



LOCAL PENSION BOARD

22 FEBRUARY 2023

REPORT TITLE:	MERSEYSIDE PENSION FUND BUDGET FINANCIAL YEAR 2022/23
REPORT OF:	DIRECTOR OF PENSIONS

REPORT SUMMARY

This report provides Board Members with a copy of the budget report recently taken to Pensions Committee.

RECOMMENDATION/S

The Local Pension Board notes the report and considers the best practice requirement for LGPS funds to set budgets sufficient to fulfil resourcing requirements and meet regulatory requirements.

SUPPORTING INFORMATION

1.0 REASON FOR RECOMMENDATION/S

The approval of the budget for Merseyside Pension Fund by Pensions Committee forms part of the governance arrangements of Merseyside Pension Fund. The Local Government Pension Scheme (LGPS) Advisory Board's Good Governance report recommends that LGPS funds set budgets sufficient to fulfil resourcing requirements and meet regulatory requirements.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 This is the most appropriate option for informing the Local Pension Board of developments at the Fund to assist it in fulfilling its statutory requirements.

3.0 BACKGROUND INFORMATION

- 3.1 The headline figures are that, during the financial year 2023/24, we are estimating that MPF will pay £395m in pension benefits and receive £241m in contributions from employers and employees. The Fund has a value of £10.3bn at 31 December 2022. The proposed administration costs of £21.4m including £11.9m of investment management charges to external managers represent a cost of £147.73 per member of the scheme or 0.21% of assets under management. Taken separately the external investment management costs are approximately £83.01 per member or 0.12% of assets under management.
- 3.2 The budget for 2023/24 is lower at £21.4m than £25.0 in 2022/23 primarily due to lower investment management fees being forecast.

4.0 FINANCIAL IMPLICATIONS

- 4.1 There are none directly arising from this report. The accompanying report sets out the financial implications for MPF.

5.0 LEGAL IMPLICATIONS

- 5.1 As set out in the accompanying report.

6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS

- 6.0 There are none directly arising from this report. The Local Pension Board assists the administering authority in its role as Scheme Manager in the scrutiny of the performance of Fund's various functions and activities.

7.0 RELEVANT RISKS

- 7.1 A failure to provide the Board with information on the Fund's financial arrangements could hinder the Board in the discharge of its activities.

8.0 ENGAGEMENT/CONSULTATION

8.1 The relevant consultations are set out in the accompanying report.

9.0 EQUALITY IMPLICATIONS

9.1 The content and/or recommendation contained within this report have no direct implications for equality.

10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 There are none directly arising from this report.

11.0 COMMUNITY WEALTH IMPLICATIONS

11.1 There are none directly arising from this report.

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APPENDICES

Appendix 1 – MPF Budget report

Appendix 2 – The budget for 2023/24 including the probable out-turn for 2022/23 is attached as appendix 1 to this report.

The PDF file below may not be suitable to view for people with disabilities, users of assistive technology or mobile phone devices. Please contact donnasmith@wirral.gov.uk if you would like this document in an accessible format.

BACKGROUND PAPERS

Chartered Institute of Public Finance and Accountancy (CIPFA) – Service Reporting Code of Practice for Local Authorities

TERMS OF REFERENCE

This report is being considered by the Local Pension Board in accordance with Section 13.1 and Section 13.2b of its Terms of Reference:

13.1 The Board must assist the Scheme Manager with the primary core function in securing compliance with the regulations, any other legislation relating to the governance and administration of the Scheme, and requirements imposed by the Pensions Regulator.

13.2 This involves but is not limited to oversight and comment on:

b. Review management, administrative and governance processes and

procedures in order to ensure they remain compliant with the Regulations, relevant legislation and in particular the Code.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Local Pensions Board	23 Feb 2022 23 June 2021 30 March 2021 4 February 2020