

**LGPC MINUTES  
MEETING HELD ON 26 FEBRUARY 2018  
AT 18 SMITH SQUARE, WESTMINSTER,  
LONDON, SW1P 3HZ**

**PRESENT**

Cllr D Le Gal	Chair & Scheme Advisory Board
Cllr D Renard	LGA
Cllr S Blackburn	LGA
Cllr G Edwards	LGA
Cllr M Headley (dialled in)	LGA
Cllr J Jamieson	LGA
Cllr J Fuller	LGA
Ms S Taylor	LGA
Ms N Mark	Scheme Advisory Board adviser
Mr K Gerard	Technical Group representative
Ms L Welsh	Scotland
Mr D Murphy	N. Ireland
<b>Secretariat</b>	
Mr J Houston	LGPC
Ms L Bennett	LGPC
Mr K White	LGPC
Ms E English	LGPC

**1. THE LATE CLLR KIERAN QUINN**

The Chair paid tribute to the late Cllr Kieran Quinn who sadly passed away last December. The Committee held a minute's silence in his honour.

**2. APOLOGIES**

Apologies for absence were received from Cllr Adam and Ms K Linge who was unable to attend as her flight was diverted to Manchester.

**3. MINUTES**

The minutes of the previous meeting held on 16 November 2017 were agreed.

**4. MATTERS ARISING**

Item 5: Incentivising the 50/50 section - Jeff Houston [JH] informed the Committee that the paper would be fed into the 50/50 awareness project being discussed at the Scheme Advisory Board [SAB] meeting being held in the afternoon.

- Item 6: Survivor Benefits - JH informed the Committee that HM Treasury had now received legal advice on the implications for public service pension schemes of the Walker v Innospec case. Nothing has yet emerged as to how they intend to proceed.
- Item 7: Exit payment reforms - JH informed the Committee that the Secretariat are chasing HM Treasury on a weekly basis for news on when the exit payment cap and recovery further consultations are to be expected.
- Item 11: Cllr Renard asked that notification be given to members when Fundamentals training is organised for 2018.

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

The Committee noted that JH and the Chair of the SAB Cllr R Phillips met the New Minister responsible for local government pensions Rishi Sunak MP.

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

- Elmes v Essex judgement – was handed down on 18 January and removes the requirement for a nomination to be in place for a cohabiting partner's pension to be paid. MHCLG are waiting for the judge's reasoning to be issued before they confirm their view on what the judgement means for the LGPS regulations.
- Outcome of the consultation on indexation and equalisation of GMPs - LB explained that the interim solution has been extended for a further 2 years and 4 months whilst the government look at an alternative long term methodology "conversion".
- GDPR – the Secretariat on behalf of LGPS administering authorities have commissioned Squire Patton Boggs to produce template privacy notices and a memorandum of understanding for employers which are due to be issued in the next couple of weeks.

## **6. CARILLION IMPACT**

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

- 3 LGPS funds had direct exposure to the collapse of Carillion on the asset side with a total estimated loss of £3m to £4.5m
- 13 LGPS funds had exposure on the liability side. However, in the majority of cases Carillion was fully funded meaning that we do not expect to see local authorities having to pick up any significant deficits as a result of this event
- Pensions Regulator will be issuing guidance soon on outsourcing and pension administration.

## **7. SAB REPORT E&W**

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

- Cllr R Phillips will provide a report to the SAB meeting on his and JH's meeting with Rishi Sunak MP
- Board Levy – the levy of 21 pence per active member was agreed at the November 2017 meeting needs the agreement of MHCLG.
- Academies project - at November's meeting, the Board agreed a set of objectives to shape the next steps in the Academies project will include the establishment of two working groups on academies, one on administration and the other on funding
- Tier three project - Aon will present an interim report on the tier three employer project at the afternoon meeting of the SAB
- Cost Management Committee update –proposals for increasing the awareness of 50/50 section will be considered at the afternoon meeting
- Investment Committee update – an update on the progress of opting up for MiFID II, the cross pool information forum and the code of transparency will be provided at the afternoon meeting.

## **8. REGULATIONS UPDATE SCOTLAND**

The Committee noted the key points from Item E which was presented by Linda Welsh (LW):

- The Cabinet Secretary has written to the Scottish SAB supporting their work on the structural review of Scottish pension funds. He asked that the LGPS advisory board consult on a range of options including: the status quo of the 11 funds in Scotland, retaining the 11 funds but with closer collaboration, one or more common investment pools and merging the funds into one or more new funds.
- Consolidated LGPS Regulations – the consultation ended on 15 January and the responses are currently being considered. The consolidated regulations will come into force later in 2018. One of the major changes is retirement at age 55 without employer consent.
- Overpayments identified as part of the GMP reconciliation process will not be reduced going forward but converted into an Increased Pension Entitlement (IPE). SPPA has confirmed with HMRC that these would be treated as authorised payments

## **9. 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.

- A list of amendments to the Regulations are waiting to be made, the highest profile being those amendments required to comply with the Supreme Court judgment in the Brewster case.

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

The Committee noted the key points from item G which was presented by Karl White (KW) highlighting the key points:

- Two surveys have been commissioned to gauge what training administering authorities and employers would like to receive
- A new training app is being implemented
- A circular will be issued soon with a published training schedule and the facility for online bookings.
- Elaine English (EE) stated that the Annual Conference now renamed the “Governance” Conference and will be held in Bristol on 17/18 January 2019. A circular will be issued in June with booking details.
- Fundamentals will again run from Oct – Dec, a further circular will be issued in June with booking details.

## **12. ANY OTHER BUSINESS**

Cllr Taylor asked what the protocol was on declaration of interest. It was agreed that this will be a standing agenda item. Cllr Taylor also asked if there is a glossary of terms to explain the acronyms used in the meetings.

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