

**LGPC MINUTES
MEETING HELD ON 27 JUNE 2018
AT 18 SMITH SQUARE, WESTMINSTER,
LONDON, SW1P 3HZ**

PRESENT

Cllr D Le Gal	Chair & Scheme Advisory Board
Cllr D Renard	LGA
Cllr G Edwards	LGA
Cllr J Jamieson	LGA
Cllr A Waters	LGA
Ms N Mark	Scheme Advisory Board adviser
Mr D Murphy	Northern Ireland
Ms K Linge	Scotland
Secretariat	
Mr J Houston	LGPC
Ms L Bennett	LGPC
Ms E English	LGPC
Mr C Hargrave	LGPC

1. APOLOGIES

Apologies for absence were received from Cllr M Headley, Cllr Fuller, Cllr Taylor, Cllr Blackburn, Mr Gerard and Ms T Clay. No declaration of interest was declared

2. MINUTES

The minutes of the previous meeting held on 26 February 2018 were noted.

3. MATTERS ARISING

Item 2 - apologies for the typo, Cllr Adam should have read Cllr Water.

Item 12- Jeff Houston [JH] has now met with Cllr Taylor to explain some of pensions terms and acronyms used at the meeting.

4. REGULATIONS UPDATE E & W

Lorraine Bennett (LB) presented the key points from Item B, in particular highlighting:

- The changes introduced the LGPS (Amendment) 2018 Regulations, which include:
 - Early payment of deferred benefits – the need for an employer to give consent when a member aged between 55 and 59 chooses to take early payment of their deferred benefits has been removed for leavers before 1 April 2014 (members of the 2014 scheme can already take their benefits from age 55 without their employer's consent).

- Exit credits – the relevant administering authority must now pay an exit credit where an employer who is in surplus exits the LGPS.
- Alignment of pre and post 2014 AVC contracts – to help simplify the scheme and provide consistency for members.
- The proposed policy areas not taken forward in the amendment regulations are:
 - Fair Deal – although MHCLG has confirmed that they remain committed to introducing Fair Deal into the LGPS and intend to commence a consultation on doing so by the end of the year.
 - Ending the automatic aggregation of previous LGPS benefits on re-joining the scheme
 - AVCs – introducing the Uncrystallised Funds Pension Lump Sum (UFPLS) option into the LGPS.
- Updates on the Elmes v Essex judgment and exit payment reforms was also provided – see item B for more information.
- Expected consultations include:
 - Survivor benefits – to equalise survivor benefits paid to civil partners and same-sex couples with those paid to widows of male members, in light of the Walker v Innospec Ltd judgment.
 - Employer debt – introducing the basic principles set out in the Occupational Pension Schemes (Employer Debt and Miscellaneous Amendments) Regulations 2018, which enable and employer to defer the requirement to pay an exit debt, providing they meet certain conditions.
 - Valuation timetable – to align with the other public service pension schemes i.e. to every four years.

5. PENSIONS TAX

(JH) presented the key points from Item C, in particular highlighting:

- Concerns are being raised about the effect on Annual and Lifetime Allowance are having on workforce behaviours
- The behaviours include opting out in significant numbers, the hesitation and sometimes non-acceptance of promotions, job offers and acting up opportunities.
- A working group is being formed to assess the impact via a sector survey.

6. SAB REPORT E&W

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

- Transparency code – 65 managers have signed up with more signing up every week. Work is underway for procuring a compliance system, to ensure that all signatory managers who have been members of the Code for 12 months or longer are meeting the terms of the Code.

- Tier 3 employer project - The SAB will receive a final report from Aon at the meeting this afternoon.
- Academies project – the administration sub-group is developing proposals for a single data extract and recommended minimum training standards. The funding sub-group are looking at proposals to move to a single future service contribution rate within each LGPS fund, a standardised academy conversion methodologies and to better enable MATs to consolidate their schools in one LGPS fund
- Cost Management - The SAB process has delivered an indicative result of 19.8% and increase of 0.3% over the 19.5% target. The results of the HMT process are awaited.

7. REGULATIONS UPDATE SCOTLAND

The Committee noted the key points from Item E which was presented by Kimberly Linge (KL).

- Structure Review - consultation being launched today with four options for the future structure of the LGPS funds in Scotland.
- The Local Government Pension Scheme (Scotland) Regulations 2018 came into force on 1 June 2018.
- Work will shortly commence on the Local Government Pension Scheme (Scotland) (Transitional Provisions) Regulations 2018.
- A consultation on the Local Government Pension Scheme Amendment (Increased Pension Entitlement) Scotland Regulations 2018 is due.

8. REGULATIONS UPDATE NORTHERN IRELAND

The Committee noted the key points from Item F which was presented by David Murphy (DM) highlighting the key points:

- Due to the lack of a Minister in Northern Ireland no legislation can presently be made – there is a list of amendments which we need to made to the Regulations, the highest profile being those amendments required to comply with the Supreme Court judgment in the Brewster case and the Walker Innospec judgment.

9. TRAINING AND CONFERENCE UPDATE

The Committee noted the key points from item G which was presented by Elaine English (EE) highlighting the key points:

- Fundamentals training – Cost transparency is to be added to the training programme this year. Circular 306 advertises the dates/venues and confirms that bookings are now open. EE stated that if any member of the Committee wishes to attend Fundaments they should contact her for a complimentary place.
- Governance conference - is taking place on 17 /18 January 2019 in Bristol. A further circular will be sent out with the programme. Again, EE stated that if any LGPC members would like to attend they should contact her.

- The practitioner training app is finalised. The app enables delegates to view course material online. An access code is sent to delegates prior to the course.

10. ANY OTHER BUSINESS

David Murphy asked about IORP II - JH stated that LGA are in in discussions with DWP about the implementation of IORP II by January next year.

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