items on the agenda. No declarations were made.

4 MINUTES

Resolved –

That the minutes of the Local Pensions Board meeting on 24 February 2022 be approved as a true and accurate record.

5 EXTERNAL AUDIT PLAN - STATEMENT OF ACCOUNTS 2021/22

The Head of Finance and Risk at Merseyside Pension Fund introduced the report of the Director of Pensions which provided Board Members with a copy of the report which had been taken to Pension Committee in relation to Grant Thornton's audit of the Fund's Statement of Accounts for 2021/22.

The audit plan provided an overview of the planned scope and timings of the statutory audit of the Fund to those charged with governance.

Grant Thornton would report their findings to Pensions Committee in September and to a future Audit and Risk Management Committee. That report would also be reported to a future Pension Board meeting.

Resolved:
That the report be noted.

6 STATEMENT OF ACCOUNTS 2021/22 – MANAGEMENT QUESTIONS

The Head of Finance and Risk at Merseyside Pension Fund introduced the report of the Director of Pensions which provided Board Members with a copy of the report taken to Pension Committee in June 2022 in relation to Grant Thornton's audit of the Fund's Statement of Accounts for 2021/22. The review and endorsement of the management responses to questions posed by the Fund's external auditors supported Pensions Committee in fulfilling its responsibilities in relation to the financial reporting process and formed part of the governance arrangements.

In answer to a Board member's question, officers were to consider assessing which posts carried a greater risk of fraud although they noted that there were controls in place.

Resolved:
That the management's responses to the auditor's questions be noted.

7 LOCAL GOVERNMENT PENSION SCHEME (LGPS) UPDATE

The Head of Pensions Administration presented the report of the Director of Pensions which provided Board Members with a copy of a report on developments in the Local Government Pension Scheme (LGPS) which had been taken to Pensions Committee since the previous Board meeting. The main issue was the potential impacts of the McCloud judgement imposing additional liabilities. High level analysis identified that 34,000 members of the Merseyside Pension Fund met the criteria to qualify for protection and informed by the actuarial estimate of a 1% cost of total liabilities this equated to around 340 members who were likely receive an additional underpin amount. Combined with the incoming pension dashboard, there were concerns about the resource requirements.

Resolved:
That the report be noted.

8 MERSEYSIDE PENSION FUND BUDGET OUT-TURN 2021/22 AND FINAL BUDGET 2022/23

The Head of Finance and Risk at Merseyside Pension Fund introduced the report of the Director of Pensions which provided Board Members with a copy of the Pension Fund budget report which had been taken to Pensions Committee in June 2022. Outturn had been lower than budgeted due to deferral of projects caused by the pandemic.

Members questioned the actuarial fees but it was explained that the increase brought them more into line with the contract, and that there had been some unique pieces of work which had not been rechargeable to employers and that this was a valuation year which required additional charges.

It was noted that there was expected expenditure related to the McCloud judgement implications and the pensions dashboard, but also that there were potential savings from bringing further assets in house.

Resolved:

That the out-turn for 2021/22 and the finalised budget for 2022/23 be noted.

9 **NORTHERN LGPS UPDATE**

The Director of Pensions presented his report which provided Board Members with an update on pooling arrangements in respect of Merseyside Pension Fund (MPF) and the Northern Local Government Pension Scheme (LGPS). It also presented the Minutes of the previous Northern LGPS Joint Committee meeting.

Members queried the appointment of Trade Union representatives to the Committee which was proving difficult. It was suggested that appointments could be made locally if it was difficult to achieve one through national union offices. Members would welcome some geographical spread amongst the membership too although they would have to keep in mind experience and diversity as factors too.

Resolved:

That the minutes of the Joint Committee meeting be noted.

10 **MINUTES OF WORKING PARTY MEETINGS**

The Director of Pensions presented his report which provided Board Members with the minutes of meetings of Working Parties held since the previous Board meeting.

Resolved:

That the minutes be noted.

11 **PENSION BOARD REVIEW 2021-22 AND WORK PLAN 2022-23**

The Chair presented his report which reviewed the work and performance of the Board and its Members during its seventh year (1 April 2021 to 31 March 2022). This report also included a proposed Work Plan for 2022-2023. The Chair praised the Board members for their contributions and noted that there were no problems in quality or quantity of applicants when recruiting to vacant

places. He urged members to attend at least one working party and one external event a year.

Resolved: That

(1) the Pension Board Review 2021-2022 be received and approved.

(2) the proposed Work Plan for 2022-2023 be noted.

(3) this report be referred to the Pensions Committee for its consideration.

12 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 paragraphs of Part 1 of Schedule 12A (as amended) to that Act. The Public Interest test has been applied and favours exclusion.

13 PROPERTY PORTFOLIO RENT ARREARS AND WRITE OFFS

The Head of Finance and Risk at Merseyside Pension Fund introduced the report of the Director of Pensions which provided Board Members with a copy of a report, relating to the write-off of property rental arrears, taken to Pensions Committee in June 2022 and approved there.

Resolved:

That the write off of uncollectable property rental income recently approved at Pensions Committee be noted.

14 PENSION ADMINISTRATION MONITORING REPORT [PERIOD OF 1 JAN – 31 MAR 2022]

The Head of Pensions Administration presented the report of the Director of Pensions which provided the Pension Board with monitoring information on the key performance indicators in respect of work undertaken by the administration team during the period. 1 January 2022 to 31 March 2022.

Resolved:

That the report be noted.

15 RISK REGISTER

The Director of Pensions presented his report which provided Board Members with a copy of the Fund's Risk Register.

Resolved:
That the report be noted.

16 **NON-RECOVERY OF DEFICIT ON CLOSURE OF ADMISSION BODY**

The Head of Pensions Administration presented the report of the Director of Pensions which provided Board Members with a copy of a recent exempt report to Pensions Committee regarding the non-recovery of deficit on closure of an admission body.

Resolved:
That the report be noted.