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LOCAL PENSION BOARD

Tuesday, 20 June 2023

Present: J Raisin (Chair)

R Dawson
P Fieldsend
D Ridland

R Irvine
P Moloney
S Van Arendsen

1 WELCOME AND INTRODUCTION

The Chair welcomed everyone to the meeting and noted that Geoff Broadhead had resigned from the Board. The Chair recorded his thanks to Geoff for his contributions as he was a very supportive member from the commencement of the Board in 2015.

2 APOLOGIES

An apology for absence had been received from Lyn Robinson, Further Education employer representative.

3 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

There were no declarations of interests.

4 MINUTES

Resolved – That the minutes of the Local Pensions Board meeting held on 22 February 2023 be approved as an accurate record.

5 EXTERNAL AUDIT PLAN - STATEMENT OF ACCOUNTS 2022/23

The Head of Finance & Risk presented the report of the Director of Pensions which provided a copy of the report to be taken to the next Pensions Committee in relation to Grant Thornton's external audit plan of the Fund's Statement of Accounts for 2022/23. Significant risks were included although it was noted that they were generic and there were no changes to them compared to those identified in the previous year. The accounts production and the audit work timescales were explained and were on schedule and any findings would be reported to Pensions Committee in September 2023 and to a future Pensions Board.

Members questioned the additional testing and sampling in the year and it was explained that auditing standards had changed and the

population/sample size needed to increase especially with level 3 investments.

Resolved – That the report be noted.

6 STATEMENT OF ACCOUNTS 2022/23 – MANAGEMENT QUESTIONS

The Head of Finance & Risk presented the report of the Director of Pensions which provided a copy of the report to be taken to the next Pensions Committee in relation to Grant Thornton's audit of the Fund's Statement of Accounts for 2022/23. As part of audit the auditors asked management to respond to a number of questions and those responses were to be reviewed and endorsed by Pensions Committee at its next meeting, to support them in their responsibilities in relation to the financial reporting process and to provide assurance that the Fund has adequate processes and oversight in place to minimise the risk of error. The questions and answers were presented in the report.

Resolved – That the report be noted.

7 LOCAL GOVERNMENT PENSION SCHEME (LGPS) UPDATE

The Senior Manager for Operations and Information Governance at Merseyside Pensions Fund (MPF) introduced the report of the Director of Pensions which was to be presented at Pension Committee on 11 July. The report provided an overview of changes affecting the future administration and governance of the Local Government Pension Scheme. Changes included a move of the evaluation date to remove the impact of inflation from the annual allowances' calculations and changes to the taxation of pensions from the recent Government budget.

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

8 MEMBERS' LEARNING & DEVELOPMENT PROGRAMME

The Director of Pensions introduced his report which provided a copy of a report to Pensions Committee on Members' learning and development around the CIPFA (Chartered Institute of Public Finance and Accountancy) framework originally adopted in 2010. It also reminded Board members of their learning and development responsibilities. The programme had been updated to reflect changes in pensions including pooling and need for Pensions Committee members to demonstrate knowledge.

Resolved – That the report be noted.

9 **UPDATE ON INVESTMENT RELATED CONSULTATIONS IN THE LOCAL GOVERNMENT PENSION SCHEME**

The Director of Pensions introduced his report which provided an update on consultations anticipated by Local Government Pension Schemes from the Department of Levelling Up, Housing and Communities. These related to both pensions administration and investment. Guidance was also awaited.

Members noted that it was useful to be informed about forthcoming consultations and guidance as well as what had been received already.

Resolved – That the report be noted.

10 **MINUTES OF WORKING PARTY MEETINGS**

The of Director of Pensions introduced a report which provided the minutes of meetings of Working Parties held since the previous Board meeting. Arrangements for a briefing session for employers on risk factors including inflation, would be put in hand.

Resolved – That the minutes be noted.

11 **NORTHERN LGPS UPDATE**

The Director of Pensions presented his report which provided an update on pooling arrangements in respect of Merseyside Pension Fund and the Northern LGPS together with the minutes of the previous Northern LGPS Joint Committee meeting. It was noted that Member representatives have been appointed following correspondence from the Wirral Local Pension Board.

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

12 **PENSION ADMINISTRATION MONITORING REPORT [PERIOD OF 1 JAN – 31 MAR 2023]**

This item was dealt with in the private part of the meeting.

13 **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.

14 PENSION BOARD REVIEW 2022-23 AND WORK PLAN 2023-24

The Chair presented his report which reviewed the work and performance of the Board and its members between 1 April 2022 to 31 March 2023 and a proposed Work Plan for 2023-2024.

He commended the way that all members of the Board paid an active part in its work, and the support and consistency of officers. It was noted that the Fund had been recently contacted in relation to its Funding Strategy Statement by a member of the Scheme Advisory Board's reporting workstream as an example of best practice in relation to its Funding Strategy Statement which the Chair had also commended in his review.

Resolved –That

- (1) the Pension Board Review 2022-2023 be approved;**
- (2) the proposed Work Plan for 2023-2024 be noted;**
- (3) this report be referred to the Pensions Committee for its consideration.**

15 RISK REGISTER

The Director of Pensions presented his report which provided a copy of the Fund's Risk Register. It was noted that there had been two material changes since the previous iteration in relation to the management of cyber security risk.

Resolved – That the risk register report be noted.

16 PENSION ADMINISTRATION MONITORING REPORT [PERIOD OF 1 JAN – 31 MAR 2023] EXEMPT APPENDIX

The Senior Manager for Operations and Information Governance at Merseyside Pensions Fund (MPF) introduced the report of the Director of Pensions which provided monitoring information on the key performance indicators in respect of work undertaken by the administration team during the period 1 January 2023 to 31 March 2023.

Members discussed Cyber security and the thousands of attacks received per day attempting to gain access. Training and processes to mitigate the risks were undertaken.

Resolved – That the report be noted.