

Local Government Pensions Committee

Agenda

11am – Monday 8 April 2019

| Item | | Timings |
|------|--|---------|
| 1 | Apologies for absence and declarations of interest | 11:00 |
| 2 | Minutes of meeting held on 16 January 2019 - Paper A | 11:10 |
| 3 | Matters arising | 11:20 |
| 4 | Regulations update for England and Wales - Paper B | 11:30 |
| 5 | SAB update for England and Wales - Paper C | 11:45 |
| 6 | Regulations update for Scotland - Paper D | 12:00 |
| 7 | Regulations update for Northern Ireland - Paper E | 12:10 |
| 8 | Training and conference update - Paper F | 12:20 |
| 9 | Any other business and date of next meeting | 12:30 |

Meeting location – 18 Smith Square, London, SW1P 3HZ
Rooms 1 and 2 - Ground floor

**LGPC MINUTES
MEETING HELD ON 16 JANUARY 2019****PRESENT**

| | |
|--------------------|-------------------------------|
| Cllr D Le Gal | Chair & Scheme Advisory Board |
| Cllr G Edwards | LGA |
| Cllr A Waters | LGA |
| Cllr J Fuller | LGA |
| Cllr D Jones | LGA |
| Cllr A Paynter | LGA |
| Cllr D Renard | LGA |
| Cllr S Blackburn | LGA |
| Cllr S Taylor | LGA |
| Cllr C Lloyd | SAB member [observer] |
| Mr K Gerard | Technical Group rep – Dial in |
| Ms N Mark | Scheme Advisory Board adviser |
| Mr D Murphy | Northern Ireland |
| Ms K Linge | Scotland |
| Ms L Welsh | Scotland |
| Mr J Hughes | MHCLG |
| Secretariat | |
| Mr J Houston | LGPC |
| Ms L Bennett | LGPC |
| Ms E English | LGPC |

1. APOLOGIES

None. Mr T Norton attended the meeting as an observer alongside Cllr D Jones. No declarations of interest were declared.

2. TRIBUTE TO CLLR IAN GREENWOOD

The Chair asked for a minutes silence in honour of the late Ian Greenwood who sadly passed away in December. Cllr Greenwood's enormous contribution to the LGPS was noted; he will be greatly missed within the local government family. A memorial service will be held on 25 January 2019 at Bradford cathedral.

2. MINUTES

The minutes of the previous meeting held on 10 October 2018 were agreed.

3. MATTERS ARISING

Members of the committee enquired about the progress of the separation project (now called good governance project); however, as an update was contained within the agenda it was agreed to pick this up later.

4. REGULATION UPDATE [E&W]

Lorraine Bennett [LB] presented the key points from Item B, in particular highlighting:

LGPS (Miscellaneous Amendment) Regulations 2018

- The above regulations were laid on 18 December and introduce changes to survivor benefits as well as general power for MHCLG to issue statutory guidance.
- The regulations take effect from 10 January, but the changes to survivor benefits will be backdated to 5 December 2005 in relation to survivor pensions for civil partner members, and 13 March 2014 in respect of a surviving spouse of a same sex marriage.
- The LGA will issue an impact analysis of the regulations to administering authorities in January. MHCLG have confirmed that they will be issuing statutory guidance in February which will set out MHCLG's expectations with regard to backdating pensions in payment, as well as transfer values and trivial commutation payments, where an additional amount would be due as a result of the changes.
- LB informed the Committee that the Communications Working Group had met yesterday and were looking at producing standard communications for administering authorities to use when communicating the changes to members.
- Cllr Renard [DR] asked whether any benefits would be reduced. Jeremy Hughes [J Hughes] confirmed that this would not happen.

Exit credits

- LB advised that these became payable where a scheme employer leaves the Scheme on or after 14 May 2018. The Secretariat are aware that the payment of exit credits is causing problems where side contractual agreements are in place providing that no exit debt is payable by the employer. Also some employers are no longer extending contracts but terminating and re-bidding to receive an exit credit. LGA met with MHCLG on 8 January 2018 to raise the issue.
- MHCLG have accepted that the payment of exit credits is an issue where the contractor/employer is not sharing any of the risk ie a form of pass through is in place via a side contractual agreement. This is an unintended consequence of the regulations; however, in their view the general thrust of the regulations is right where employers do bear the risk. MHCLG will consider making a regulatory change or issuing statutory guidance to provide that where the employer bears no risk this can be taken account in the calculation of an exit credit payment.

Fair Deal

- LB informed the Committee that the consultation commenced on 10 January 2019 and will conclude 4 April 2019. The consultation proposes introducing the concept of fair deal employers. The consultation states that the Scheme

Advisory Board will issue advice to help Fair Deal employers put in place service contracts which give them flexibility and protect them from potential risks.

Pension Dashboards

- LB informed the Committee that DWP released the results of a feasibility study to explore the delivery of online pension dashboards in the form of a consultation on 3 December. The consultation closes on 28 January. The Secretariat are working closely with DWP to ensure the interests and views of LGPS administering authorities are heard.

6. SAB REPORT E&W

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

Cost management

- JH explained how the cost management processes work in the LGPS and why member costs have increased.
- JH confirmed that the HM Treasury process takes into account changes made the SAB process.
- The SAB have agreed a set of recommendations to return the overall cost of the scheme to the target cost of 19.5%. It was hoped that MHCLG would issue a consultation on the proposed changes before Christmas; this was not possible.
- SAB's recommendations were forwarded to administering authorities on 21 December 2018.
- The Committee asked if the additional costs incurred by employers due to the changes to benefits would be recognised by MHCLG and financial support provided. JH reminded the Committee that the spending review only applies to local authorities and the LGPS is made of lots of other employers.
- Any changes in employer costs will not be fed through until the next valuation.
- The timetable for introducing the changes is tight – Government have confirmed that it will not be possible to move the date the changes must be introduced by from 1 April 2019. It is possible that changes may have to be made retrospectively.
- Kevin Gerard (KG) expressed concern regarding the timing of the new early retirement factors. The Committee were concerned about the time slippage and the impact on administering authorities of backdating the changes.
- Jeremy Hughes confirmed that if the consultation was too short the changes made could be open to challenge.
- SAB are currently drafting an employer Q&A.

Procurement process for cost transparency compliance system

- SAB is currently procuring for an investment cost transparency compliance and reporting system.
- Four bids were received and are currently being evaluated by a sub group of the Board.

IORP II Directive

- JH stated that this directive is due to be transposed into UK law by 19th January. SAB will work with MHCLG to explore appropriate remedies to avoid any potential legal challenge.

Pooling guidance

- JH stated that MHCLG had published draft guidance for comment by selected stakeholders. The guidance consolidates the original guidance and areas that have been clarified since.
- A discussion took place around the status of statutory guidance. Jeremy Hughes confirmed that whilst statutory guidance is not a statement of law, any alternative approach to that appearing in the guidance would need to be justified.
- The Chair asked why the draft guidance did not mention member representation on oversight structures of pools. JH confirmed that the [statement](#) made by the SAB in May 2018 in relation to this was the view of the SAB.

7. REGULATIONS UPDATE SCOTLAND

The Committee noted the key points from Item D which was presented by Ms K Linge (KL).

- Draft Regulations (Scotland) Miscellaneous Amendments Regulations 2018 technical consultation commenced on 18 December and will close on 11 March 2019 to look at amendments to extend flexibility to take an uncrystallised lump sum from the member's AVC provider.
- The Increased Pension Element (IPE) Regulations are delayed due to limited parliamentary time.
- Section 13 of the Public Service Pensions Act 2013 - GAD are currently working on their report based on the 2017 valuations. GAD will present their report to the Scheme Advisory Board in May.
- Cost Cap – SPPA expect a similar outcome as E & W and intend to consult with SAB and others on how to address this.

The Chair asked for an update on pooling in Scotland. KL stated that the consultation had closed in December 2018 and that the Scottish Scheme Advisory Board is currently working on their report; also good collaborative work between funds is already taking place.

8. REGULATIONS UPDATE NORTHERN IRELAND

The Committee noted the key points from Item E 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; however, the Department for Communities is currently considering if it can make amendments by negative resolution in the absence of the Assembly. However, there is a risk that when the Assembly sits again in the future, they could undo what has been done.

- The Assembly made its own version of the Public Service Pensions Act (Northern Ireland) 2014
- The scheme valuation, as part of the HM Treasury cost cap process, has calculated that the cost of the Scheme is 13.8% - this represents a fall in cost of 3.2%. Therefore, the cost-cap floor has been breached.
- Changes to the scheme will have to be made to bring the cost back to the target cost of 17%. A consultation commenced on 17 December and will conclude on 15 February 2019. The SAB considered the various options but agreed a proposal that the accrual rate be adjusted to 1/43.5.
- GAD have almost completed the Section 13 review of the 2016 actuarial valuation, the final report will be issued in January, however early indication is that there is no concern.
- Nicola Mark (NM) mentioned that if the accrual rate changes to 1/43.5 this will provide for a different level of benefits to those provided by E&W and Scotland and that this could be confusing for members.
- Pensions Dashboard does not directly apply to NI however, it is expected that NI will follow suit subject to Ministerial and Executive Assembly approvals.

9. TRAINING AND CONFERENCE UPDATE

- Elaine English (EE) reminded the Committee that the LGPS Governance conference is taking place on 17 /18 January 2019 in Bristol. The number of attendees is higher than in previous years. Feedback will be reported at the next meeting.
- Fundamentals training has now been completed with positive feedback. The Secretariat will shortly be looking at the programme for Fundamentals 2019.
- Further training events on employer role will be run from March 2019, as well as a new course from April on covering aggregation of LGPS benefits.

10. ANY OTHER BUSINESS

- NM asked that a document be produced to explain the role of the LGA, LGPC, SAB and other groups like POGs [Pension Officer Groups] and Technical Group etc. The different bodies and how they fit together is not always understood and it would be helpful if this could be clarified.

11. DATE OF NEXT MEETING

The Committee agree they would like to continue co-ordinate meetings with the SAB meetings. The next meeting date will be confirmed. **Post meeting update – next meeting will be held on 8th April 2019.**

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LGPS England and Wales - regulation update

1. Key points to note

- LGPS (Miscellaneous Amendment) Regulations 2018 update
- Exit credits update
- MHCLG consult on strengthening pension protection in the LGPS
- LGPS factor review
- Consultation on exit payment reforms expected
- LGPC respond to pensions dashboards consultation

2. Decisions

- The Committee is asked to note the contents of the report.

3. Summary

LGPS (Miscellaneous Amendment) Regulations 2018

The above [regulations](#) came into force on 10 January 2019 with some provisions having an earlier effective date. The regulations amend the LGPS 2013 Regulations and the LGPS (Transitional Provisions, Savings and Amendment) Regulations 2014.

On 4 February the LGPC secretariat published a [commentary](#) for administering authorities on the impact of the regulation changes. The main changes are:

General power for the secretary of state to issue statutory guidance

- MHCLG may issue guidance on administration and management of the scheme
- MHCLG must consult with persons they consider to be 'appropriate' before preparing new or amending existing guidance
- The purpose of the guidance is to clarify the content of regulations and maintain consistency of interpretation between administering authorities.

Surviving partners' benefits

- Changes to survivor benefits aim to address the [Walker v Innospec judgment](#) by providing that survivors of registered civil partnerships or same sex marriages will be provided with benefits that replicate those provided to widows
- LGPS Administering authorities must re-visit calculations of pensions paid to surviving civil partners and same sex spouses and pay any additional amounts due, plus interest
- MHCLG plan to issue statutory guidance setting out the action to be taken in respect of any transfer out payments paid, trivial commutation payments paid and potentially interfund transfer payments where the payment would be affected by the amendment regulations.

On 10 March, the LGPC secretariat, working with the national Communications Working Group produced a leaflet to assist administering authorities communicate the changes to members.

Exit credits

The LGPS (Amendment) Regulations 2018 introduced the requirement to pay an exit credit to exiting employers where, at the exit date, an employer's assets in the fund exceed the liabilities. The requirement applies to exits on or after 14 May 2018.

The Secretariat is aware that the payment of exit credits is causing issues for administering authorities, particularly where:

- a side contractual agreement is in place providing that no exit payment is payable by the employer in the event that there is an exit debt payable upon exit ie a pass through arrangement
- service providers are no longer looking to extend contracts at the end of their term where an exit credit payment is payable. Instead they seek to terminate the contract and re-bid.

MHCLG have confirmed they will consult on a retrospective change to the regulations to provide that, where an employer bears no risk, this can be taken into account in the calculation of an exit credit payment.

Fair Deal

On 10 January 2019, MHCLG opened a consultation on '[Fair Deal – strengthening pension protection](#)' in the LGPS.

The consultation contains proposals to strengthen the pension protections that apply when an employee of a LGPS employer is compulsorily transferred to the employment of a service provider. The proposed amendments to the LGPS Regulations 2013 would, in most cases, give transferred staff a continued right to membership of the LGPS and introduces the notion of a 'deemed' employer. These changes are intended to bring the LGPS in line with the government's October 2013 [Fair Deal guidance](#) that applies in relation to transfers from central government.

The consultation closed on 4 April 2019. The LGPC's [response](#) is available to view on the consultation page of www.lgpsregs.org. The national LGPS Technical Group also submitted [a response](#).

LGPS factor review

MHCLG in conjunction with GAD are currently undertaking a review of the actuarial guidance in relation to the LGPS. The review takes into account the change to the SCAPE discount rate.

As part of the review, on 28 March MHCLG issued a short, [technical consultation](#) on changes to the late retirement actuarial guidance. MHCLG have stated that although they do not normally consult on the content of actuarial guidance notes, they are doing so in this instance because they are proposing a significant change to the methodology by which late retirement factors are calculated.

The proposed change to methodology removes the 'cliff edge' when factors change.

Exit payment reform

We understand that HM Treasury plan to issue a further consultation on the exit cap imminently. Background information to the exit cap is provided below:

- the Government first consulted on introducing an exit cap in July 2015 - <https://www.gov.uk/government/consultations/consultation-on-a-public-sector-exit-payment-cap>
- under the exit payment cap proposals, where an individual leaves a public sector employment, the total exit payments that their employer can make in respect of that exit will be capped at £95k.
- the primary legislation that provides for the introduction of the cap is contained in the Enterprise Act 2016.
- the exit payments that count towards the cap will include the strain cost payable in respect of a LGPS pension coming into payment early - for instance, where a scheme member aged 55 or over is made redundant and has an entitlement to the immediate payment of an unreduced pension.
- after the introduction of the cap, where the payment of an LGPS strain payment would cause the cap to be breached, the amount that the employer will be able to pay to the pension fund will be limited. The original proposals stated that in such cases, the individual's retirement pension would by default be put into payment at a reduced rate to reflect the reduced amount that their employer has paid to the pension fund.
- the original consultation included a power for full council to waive the cap subject to Treasury directions (to be published).
- under the Act, HM Treasury have the power to make regulations to increase the cap from the current level in the future.

Implementation timescales

We understand the Government intend to undertake another consultation (12 week) on the regulations that will govern the exit payment cap and that this is due to be issued imminently. The regulations that would bring the exit payment cap into effect are subject to the affirmative resolution procedure and must therefore be passed by resolutions of both Houses of Parliament in order to come into force.

Devolution

The proposed policy extends to England alone, but the consultation document stated that the Scottish government, Welsh government and Northern Ireland Executive should determine if and how they want to take forward similar arrangements in relation to their own jurisdictions.

Implications for LGPS calculations

It is likely that a universal calculation of strain cost will be required across all public sector pension schemes in order to implement this policy.

Pensions dashboards consultation

At the last meeting, we confirmed that on 3 December 2018, the government published a [consultation](#) to explore the options for the delivery of online pensions dashboards. The consultation closed on 28 January 2019.

The LGPC's [response](#) to the consultation raised concerns about cyber security and about the data that will be available on the dashboard. The LGA are pushing for a

late onboarding date for public sector schemes, but early participation in discussions deciding on the data and workings of the dashboard.

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Scheme Advisory Board – England and Wales

1. Key points to note

- HM Treasury and SAB cost management processes paused
- Separation project renamed 'Good Governance in the LGPS' project
- SAB considering guidance on responsible investment
- SAB to submit a technical response to the pooling guidance consultation
- SAB to undertake a further local pension board survey
- Work on the academy and third tier employer projects resumed.

2. Decisions

- The committee is asked to note the contents of the report

3. Summary

HM Treasury and SAB cost management processes paused

On 21 December 2018, the Court of Appeal held that transitional protections that protected older judges and firefighters from the public sector pension scheme changes in 2015, were unlawfully discriminatory. This case is known as the 'McCloud case'.

On 30 January 2019, the Government published a written statement that paused the HM Treasury cost management process for public service pension schemes, pending the outcome of the application to appeal the McCloud case to the Supreme Court. This was supplemented by the publication of the Public Service Pensions (Valuations and Employer Cost Cap) (Amendment and Savings) Directions 2019, on 15 February 2019.

On 8 February 2019, the SAB confirmed it had no option but to pause its own cost management process pending the outcome of McCloud. As a result there are currently no changes to benefits planned in respect of the cost management process (either the LGPS process or HMT process) from 1 April 2019. This situation will be reviewed once McCloud is resolved which is not expected for some months.

The cost management page of the SAB website has been updated with all of the background information to the above, including a Q&A that was forwarded to all administering authorities on 15 February 2019. The Q&A is in HTML format to enable it to be easily updated as events move forward. It sets out potential timescales and possible outcomes of the McCloud case, and its impact on the cost cap process.

With regard to the 2019 valuations, administering authorities were asked if they would prefer:

A) To receive guidance from the SAB designed to promote a consistency of approach on how McCloud and/or cost management should be taken account of as part of the 2019 triennial valuation exercise. Such guidance would take the form that;

- i. if there is no finalised outcome on McCloud/Cost cap (including a commitment by government to detailed benefit changes) by 31 August 2019 then the scheme benefit design used in the valuation should be as set out in current regulations.
- ii. each administering authority would then, with their actuary, consider how they approach (and reflect in their Funding Strategy Statement) the risk around this matter in the same way as they would for other financial, employer and demographic risks.
- iii. once the outcome of McCloud is known and appropriate benefit changes are made administering authorities would, if they deem appropriate, re-visit employer contributions under such guidance or provision in regulation as may be available at that time.
- iv. a consistent approach to delaying or method of estimating exit credits and payments.

OR

B) To have no central guidance and instead leave it to each administering authority to determine their own approach to their valuation (including any potential cost from McCloud or cost cap) taking advice from their actuarial adviser.

To date, approximately 70 responses have been received with the majority preferring to receive guidance from SAB designed to promote a consistent approach. Work has now begun on producing the guidance.

Good governance project

The Separation project has been renamed the Good Governance in the LGPS project. The term separation had given rise to unfounded fears that options around removing the scheme from Local Authority control were being considered. It was agreed that 'Good Governance in the LGPS' better reflected the aims and ambitions of the project to enhance the delivery of the function within local authority structures.

Hymans Robertson have been awarded the contract to look into how LGPS functions can be accommodated within the democratically accountable local authority framework. They will be considering best practice, any conflicts of interest that have arisen and how they have been successfully dealt with.

Hymans will be engaging with stakeholders in the coming weeks to find examples of issues and good practice.

Responsible investment guidance

The Board have agreed with a recommendation from the Investment, Governance and Engagement committee ('Investment Committee') that the draft guidance should be extended to include a checklist enabling administering authorities to measure whether their ESG policy, including climate change risk, represents the minimum to comply with the law, good practice or best practice. Work would also be undertaken in conjunction with scheme stakeholders to assist administering authorities in developing a specific policy, if they wish, on climate change risk.

On 25 March, the Investment Committee agreed that the SAB should consider a joint paper published jointly by UNISON and ShareAction on the progress being made by administering authorities on ESG considerations; in particular on climate change risk.

Pooling guidance consultation

As reported in the January meeting, MHCLG have recently consulted on draft guidance on pooling for comment by selected stakeholders. The guidance aims to build on previous guidance and address areas that have subsequently been clarified or added via ministerial letters and statements.

A draft technical response on behalf of the SAB has been circulated to Board member for comment by 29 March.

Local Pension Boards survey

Following concerns raised at the Investment Committee about the effectiveness of some local pension boards, the Board agreed that the Secretariat should prepare a draft survey to build on the survey undertaken in 2017.

The Investment committee met on 25 March and considered a draft survey. The Committee agreed that further work should be undertaken to finalise the draft in time for it to be considered by SAB, with a view to issuing it in May 2019.

Academies and third tier employer projects

Progress on both projects has been limited due to the Board's resources being taken up by the cost management process. However, work on both projects will now resume.

Academies Administration group – all stakeholders believe that a universal data extract (monthly) covering all employers, LGPS administering authorities and software platforms is a great idea, but there is disagreement on the format and what data to include. TPR is strongly in favour of monthly, electronic data collection.

Third tier employers – Aon presented 85 options for reform in September 2018. The SAB have set up a working group – the group have been asked to consider the 85 options listed in the report and feedback, by 22 March, which the six options they think SAB should consider as recommendations to make to MHCLG Ministers. This will enable the SAB to assess how much common ground there is across the various stakeholders.

To assist the working group, SAB's legal adviser will be asked to provide an assessment of any legal obstacles to any of the options being taken forward as SAB recommendations.

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Regulation Update Scotland 2019

1. Draft Regulations - The Local Government Pension Scheme (Scotland) (Miscellaneous Amendments) Regulations 2019

The technical consultation on the Draft Regulations closed on Monday 11 March 2019. These amendments extend the flexibility to take an 'Uncrystallised Funds Pension Lump Sum' (UFPLS) from a member's AVC provider to members of previous schemes.

These regulations also correct a number of referencing errors and ensure that the provisions in the Local Government Pension Scheme (Transitional Provisions and Savings) (Scotland) Regulations 2014 continue to have effect in the 2018 scheme.

Consultation responses, including those from the LGA have been reviewed and resulting changes will be included in the discussion with the Scottish Government Legal Directorate (SGLD) before they are deemed ready for laying. It is expected that these regulations will come into force at the end of June 2019.

2. Regulations - The Local Government Pension Scheme (Scotland) Pensions Amendment (Increased Pension Entitlement) Regulations 2019

In 2008/2009 GMP-related overpayments across the public service schemes were identified and Scottish Ministers chose to allow the pension in payment to remain unadjusted for affected pensioners in the Police, Firefighter and Local Government Pension schemes.

These regulations provide for a new scheme award known as an Increased Pension Entitlement (IPE) which reflects the GMP-related overpayment. These regulations are currently with SGLD for review and will come into force later in 2019.

Government Actuary's Department (GAD)

3. 2017 Employer Cost Cap valuation and litigation update

3.1 The Public Service Pensions Act 2013 requires all public service pension schemes to undergo regular valuations, in addition to the regular fund valuations undertaken by LGPS fund actuaries. At the October meeting of the LGPSAB, GAD presented demographic assumptions which have been agreed.

3.2 As members are aware, public service pension schemes were reformed in 2015, with the existing final salary schemes closing. The UK Government (and Scottish Ministers) chose to allow certain exceptions which were designed to protect those closest to retirement from the impact of those reforms. As you will be aware,

the Court of Appeal handed down judgment in the cases of McCloud and Sargeant on 20 December 2018: these age-related transitional arrangements were held to be discriminatory. It is anticipated that other public service pension schemes across the UK may be affected by this decision, including LGPS Scotland, notwithstanding that the nature of the comparable transitional arrangements implemented for local government pension schemes [statutory underpin] was slightly different from those adopted for the unfunded schemes.

3.3 The judgment therefore has implications for post-reform members' benefits, and the UK Government is seeking permission to appeal to the Supreme Court. Meantime, the substantial impact of the judgment is such that it is impossible to assess with certainty the value of current public service pension arrangements. On 30 January 2019 HM Treasury therefore announced in a Written Ministerial Statement that the UK Government intends to pause the 'cost cap' mechanism under the current round of scheme valuations, pending the final outcome of the appeal.

3.4 As noted in the Ministerial Statement, if the UK Government is successful in its appeal, the cost cap process will resume. If unsuccessful, steps will need to be taken to compensate members who have been unfairly disadvantaged in the post-reform schemes. Accordingly, the nature, and the timescale for implementation, of changes to the provisions of LGPS Scotland flowing from the actuarial valuation of the scheme for cost cap purposes being undertaken by the Government Actuary's Department (GAD) is not currently clear. We understand that changes which were scheduled to come into force this April in the England & Wales LGPS have been put on hold.

3.5 We are liaising closely with HM Treasury and MHCLG on this matter. Meanwhile, GAD is progressing its valuation calculations only to the extent necessary at this stage, pending greater clarity on the legal position and the UK Government's consequent policy intent.

4. Actuarial guidance

GAD has provided the revised non-club factors following the adjustment to the discount rate in Budget October 2018 and subsequent factor review. These were issued on Monday 18 March. GAD are still working on the last remaining factors which will be provided shortly, once the accompanying guidance has been finalised and reviewed.

5. LGPS SAB (Scotland) Structural Review

The consultation responses from Employers and Employees bodies are available to view on; <https://lgpsab.scot/consultation-responses/>

The Scottish Scheme Advisory Board have advised that the resulting report will be made available in April 2019.

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Regulation Update Northern Ireland 2019

1. Background

- 1.1 Public Service pension regulations are a devolved matter for the Northern Ireland Assembly. Regulations for the Local Government Pension Scheme (LGPS) in Northern Ireland are made by the Department for Communities.
- 1.2 The Northern Ireland Assembly made its own version of the [Public Service Pensions Act \(Northern Ireland\) 2014](#).

2. LGPS Regulations

- 2.1 On 17 December 2018 the Department for Communities issued a [consultation](#) on changes to scheme benefits in order to rectify the Cost-Cap floor breach. Despite the pause in the Cost-Cap review (see below) the consultation continued and closed on 15 February 2019. The Department has not published its response.
- 2.2 On 17 February the Department for Communities confirmed to the Scheme Advisory Board that the Cost-Cap process was being paused for the same reasons as articulated in the Treasury announcement.

3. Governance

- 3.1 No further meetings of the NI LGPS Scheme Advisory Board have taken place.
- 3.2 In March GAD completed its Section 13 review of NILGOSC's 2016 actuarial valuation which was published in March 2019. The final report indicated that GAD had no cause for concern.
- 3.3 In the absence of local Ministers the Department for Communities took steps to have legislation made at Westminster to allow for the appointment of Board members to NILGOSC, the administrator of the LGPS in Northern Ireland. [The Northern Ireland \(Ministerial Appointment Functions\) Regulations 2019](#) were made on 19 February 2019 and allow the Secretary of State to appoint a chair and members to NILGOSC.
- 3.4 NILGOSC organised a conference on 3 April 2019 for all of the public service pension schemes with speakers from GAD, TPR, TPR, TLT Solicitors and Deloitte.

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Training Update

Fundamentals training

We are pleased to confirm that our bespoke LGPS training programme for elected members and others who attend pension committees and local pension boards will run later in the year. The programme provides members of pension committees and local pension boards with the knowledge and skills to enable them to carry out their duties effectively.

Fundamentals is a three day course with identical material being delivered at each of the three locations. 2019 dates and venues are confirmed as:

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| Day 1 | London | LGA Offices, 18 Smith Square | 3 October 2019 |
| | Leeds | Marriott Hotel | 17 October 2019 |
| | Cardiff | Marriott Hotel | 31 October 2019 |

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| Day 2 | London | LGA Offices, 18 Smith Square | 6 November 2019 |
| | Leeds | Marriott Hotel | 14 November 2019 |
| | Cardiff | Marriott Hotel | 21 November 2019 |

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| Day 3 | Leeds | Marriott Hotel | 5 December 2019 |
| | Cardiff | Marriott Hotel | 12 December 2019 |
| | London | LGA Offices, 18 Smith Square | 18 December 2019 |

Full details and how to book will be publicised in next our Circular which we aim to issue in April. Members of the LGPC Committee are offered complimentary places; if you would like to attend any of the training above please email elaine.english@local.gov.uk.

Annual Governance Conference

The next Governance Conference will be take place on 23 and 24 January 2020 at the Principal Hotel, York. Full details will be provided in April/May 2019.

Again, members of the LGPC Committee are offered a complimentary place – please email elaine.english@local.gov.uk to take up the offer.

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