

**LGPC MINUTES  
MEETING HELD ON 23 JANUARY 2017  
AT LAYDEN HOUSE, FARRINGDON  
LONDON, EC1M 5LG**

**PRESENT**

|                      |                                        |
|----------------------|----------------------------------------|
| Cllr D Le Gal        | Chair & Scheme Advisory Board          |
| Cllr M Barnett       | Scheme Advisory Board                  |
| Cllr J Fuller        | Scheme Advisory Board                  |
| Cllr M Adam          | Scheme Advisory Board                  |
| Cllr H Siggs         | LGA                                    |
| Cllr L Van Den Hende | LGA                                    |
| Cllr J Jamieson      | LGA                                    |
| Cllr A Waters        | LGA                                    |
| Mr D Murphy          | NILGOSC                                |
| Ms K Linge           | Scottish Public Pensions Agency (SPPA) |
| Ms J Caiazzo         | Technical Group representative         |

**Secretariat**

|               |      |
|---------------|------|
| Mr J Houston  | LGPC |
| Mr C Hargrave | LGPC |
| Ms L Bennett  | LGPC |
| Ms E English  | LGPC |

**1. APOLOGIES**

Apologies for absence were received from Cllr K Quinn, Cllr I Bond, Cllr A McLachlan, Ms L Welsh and K Gerrard.

**2. MINUTES**

The minutes of the previous meeting held on 1 August 2016 were noted.

**3. MATTERS ARISING**

Ill Health Review:

Jeff Houston (JH) updated the Committee following the Scheme Advisory Board (SAB) meeting in December on the ill health review of the 3 tiers in the LGPS. The SAB Secretariat are due to meet with HM Treasury to established whether there are plans for a forthcoming review of the terms of ill health exits from the public sector.

**Action:** To report at next meeting.

**4. LGPC SECRETARIAT SERVICES**

Carrying forward a request from Cllr Quinn at the previous meeting, Lorraine Bennett (LB) presented a report outlining the services provided to LGPS administering authorities from the LGPC subscription.

LB also gave the Committee a presentation on the re-designed LGPS websites. The Committee **agreed** that the expenditure for the improved websites be met from reserve funds.

The Committee thanked LB and requested that consideration be given to whether information about the 50/50 option should be added to the annual allowance calculator on the member website.

It was also **agreed** that the LGPC minutes be hosted on the administrator website in the future.

## **5. REGULATIONS UPDATE E & W**

JH presented the key points for the Committee to note from Item C, in particular highlighting:

- the issue of new investment regulations effective from 1 November 2016,
- recent discussions which have taken place with DCLG to move forward the proposed Fair Deal and AVC reforms which were consulted upon last year, and
- the commencement of an HM Treasury consultation on options for the indexation and equalisation of GMPs in public service pension schemes from 5 December 2018 onwards.

**Action:** To circulate the draft LGPC response to the aforementioned HM Treasury consultation for comment before the closure of the consultation period on 20 February 2017.

## **6. EXIT PAYMENTS**

Con Hargrave (CH) presented Item D on exit payment reform and outlined the LGPC Secretariat's understanding of how these reforms will impact on the work of LGPS administering authorities in the future. The total reform package comprises three separate but related reforms:

- Exit payment recovery,
- Exit payment cap, and
- Further reform to how total exit payment packages are calculated.

It was noted that each of the reforms are at various stages in their implementation and there is continued uncertainty on when each will come into force.

**Action:** To provide a further update on the reforms at the next meeting.

## **6. SAB REPORT (E & W)**

JH presented Item E and gave the Committee an update following the SAB meeting which took place on 6<sup>th</sup> December.

In particular, it was noted that the SAB have commissioned a report from PwC on academies in the LGPS. The report will highlight the main issues that come with the participation of a large number of academies in the LGPS and outline how such problems could be addressed. PwC are due to report to the SAB on their findings at their March meeting.

Earlier in the month, the SAB also responded to the FCA consultation on MiFID II. Discussions with the FCA on this topic have been positive and further consideration is being given to how to mitigate some of the impacts for local authorities on the introduction of MiFID II in January 2018.

## **7. WELSH LA REORGANISATION – update**

Mary Barnett (MB) provided an update to the Committee and noted that there has recently been better engagement with local authorities by the Welsh Government on the subject of local government reform. Local government elections will be taking place in Wales in May.

## **8. REGULATIONS UPDATE SCOTLAND – update**

Kimberly Linge (KL) presented the paper at Item G noting in particular that the possible options for exit payment reform were currently being considered by Ministers within the Scottish government.

## **9. REGULATIONS UPDATE NORTHERN IRELAND**

David Murphy (DM) presented the paper at item H. DM highlighted the Brewster case currently being heard in the Supreme Court which was considering the legality of the LGPS in Northern Ireland requiring that members nominate a co-habiting partner for the co-habiting partner to have a potential entitlement to survivor benefits from the scheme in the event of the member's death.

It was noted that with the introduction of the new schemes in England and Wales in 2014 and in Scotland in 2015, DCLG and SPPA had amended their regulations to remove the requirement for members to nominate co-habiting partners.

**Post-meeting update:** On 8 February 2017, the Supreme Court found in favour of Ms Brewster. The implications of this case for public service pension schemes are currently being considered in Government and an update will be provided at the next meeting.

## **10. TRAINING AND CONFERENCE UPDATE**

Elaine English (EE) provided an update on training. EE also informed the Committee that following on from the very successful LGPS Trustees' Conference last June in Manchester, the 2017 conference is being organised

for June in Bournemouth. A Circular will be published containing further details.

JH presented the paper at Item I noting that the current Training and Development Manager Tim Hazlewood is due to retire in July. It was noted that as this post is self-funding agreement would be needed before the position can be advertised due to any shortfall in demand for training and the subsequent possibility that exit payment in respect of the post may potentially arise.

The Committee **agreed** that the post should be advertised and if there is a shortfall in demand meaning that the post is no longer viable any exit payment costs incurred be underwritten.

## **11. ANY OTHER BUSINESS**

It was **agreed** to include an agenda item for the next meeting on the long term affordability and sustainability of the LGPS.

MB noted the recent death of Graham Taylor, the after dinner speaker at the 2014 LGPC trustee conference, and suggested that a card of condolence be sent to his family. This was **agreed**.

**Post-meeting update:** A note of condolence has been sent to JLA, the agent of Graham Taylor.

## **12 DATES OF NEXT MEETINGS**

6 March 2017; 26 June 2017 and 2 October 2017