

Summary of SAB meeting

This note summarises the main points of the meeting of the Scheme Advisory Board on the 8th April 2019. Full details of the meeting and agenda papers can be found at www.lgpsboard.org. A more detailed summary note of the meeting can be found in the “Board Updates” section at www.lgpsboard.org.

The Chair opened the meeting by welcoming a new member of the Board, Councillor Ian Brookfield, Chair of the West Midlands Pension Fund and executive member of LAPFF.

Pensions Regulator

A presentation was given by Nicola Parish, Director of Front Line Regulation and Pauline Lancum, Head of Casework Management. The main points included –

- tPR’s work within the LGPS was about supervision not enforcement
- High risk cohort work has been positive with no need need for any improvement plans or enforcement action. Some concerns about some employers and fund authorities still using paper data inputs and records. Results will be published in June 2019 on an anonymised basis
- Results of last year’s Governance and administration survey will be published in May 2019.
- Code of Practice 14 is the first requirement that scheme managers should have regard to but there are other codes and practice notes that also need to be taken on board.

A copy of the slides can be found on the SAB website here <http://lgpsboard.org/index.php/about-the-board/prev-meetings>

Good Governance Project

- The project team at Hymans Robertson updated the Board on progress to date and next steps
- Initial discussion with 10 scheme stakeholders completed
- Over 300 questionnaires to be issued before Easter
- Plenary session to be held at PLSA Local Authority conference on the 14th May
- A copy of the paper presented to the Board can be found at <http://lgpsboard.org/index.php/about-the-board/prev-meetings>.

SAB levy invoices

- It was reported that all 2016/17 levy invoices had now been paid
- For 2017/18 invoices, the 25 outstanding invoices a month ago had been reduced to 10
- In future, long term non-payees may be blacklisted from LGA.SAB events
- Duncan Whitfield, Chair of ALATS, agreed to chase the ten scheme managers that had not paid their 2017/18 levy.

Cost Cap

- The Board was advised that the Civil Service Pension Scheme's Advisory Board had recently written to their Minister setting out their agreed package to recover the cap breach of 5.4% and asking that the process, despite being paused, should be allowed to proceed as far as is possible
- The Board agreed that a letter in these terms should be drafted by the Secretariat for members to consider and approve.
- The letter will invite the Minister to open discussions with the Board about any alternative cost management package and seek his agreement that the Board must be part of any future discussions surrounding the remedy package should the McCloud judgement stand.

Cost Transparency - Compliance System

- The Board was advised that a technical breach meant that the procurement project had to be cancelled and started afresh.

Responsible Investment Guidance

- The Board agreed with the recommendation from the Investment, Governance and Engagement committee ("Investment Committee") that the guidance should be web based rather than published in hard copy
- The Board also agreed the recommendation from the Investment committee that a paper to be submitted by UNISON based on the report they commissioned from ShareAction on ESG policies, in particular, on climate change risk, should be considered by the Board at a future date.

MHCLG Draft Statutory Guidance on Pooling

- The MHCLG representative confirmed to the Board that 93 responses had been received in response to the consultation and that many of these were very detailed and would need very careful consideration.

Local Pension Board Survey

- Board members were advised that a working draft of the new local pension board survey was near to completion
- Delegated authority was given to the Chair of the Investment committee to agree the final draft and publication arrangements to ensure that the survey was undertaken outside of the main Summer holiday break.

2019/20 Budget and Workplan

- The Board considered a follow-up paper to the one agreed at the January 2019 meeting that set out in more detail the requirements for an ongoing reserve and how it would be used in 2019/20
- The Board agreed that the 2019/20 budget and workplan as set out in the revised paper should be sent to MHCLG Ministers for consideration and approval.

Bob Holloway

Pensions Secretary

16 April 2019