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PENSIONS COMMITTEE

Tuesday, 24 September 2024

Present:

Councillor B Hall (Chair)

Councillors JE Green GJ Davies
P Cleary H Cameron
C Carubia T Cox
B Kenny S Powell-Wilde
A Ainsworth J Bird (in place of Cllr
R Molyneux)

Councillors R Bennett, Liverpool Council
C Howard, Sefton Council

77 WELCOME AND INTRODUCTION

The Chair welcomed everyone and read out the webcasting notice.

78 APOLOGIES

Apologies for absence had been received from:

- Councillor Ruth Molyneux. Councillor Jo Bird was in attendance as substitute.
- Councillor Jayne Lonergan (Knowsley Council)
- Roger Bannister (Retired Members representative)
- John Rae (LGA Non District Representative)

79 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Members were asked to declare pecuniary or non-pecuniary interests in items on the agenda. The following declarations were made:

Councillor George Davies	Personal interest as his wife was a member of Merseyside Pension Fund.
Councillor Brian Kenny	Personal interest as his wife was a member of Merseyside Pension Fund.
Councillor Jo Bird	Personal interest as her partner is a member of Merseyside Pension Fund
Councillor Brenda Hall	Personal interest as a member of Merseyside Pension Fund and her husband is a deferred member
Councillor Sue Powell-Wilde	Personal interest as a member of Merseyside Pension Fund and her husband was a member

80 **MINUTES**

Resolved – That the minutes of the Pensions Committee held on 30 July be agreed as a correct record.

81 **PUBLIC QUESTIONS**

No questions, statements or petitions had been received.

82 **GRANT THORNTON – THE AUDIT FINDINGS REPORT FOR MERSEYSIDE PENSION FUND**

A representative of Grant Thornton presented the report which highlighted the key findings and other matters arising from Grant Thornton's external audit of the financial statements of Merseyside Pension Fund for the year ended 31 March 2024. Subject to the satisfactory completion of the outstanding audit work, Grant Thornton's anticipated audit opinion would be unqualified.

Members discussed the impact of impact of increased costs of audit fees and the work being undertaken to review segregation of duties conflict with the Oracle Fusion Management system.

Members also placed on record Committee's thanks to the team involved in the successful implementation of the Oracle Fusion IT system.

Resolved – That the Audit Findings Report for Merseyside Pension Fund be noted.

83 **MERSEYSIDE PENSION FUND ANNUAL REPORT & ACCOUNTS 2023/24 AND LETTER OF REPRESENTATION**

The Head of Finance and Risk at Merseyside Pension Fund presented the report which sought approval for the Annual Report and Statement of Accounts for Merseyside Pension Fund for 2023/24 and a letter of representation prepared by Officers on behalf of the Committee. The Fund's financial position for the year ended 31 March 2024 was reported as £10.8bn. It was reported that the external audit work had identified one adjustment to the financial statements financial position alongside a small number of changes to the disclosure notes have also been which had been agreed.

Resolved – That

- 1. The audited Statement of Accounts for 2023/24, the Audit Findings Report and the letter of representation be approved;**
- 2. The recommendation above be referred to the Audit and Risk Management Committee; and**
- 3. The publication of the Annual Report of Merseyside Pension Fund for 2023/24 be approved.**

84 LOCAL GOVERNMENT PENSION SCHEME (LGPS) UPDATE

The Head of Pensions Administration introduced the report of the Director of Pensions which provided an overview of central government policy impacting the Local Government Pension Scheme. Members were advised of the new governments legislative programme and proposed bills such as the National Wealth Fund and the Government Landmark Pension Review.

Members discussed the implications of a draft bill on audit reform and governance for the reporting of the annual report and accounts for the pension fund in the future. Members also considered the impacts of the Government Landmark Pension Review. In response to queries, the Director of Pensions noted that the government had indicated that the review would consider several pooling models for pension funds with the aim of providing more uniformity across the sector. Members also considered the impact of the government's proposed national wealth fund and the encouragement of investment in the UK. The Director noted that the government's call for evidence provided the opportunity to make suggestions to government on measures to encourage pension funds to invest in the UK but that Members under their fiduciary duty should only agree to more investment in the UK if justified by the prospective financial returns.

Resolved – That the report be noted.

85 PENSIONS ADMINISTRATION STRATEGY

The Head of Pensions Administration introduced the report of the Director of Pensions which outlined and recommended proposed revisions to Merseyside Pension Fund's Pensions Administration Strategy (PAS) which was last approved by Pensions Committee on 13 November 2017. It was reported that the PAS had been updated to reflect the transition from annual to monthly data submissions and developments in the automation of exchanging data.

Resolved – That the revised draft Pensions Administration Strategy and charging schedule be approved, with implementation taking effect from Monday 30 September 2024.

86 PENSIONS INVESTMENT REVIEW: CALL FOR EVIDENCE

The Director of Pensions introduced the report which set out details of a pensions review, launched by the Chancellor, with the objective of boosting investment, increasing saver returns and tackling waste in the pensions system. It was reported that a call for evidence was issued on 4 September and was to close on 25 September. The call for evidence was discussed with members on 18 September at the Investment Monitoring Working Party

Members noted that the timescales to prepare a response were extremely short. The Director confirmed that this had been raised with the government and that in response it was confirmed that the initial call for evidence would be followed by a full consultation process for a longer period to provide comprehensive deliberation on the matters.

Resolved – That

- 1. The report be noted; and**
- 2. The Director of Pensions, in consultation with the Chair and Spokespersons, be authorised to approve the response to the call for evidence on behalf of the Fund with the directors of Greater Manchester and West Yorkshire pension Funds on behalf of the Northern LGPS Investment Pool.**

87 MERSEYSIDE PENSION FUND CONFLICT OF INTEREST POLICY

The Head of Pensions (Finance and Risk) introduced the report of the Director of Pensions which presented the draft conflict of interest policy for Merseyside Pension Fund for approval. It was reported that the policy set out a process for identifying, monitoring and managing conflicts of interest and included a code of conduct and guidance on to whom the policy applied.

Members discussed the specific changes that the policy sought to introduce. The Head of Pensions confirmed that the policy built upon existing procedures and various legislation under one policy and that it was considered best practice for administering authorities to set out a specific conflict of interest's policy within the context of the Pensions Fund.

Resolved – That the conflict-of-interest strategy for Merseyside Pension Fund be approved.

88 NLGPS UPDATE

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

Resolved – That the Committee note the report and the minutes of the Joint Committee meeting.

89 WIRRAL LOCAL PENSION BOARD MINUTES

The Director of Pensions presented his report which provided the Committee 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.

90 MERSEYSIDE PENSION FUND AUTHORISED SIGNATORIES

The Director of Pensions introduced the report which proposed changes to authorised signatories at Merseyside Pension Fund (MPF) following a review of the current signatories against business needs. It was reported that the proposed change was to add one additional signatory for investment decisions and documents only.

Resolved – That

- 1. the arrangements set out in section 3 of the report in relation to the internal control arrangements at Merseyside Pension Fund be approved; and**
- 2. officers designated in section 3 of this report be approved as authorised signatories for Merseyside Pension Fund.**

91 MINUTES OF WORKING PARTY MEETINGS

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

Councillor Jeff Green noted that his apologies had been omitted from the minutes of the Responsible Investment Working Party. With that amendment, it was:

Resolved – That

- 1. The recommendation from the Responsible Investment Working Party on 5 September 2024 that the Director of Pensions in consultation with the Chair and Spokes be authorised to approve a final version of Merseyside Pension Fund’s (MPF) submission to the Financial Reporting Council (FRC) for the October 2024 deadline be approved;**
- 2. The working party minutes be approved.**

92 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 paragraph 3 of Part I of Schedule 12A (as amended) to that Act. The Public Interest test has been applied and favours exclusion.

93 MINUTES OF WORKING PARTY MEETINGS EXEMPT APPENDICES

Resolved – That the exempt appendices be noted.

94 DEATH GRANT

The Director of Pensions presented the exempt report.

On a motion proposed by Councillor Pat Cleary, seconded by Councillor Chris Carubia, it was:

Resolved – That option (a) as set out in paragraph 3.28 of the exempt report be agreed.

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