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PENSIONS COMMITTEE

Wednesday, 28 September 2022

Present:

Councillor P Cleary (Chair)

Councillors C Povall A Gardner
G Davies J Walsh
H Collinson C Carubia
B Kenny C Jones

R Bannister, Unison retired member
representative

17 **WELCOME AND INTRODUCTION**

The Chair welcomed everyone and read out the webcasting notice.

18 **APOLOGIES**

Apologies for absence had been received from:
Councillor Joe Walsh, Wirral Council
Councillor Paul Connolly, Wirral Council
Councillor Karl Greaney, Wirral Council
Councillor Tom Cardwell, Liverpool Council
Councillor Martin Bond, St Helens Council
Councillor Paulette Lappin, Sefton Council
Sarah Ironmonger, Grant Thornton

19 **MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST**

Roger Bannister	Pecuniary interest by virtue of being a Member of Merseyside Pension Fund.
Councillor Helen Collinson	Pecuniary interest by virtue of being a Deferred Member of Merseyside Pension Fund and her daughter was an active member of the Fund.
Councillor George Davies	Personal interest as his wife was a member of Merseyside Pension Fund.
Councillor Chris Jones	Personal interest as her daughter was a member of Merseyside Pension Fund.
Councillor Andrew Gardener	Pecuniary interest by virtue of being a Member of Merseyside Pension Fund.
Councillor Brian Kenny	Personal interest as his fiancée was a member of Merseyside Pension Fund.
Councillor Cherry Povall	Personal interest as her daughter was a member of the Merseyside Pension Fund.

20 **MINUTES**

Resolved –

That the minutes of the Pensions Committee meeting held on 22 June 2022 be agreed as a correct record.

21 **PUBLIC QUESTIONS**

No questions, statements or petitions had been received.

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

The Chair of the Local Pensions Board presented this 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 includes a proposed Work Plan for 2022-2023. The Chair praised the positive activity by the officers and members of the Board who engaged strongly at and between meetings. Internal Audit had given a positive opinion to the work of the Board. He particularly praised the work during the Covid-19 pandemic for adapting the approach and connectivity to be more accessible to members.

Resolved:

That the Pension Board Review 2021-2022 and proposed Work Plan for 2022-2023 be noted.

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

A representative of auditors Grant Thornton presented this 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 2022. Subject to the satisfactory completion of the outstanding audit work, Grant Thornton's anticipated audit opinion would be unqualified. The audit opinion will be issued following final completion of the audit, consideration of the audit findings report and approval of the amended statement of accounts at both the Pensions Committee and the Audit & Risk Management Committee.

Resolved:

That the report provided by the external auditor, Grant Thornton, be noted.

24 **MERSEYSIDE PENSION FUND ANNUAL REPORT & ACCOUNTS 2021/22 AND LETTER OF REPRESENTATION**

The Head of Finance and Risk at Merseyside Pension Fund presented this report which provided the Annual Report & Accounts for Merseyside Pension Fund for 2021/22 and a letter of representation prepared by Officers on behalf of the Committee. There was one amendment to the draft accounts financial position, due to an increase in audit fees during the year, a small number of disclosure changes have also been agreed.

The Fund's financial position for the year ended 31 March 2022 was reported as £11.0bn. The external auditors, Grant Thornton, subject to outstanding work, had indicated there will be an unqualified opinion.

The Chair noted that the Fund had invested £350 million in renewable energy as part of dealing with climate risk positively.

Resolved: That

- (1) the audited Statement of Accounts for 2021/22 and the amendments to the accounts, the Audit Findings Report and the Letter of Representation be approved.**
- (2) the recommendations above be referred to the Audit and Risk Management Committee.**
- (3) the Annual Report of Merseyside Pension Fund for 2021/22 be approved for publication.**

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

The Head of Pensions Administration introduced this report which informed Members of the publication of a Written Ministerial Statement confirming the Government's continued provision of a guarantee to the Local Government Pension Scheme (LGPS) in respect of Academy Trusts. The ceiling for the guarantee had not been reached in any year so far.

It also raised awareness of the Office for National Statistics (ONS) review as to whether the Further Education (FE) sector should be reclassified as public sector bodies rather than private sector institutions.

Resolved:

That the recent developments within the Education sector and the implications for the LGPS be noted.

26 **CONSULTATION ON GOVERNANCE AND REPORTING OF CLIMATE CHANGE RISKS IN THE LOCAL GOVERNMENT PENSION SCHEME**

The Director of Pensions introduced this report which informed Members of a consultation by the Department for Levelling Up, Housing & Communities (DLUHC) seeking views on proposals to require Local Government Pension Scheme (LGPS) administering authorities in England and Wales to assess, manage and report on climate-related risks, in line with the recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD). The consultation was to end on 24 November 2022. It did not just concern carbon metrics but also governance, strategy on climate risks, risk management and targets. It was envisaged that Funds produce their own individual reports and that these feed into a report for the LGPS in England and Wales as a whole.

Members noted that most companies who were dealt with in the Fund had their own targets but it was a challenge identifying those who are taking steps as opposed to relying on not created products. If there was a financial risk forecast in future because of any lack of actions then the Fund would reduce its investment.

The Chair proposed amendments to add Party Spokespersons to the consultation on the final submission and to add to December's agenda the answers to the questions. This was seconded by Councillor George Davies and approved.

Resolved: That

- (1) officers be authorised, in consultation with the Chair and Party Spokespersons, to respond to the consultation on behalf of the Fund**
- (2) officers be authorised, in consultation with the Chair and Party Spokespersons, to agree a response to the consultation in respect of the Northern LGPS Investment Pool's submission.**
- (3) the response to the consultation questions be added to the agenda for the December meeting of the Pensions Committee.**

27 WIRRAL LOCAL PENSION BOARD MINUTES

The Chair introduced this 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.

28 NORTHERN LGPS UPDATE

The Chair introduced this report which is report 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 minutes of the Joint Committee meeting be noted.

29 MINUTES OF WORKING PARTY MEETINGS

The Chair introduced this report which provided members with the minutes of meetings of Working Parties held since the previous Committee meeting

Resolved:

That the minutes of the working parties be noted.

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

31 **CEM: BENCHMARKING OF INVESTMENT MANAGEMENT AND PENSIONS ADMINISTRATION**

The report of the Director of Pensions informed the Board of the outcomes of benchmarking exercises undertaken in relation to the 2020-2021 scheme year for both the delivery of the Fund's investment management and pensions administration services.

Resolved:

That the outcomes of both the investment and administration benchmarking reports in relation to the 2020-2021 scheme year be noted.

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