

Cost Management, Benefit Design and Administration Committee

Item 2 Paper A

ACTIONS AND AGREEMENTS

**MEETING HELD ON 30th August 2018 – 11.00am
AT LOCAL GOVERNMENT ASSOCIATION, 18 SMITH SQUARE,
WESTMINSTER, LONDON, SW1P 3HZ**

PRESENT

George Georgiou	Members (GMB)	Chair
Simon Taylor	CIPFA	
Geoff Reader	Practitioners	
Alan South	Practitioners	
Sean Collins	Practitioners	
Glyn Jenkins	Members (UNISON)	
John Neal	Members (Unite)	
Graeme Muir	Actuaries: Barnett-Waddingham	
John Livesey	Actuaries: Mercer	
Alison Murray	Actuaries: Aon Hewitt	
Peter Summers	Actuaries: Hymans Robertson	
Robert Holloway	LGA - Board Secretariat	
Liam Robson	LGA - Board Secretariat	
Brian Allan	GAD	
Chris Daniels	GAD	
Jeremy Hughes	MHCLG	

APOLOGIES

There were apologies from Kevin Gerrard

1. Welcome, introductions and apologies

The Chair welcomed all in attendance to the meeting.

2. Matters arising

The Committee agreed the minutes for the previous meeting. Not covered during the meeting, but as background, the Committee noted that the August LGPC bulletin will contain an update on the recent 'Elms case' (nomination forms).

3. Scheme Advisory Board Cost Management Process – Update

Cost Management, Benefit Design and Administration Committee

There was no significant update since the previous meeting. The HM Treasury Direction was expected to be published before recess on 13th September 2018.

Subject to this deadline being met, the Chair and Vice chair had scheduled a meeting for the 20th September, prior to the SAB meeting during week commencing 8th October 2018. The Committee would be alerted to the Direction, and comments directed to the Chair and Vice Chair via the secretariat.

4. 50/50 awareness project

Bob Holloway (BH) provided an update on 50/50 progress. A paper proposing a further survey aiming to gain more detail on the awareness and communication of the 50/50 option was presented to the Board at its last meeting. Feedback received was that the questions should be more open ended. The questionnaire was being redrafted for review at a future meeting.

5. Late retirement factors – Update

An overall review of factors by GAD was to be conducted with scope for a working group and/or consultation before implementation.

6. Pensions Regulator Scheme Return

The Regulator had already made headway with scoring schemes' common data and 2018 was the first year of assessing conditional data. Progress with work on a universal data extract had been made, however, the first year would be run as a test bed. Discussions with service providers would resume later in 2018 for the scheme year 2019.

7. Academies/Tier 3

A brief update on progress of the administration and funding groups was given. The administration group had drafted a single data extract that aimed to improve consistency across the scheme, and the funding group were in discussions with DfE regarding proposals for common contribution rates.

The Tier 3 report completed by Aon Hewitt was due to be published in due course together with the formation of a working group to develop options outlined in the report.

8. GAD factor review

Cost Management, Benefit Design and Administration Committee

The suite of factors were being reviewed and an update was planned to address demographic changes and bring the factors into line following other market changes since the last evaluation.

9. Senior Pensions Adviser post

The position of senior pensions adviser had been filled from the pension team, therefore this had created a new vacancy for a full time pension adviser in addition to the part-time post that was currently at the advertisement stage.

10. AOB

Employer exit payments – the issue of admitted employers' remaining in the LGPS, but would otherwise have left due to large exit payments was discussed. Many of these issues and options would be explored as part of the Tier 3 project. A paper on methodology had been provided by Mike Scanlon.

The committee noted that the separations project had been resumed, having been moved down the Board's priority list due to work on investment pooling. An invitation to bid had been posted on the Board website. The successful bidder would use the KPMG report as a starting point to further develop a range of options. The deadline was 21st September and a decision to appoint was expected at the next Board meeting in October.

The committee noted the Minister's MHCLG and SAB Infrastructure event for chairs of pension committees planned for 15th November.

The ill health sub-committee would likely be reformed following the output of the CM process.

Also raised for discussion was the use of KPIs and cost transparency for AVCs following DWP's consultation.

11. Date of next meeting

The next meeting dates were to be confirmed.

* * *