

**Local Government Pensions Committee  
Technical Group**

**Minutes of the meeting held on 19 September 2014 at  
the offices at Barnett Waddingham, Cheapside  
House, 138 Cheapside EC2V 6BW**

**Present**

M Hopwood (Chairman)	North East
B Claxton	London
R Smyth	London
G McLellan	East Midlands
I Howe	East Midlands
A Hyde	Shrewsbury
J Caiazzo	Shrewsbury
J Smith	South East
A Piper	South East
Z Kee	Northern Ireland
A Cheffey	South West
T O'Connor	South West
L Miller	South Wales
K Gerard	South Wales
C Carruthers	Scotland
D Goodwin	Secretary
P Baker	Southern
C Lewis-Smith	Southern
G Chapman	North East

**In Attendance**

P Kateley	Heywood Limited
D Friend	Civica
D Kanaris	AON Hewitt Limited
D Beedall	Capita
A Allen	Barnett Waddingham

**LGA**

C Hargrave  
J Houston

**1. Apologies**

Apologies were received from the following:-

L Jones	DCLG
T Edwards	LGA
I Colvin	Hymans Robertson
J Davies	PriceWaterhouseCoopers
N Thomas	Mercers
A Hyde	Shrewsbury
C Martin	Environment Agency

**2. LGPC Update  
Scotland 2015**

A lot of the team's time/resource is at present being taken up with all matters connected with the LGPS 2015 in Scotland, so response times might be a bit longer than people are used to.

**The work of the Communications Working Group - Work plan 2014/15**  
 Administering authorities might wish to note the CWG work plan for 2014/15.

<b>Core topic</b>	<b>Details</b>	<b>Timeframe (aim for delivery)</b>
<b>Aggregation leaflet</b>	<ul style="list-style-type: none"> <li>- Develop a member information leaflet to share with pension funds which will cover the topic of aggregation from April 2014</li> <li>- This will be developed in conjunction with Technical Group</li> </ul>	- Autumn 2014
<b>Annual Benefit Statements (ABS)</b>	<ul style="list-style-type: none"> <li>- Develop template for active ABS for 31 March 2015</li> <li>- Develop guidance notes to accompany the template ABS</li> </ul>	- December 2014
<b>LGPS Effective Communications Guide</b>	<ul style="list-style-type: none"> <li>- Updating the effective communications information available on the LGPC's website.</li> <li>- Incorporate information about options relating to electronic communication (including member online/self-service tools)</li> <li>- To include legislative requirements and best practice</li> </ul>	- December 2014
<b>LGPS Member Website</b>	<ul style="list-style-type: none"> <li>- Go live with <a href="http://www.lgpsmember.org">www.lgpsmember.org</a> website</li> <li>- This will be the new member website for the LGPS (replacing both <a href="http://www.lgps.org.uk">www.lgps.org.uk</a> and <a href="http://www.lgps2014.org">www.lgps2014.org</a>)</li> <li>- LGPC working on content and delivery - subgroup to review test pages before launch</li> <li>- consider online tool to assist members as part of a drive to focus on the 'affordability' of retirement rather than a retirement age (inc. rule of 85 information)</li> </ul>	<ul style="list-style-type: none"> <li>- Originally planned for end of Summer 2014 but realistically now late 2014/ early 2015 (due to priority of other work streams).</li> </ul>

**Year-end information  
2014/15**

- Develop excel template for year-end info at 31 March 2015 - January 2015
- Develop guidance notes to accompany the template year-end spreadsheet

**Ill health retirement**

The Admin and Comms sub-committee met on 4 September 2014 and agreed a number of options for further consideration in order to rationalise/streamline the ill health retirement provisions and procedures in the LGPS. These are to be costed by GAD before being further considered by the sub-committee later in 2014 with a view to making recommendations to the Scheme Advisory Board.

**Governance guidance**

The article in Bulletin 118 on governance guidance says that a consultation on the draft guidance is to be undertaken by the Board/sub-committee towards the end of September. At a subsequent DCLG expressed a keen interest in taking the governance guidance on as Statutory Guidance (subject to review by DCLG's lawyer and a consultation process). The likelihood is now that the consultation on the guidance will be a statutory consultation. Exact timeframes etc. are not yet known. Matters that do not make it into Statutory Guidance will need to be picked up by the Board in a separate document and this (probably a Q&A style document) will be developed separately.

**Cost management regulations**

A consultation on Cost Management Regulations which incorporates the recently consulted upon governance regulations is due imminently. The Secretariat understands this will include some amendments from the earlier version of the draft governance regulations.

**HMRC Scheme Reconciliation**

If administering authorities are experiencing any problems with this or have any examples of incorrect GMP statements please share this information with the Secretariat (as the Secretariat now has a liaison contact within HMRC).

**LGPC subscriptions**

The LGPC levy invoices are now being sent out.

**Training**

Fundamentals training events during Oct – December have a few spaces left on them but are filling up quickly – book now to avoid disappointment.

Following LGPS2015 training for Scotland in January, the training programme is likely to get back to the basics training events in February - probably TVs including Club, IFAs and Aggregation; Divorce; Revaluation (how CARE really works after we get a real Treasury Order) and Final Pay. It is also intended that Insight – the residential course – will be resumed, probably in May.

### **Perspective**

Could authorities who have not yet responded to the e-mail of 30 July re Perspective do so by 16 September in order that the secretariat can gauge the level of interest.

[On the Perspective front we've so far had a total of 29 responses (out of 100), of which 15 are probable "yes", 1 is a "probably not" and the other 13 are "no". Of the 15 "yes" votes, I suspect a significant proportion of those are existing Pendragon clients].

### **Academies**

Could authorities who are having difficulties with the provision of data from academies provide the information requested in the Secretariat's e-mail of 18 July by the end of September so the Secretariat can take the matter up with DfE or the Education Funding Agency.

### **Freedom and Choice - transfers to DC schemes from April 2015**

Concerns have been raised as to the possible cashflow impacts on LGPS funds of continuing to allow transfers to money purchase pension schemes following the introduction of the 'Freedom and Choice' reforms in April 2015. The LGA have issued an analysis of the possible detrimental impacts on cashflows to DCLG and HM Treasury to illustrate the possible effects. We understand that HM Treasury are considering:

- reducing transfer values by local funding ratios in order to mitigate the possible cashflow impacts or;
- reviewing the decision not to impose a ban on transfers if the impact is substantial and;
- imposing robust advice requirements on members who wish to take these transfers.

We understand that HM Treasury also plan to commence a consultation in the near future which would consider if similar freedoms could be offered to members of DB pension schemes (e.g. increasing commutation limits).

### **3. Councillors Pensions**

There was a lengthy discussion on the topic of Councillors pensions where several alternatives were suggested. However, at the end of the discussion the group concluded that the provision of councillor pensions was employer led rather than an administering authority function.

### **4. Term time working**

Con Hargrave explained the background to this query which related to employees who worked term time for personal reasons but, the job remained full year. Kent County Council, following a DCLG commentary which suggested that should the term time weeks reduce the hours should be adjusted to ensure that the member did not suffer a pay drop, took this course

of action. In view of the transfer to a CARE scheme from 1 April 2014, this protection will not be available if the employee again reduces their term time weeks and as a result they will suffer a reduction of pay. Following discussion the group felt that changes to reflect the situation of a voluntary term time working member would probably not be desirable, as it is more of a fundamental issue with how the Scheme has to operate where members currently accrue benefits on a career average basis, whilst retaining the protections of their final pay in respect of their earlier membership.

## **5. Development of the LGPS NI database for active data sharing**

Jeff Houston gave an interesting presentation on the NI database that has been developed by the LGPC.

This database would allow funds to find other pensions or deferred benefits across Local Government Pension Scheme funds and reduce the possibility of breaching tax rules. This system enables funds to upload their own data and search data supplied by other funds. It could eventually be developed to allow individual members to access it and search for lost pensions.

He explained that Gary Chapman at South Yorkshire had agreed to host the database as this was something that the LGPC could not do. The cost of developing the database would be minimal but the cost of hosting would need a small upfront payment. To facilitate this development a very small increase to annual fees would be required.

Jeff asked for feedback from the group about what additional features they would like added and some suggestions were made but the group were in agreement that initially it should be fairly simple and once bedded in then further developments could be made.

The group were happy for this project to go ahead. Jeff said he would initially put it on an LGPC server so that Authorities could use it on a trial basis. It will be necessary for all Authorities who use the system, once up and running, to sign an appropriate agreement with LGPC and South Yorkshire. If all Authorities do this then it could provide a similar tool to the "Tell us once" facility.

Jeff also mentioned that he had received enquiries from the Police, Fire, Teachers and the NHS pension schemes as to whether they could also use this database.

The group agreed that there should be no further participation in the "Tell us once facility" as this new database will be more helpful.

## **6. Minutes of the previous meeting held on 13 June 2014**

These were accepted as a correct record.

**7. Matters arising**

***Page 5 – AVCs***

Following a question as to whether a response had been received from DCLG the group were advised that Jeff was not aware of a reply.

***Page 5 - Aggregation***

A request was made for an update. Apparently HMT keep coming back and saying Schedule 12 overrides and there is no link. Jeff was unable to be more specific than 'Autumn' for when the leaflet would be ready.

***Page 6 – Ill health retirement provisions***

The Administration and Communications sub-committee are now looking at a reduced number of options and are in the process of costing them.

***Page 6 – Pensions Act 2014***

LGPC are working with the DCLG and Treasury to decide if money should be recycled and weighted payments made to Local Authorities to put into pension funds. It was confirmed if nothing changes all would become AC less than GMP.

***Page 8 – Probation transfer***

Greater Manchester Pension Fund is providing annual allowance statements for those members who have transferred over. They are not confirming the three preceding years for that employment. It was agreed that this is a legal requirement and that GMPF will be referring members back to their previous scheme for that information.

***Page 10 – Trivial commutation paper***

It was confirmed that this is now on the LGPC website.

**8. Any other business**

There was no other business as such however the Chairman asked members between now and the next meeting to look at the terms of reference of the group and decide whether we are achieving what has been set out or do we need to be doing anything else and if so what. He also felt that this should be discussed at Pension Officer Group meetings.

Paul Baker who has been a member of the group for several years is retiring shortly. The Chairman thanked him for his participation in the group and wished him well for the future and on behalf of the group presented him with a small token of thanks.

**9. Date and venue of next meeting**

12 December 2014 at the offices of AON Hewitt Ltd.