

BOARD UPDATE – DECEMBER 2016

Message from the Chair of the Scheme Advisory Board

Dear Colleagues

The Local Government Pension Scheme Advisory Board (SAB) met on 6 December 2016.

Pooling

At its previous meeting, the Board agreed that the Chair should meet with the officer led Cross Pool Collaboration Group (CPCG) and this will take place once the arrangements for democratic representation at each pool is complete.

Government officials are set to meet with the eight pools during the course of December, and it was agreed that a pooling event for committee members (and Local Board members) would be a useful addition to the calendar for the New Year.

Transparency Code

A progress report for the SAB Code of Transparency was given to the Board. The Code has been designed to assist LGPS funds in obtaining data required in order to report costs on a transparent basis. Consultation with LGPS fund accountants and asset managers had taken place over the autumn and it was noted that signing up to the Code would be on a voluntary basis and on the understanding that the template may change to be kept in line with the IA's Disclosure of Charges and Transaction costs; and may also include a form of non-disclosure agreement, to be confirmed, to protect commercially sensitive information.

In addition, information submitted under the Code would be subject to some form of external audit which would be discussed at the next meeting.

Academies

PriceWaterhouseCoopers presented a report on the progress to date on the options for academies project. This included an overview of the methodology and initial findings. It was reported that initial interviews with administering authorities, academies and MATs had highlighted a number of issues. More interviews with unions and other stakeholders were planned over the coming weeks. A full report to the Board was due in March 2017.

Cost Management Committee update

The Board received an update from the committee, noting outstanding items from the previous committee; the contributions yield, cost management process and plans for the Committee to form a working group to develop proposals to support the implementation of the Treasury's framework on exit payments.

Investment Committee update

The Board received an update from the committee and agreed the draft response to the MiFIDII consultation.

Yours sincerely

Cllr Roger Phillips - Chairman of LGPS Advisory Board