

PENSIONS COMMITTEE

Tuesday, 11 July 2023

<u>Present:</u>	Councillor	J McManus (Chair)	
	Councillors	A Ainsworth B Hall B Kenny GJ Davies C Povall	P Cleary R Molyneux V Wilson K Hodson
	Councillors	T Cardwell, Liverpool Council J Aston, Knowsley Council P Lappin, Sefton Council	

1 WELCOME AND INTRODUCTION

The Chair welcomed everyone and read out the webcasting notice.

2 APOLOGIES

Apologies were received from:
Roger Bannister, UNISON retired members representative
Martin Bond, St Helens Council
Councillor Chris Carubia, Wirral Council
Councillor Tony Cox, Wirral Council
Councillor Andrew Gardner, Wirral Council

3 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

The Chair asked members to declare any interests in items on the agenda. The following declarations were made:

Councillor Tom Cardwell, Liverpool Council	Personal interest as his mother was a member of the Merseyside Pension Fund.
Councillor George Davies	Personal interest as his wife was a member of the Merseyside Pension Fund.
Councillor Brenda Hall	Personal interest as a Member of the Merseyside Pension Fund and her husband was also a member.
Councillor Brian Kenny	Personal interest as his fiancée was a member of the Merseyside Pension Fund.
Councillor Julie McManus	Personal interest as her son was a member of the Merseyside Pension Fund

Councillor Cherry Povall	Personal interest as her daughter was a member of the Merseyside Pension Fund.
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4 **MINUTES**

Resolved – That the minutes of the Pensions Committee meeting held on 21 February 2023 be agreed as a correct record.

5 **PUBLIC QUESTIONS**

No questions, statements or petitions had been received.

6 **EXTERNAL AUDIT PLAN MERSEYSIDE PENSION FUND 2022-23**

The External Audit Manager from Grant Thornton introduced this report which detailed the plan for the external audit of the Fund’s statutory financial statements for 2022/23. During the summer Grant Thornton would undertake their audit of the relevant financial activities and provide verification of the Pension Fund’s financial statements. The results of this audit would be reported back to the Committee.

Members sought clarification on significant risks identified and were reassured that none were unique to Merseyside Pension Fund.

Resolved – That the external audit plan for 2022/23 as prepared by Grant Thornton be noted.

7 **STATEMENT OF ACCOUNTS 2022/23 – MANAGEMENT QUESTIONS**

The Head of Finance and Risk at Merseyside Pension Fund presented the report of the Director of Pensions which presented the management responses to questions posed by the Fund’s external auditors, Grant Thornton.

Resolved – That the management responses to questions posed by the Fund’s external auditors, Grant Thornton, be endorsed.

8 **LOCAL GOVERNMENT PENSION SCHEME (LGPS) UPDATE**

The Head of Pensions Administration at Merseyside Pension Fund presented the report of the Director of Pensions which provided an overview of changes affecting the future administration and governance of the Local Government Pension Scheme (LGPS). Changes include a revised revaluation date to remove the impact of inflation on growth in pension benefits. This, together with increases to HMRC annual allowance limits, would reduce the number of members who exceeded the annual allowance, and for those who are affected to a lesser degree it was noted that a recommendation that an increase to the state retirement age to 68 be brought forward was not to be implemented and 10 years notice would be given on any change. It was also noted that the government response to the McCloud remedy had been issued confirming the extension of the underpin to all members regardless of age with service before 31/03/2012. In addition the Dashboard implementation had been delayed until at least October 2026 to allow time for infrastructure to be developed.

Resolved – That the administration and governance changes to the LGPS, to ensure continued compliance with legislation, statutory guidance, and industry codes of practice, be noted.

9 MEMBERS' LEARNING AND DEVELOPMENT

The Director of the Merseyside Pension Fund presented his report which updated Members on revisions to CIPFA's (the Chartered Institute of Public Finance and Accountancy) guidance on Pensions Knowledge and Skills, and also sought approval for officers to prepare an updated learning and development framework.

The Chair stressed the importance for Members to attend training, especially the Fundamentals Training.

Resolved – That:

- (1) the report and the recommended areas of learning and development be noted.**
- (2) the updating of the existing learning and development framework to reflect revisions to CIPFA's Knowledge and Skills Framework be approved.**

10 MERSEYSIDE PENSION FUND BUDGET OUT-TURN 2022/23 AND FINAL BUDGET 2023/24

The Head of Finance & Risk at Merseyside Pension Fund presented the report of the Director of Pensions which request approval of the out-turn for the financial year 2022/23 and the finalised budget for the financial year 2023/24. It was noted that the actual out-turn for 2022/23 was £18.5m which was lower than the original budget approved 22 June 2022 of £25.0m. The underspend was largely due to lower investment management fees, planned projects and areas of work being deferred to 2023/24, and the assumptions used for staffing. The budget for 2023/24 was lower at £21.3m than £25.0m in 2022/23 primarily due to lower investment management fees being forecast.

Resolved – That:

- (1) the out-turn for 2022/23 be noted.**
- (2) the finalised budget for 2023/24 be approved.**

11 APPOINTMENTS TO EQUITY PROTECTION FRAMEWORK

The Director of the Merseyside Pension Fund introduced his report which informed Members of a procurement exercise and sought approval (subject to the satisfactory conclusion of final checks and legal agreements) for the appointment of investment managers, providing equity overlay risk management strategies, to a framework agreement available to Northern LGPS partner funds. The audit trail for the procurement exercise and the investment firms recommended for inclusion on the framework were included in a confidential appendix.

Resolved – That the establishment of the framework as set out in the report be approved.

12 **WIRRAL LOCAL PENSION BOARD MINUTES**

The Director of Pensions introduced his report which provided Members with the draft minutes of the previous meeting of the Wirral Local Pension Board.

Resolved – That the minutes of the Wirral Local Pension Board be noted.

13 **MINUTES OF WORKING PARTY MEETINGS**

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

Resolved – That the minutes of working parties be approved.

14 **NORTHERN LGPS UPDATE**

The Director of Pensions for Merseyside Pension Fund introduced his report which provided Members with an update on pooling arrangements in respect of Merseyside Pension Fund and the Northern LGPS Investment Pool. Minutes of the previous Northern LGPS Joint Committee meeting were appended for noting.

Resolved – That the minutes of the Joint Committee meeting be noted.

15 **EXEMPT INFORMATION - EXCLUSION OF MEMBERS OF THE PUBLIC**

RECOMMENDATION: 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 I of Schedule 12A (as amended) to that Act. The Public Interest test has been applied and favours exclusion.

16 **APPOINTMENTS TO EQUITY PROTECTION FRAMEWORK EXEMPT APPENDIX**

Resolved – That the exempt appendix be noted.