

# Shadow Advisory Board

## Actions and Agreements 28<sup>th</sup> July 2014

### Item

1. Introductions and apologies

#### **Members Present**

<b>Joanne Segars</b>	NAPF (Chair)
<b>Cllr Roger Phillips</b>	LA employer (non-fund) representative
<b>Cllr Kieran Quinn</b>	Scheme employer representative
<b>Cllr Denise le Gal</b>	Scheme employer representative
<b>Cllr Ian Bond</b>	Scheme employer representative
<b>Cllr Mary Barnett</b>	WLGA representative
<b>Brian Strutton</b>	Scheme member representative (GMB)
<b>Garry Warwick</b>	Scheme member representative (GMB)
<b>Jon Richards</b>	Scheme member representative (UNISON)
<b>Fiona Farmer</b>	Scheme member representative (Unite)
<b>Bob Summers</b>	CIPFA
<b>Nicola Mark</b>	Practitioners
<b>Kirsty Bartlett</b>	APL
<b>Bob Holloway</b>	DCLG
<b>Nicola Rochester</b>	DCLG
<b>Robert Plumb</b>	The Pensions Regulator
<b>Jeff Houston</b>	LGA (Secretariat)
<b>Con Hargrave</b>	LGA (Secretariat)

**Apologies:** Chris Megainey – DCLG, Chris Bilsland - ALAT, Helen Forrest - NAPF, Dick Banks - Unite, Emelda Conroy - UCEA, Chris Tansley - UNISON, Gary Delderfield - APL, Peter Summers - ACA, Bob Scruton - The Pensions Regulator

#### **Matters arising**

##### **1) New Minister for the LGPS**

**Agreed** - The new Minister for Local Government, responsible for the LGPS, is Kris Hopkins, MP for Keighley in West Yorkshire. It will be important for the Shadow Board to engage with the Minister and he should be invited to a future meeting of the Board.

**Action** - Letter to be sent from the Chair to the Minister congratulating him for his appointment and inviting him to the meeting of the Board which is being held on 15<sup>th</sup> September.

##### **2) Budget reforms**

**Agreed** - Following the announcement that LGPS members will be allowed to transfer their pensions to DC schemes under the new tax regime and that HM Treasury will propose safeguards on the transfer of pensions from funded public service pension schemes to DC schemes, the Board should keep a watchful eye

# Shadow Advisory Board

on development and consider if there may be a need for its involvement in ensuring that the safeguards are sufficient and practically considered.

**Action** - Secretariat to circulate the aggregate cashflow information that was provided to HM Treasury in respect of the possible impacts of allowing transfers from the LGPS to DC schemes.

**Agreed** - There is a potential role for the Board in ensuring that there is sufficient understanding of the LGPS within the independent financial adviser (IFA) community so that full and considered advice can be provided to LGPS members considering transferring their benefits to DC schemes. In undertaking this, the relevant sub-committee should liaise with the appropriate representative body of IFAs to ensure that this is as relevant and helpful to IFAs as possible.

### **3) DCLG & Cabinet Office cost savings consultation**

**Action** - Secretariat to issue a further email to LGPS administering authorities asking for responses submitted to DCLG in response to the consultation to be shared so that these can be uploaded to Board website.

**Agreed** - Secretariat to consider whether a piece of work to summarise consultation responses is practical based on number of responses submitted.

**Action** - Board July update to be updated to clarify how the consultation will now be handled within Government, in particular with respect of the roles of the Cabinet Office and HM Treasury.

### **Governance consultation**

**The Board agrees the following for inclusion in its response to the consultation:**

- Draft regulation 111(1)(b) should be replaced with, "12 persons appointed by the Secretary of State".
- Draft regulation 111(4) should be amended to state, "The Chair of the Local Government Pension Scheme Advisory Board, *with the agreement of the Board*, may..."
- A regulation should be inserted regarding the possibility of co-optees to be invited on to the Board in a non-voting capacity. This would be along the lines of, "The Board may invite a maximum of 3 co-optees to sit on the Board in a non-voting capacity, one of whom should be a practitioner representative".
- Regulations should specify the constituent bodies which will make up the Board membership.

**Further actions and agreements:**

**Agreed** - In establishing the statutory Board, clarification will be needed from DCLG on:

# Shadow Advisory Board

- the type of legal body which the statutory Board will constitute once established,
- the level of consistency there will be between the LGPS advisory board and the other public service pension schemes' Boards, and
- whether statutory Board funding will be provided directly from the pension funds to DCLG or via another means.

**Agreed** - Careful consideration will need to be given to the Board appointments process, with the following two issues particularly in mind:

- a) the difficulties that were had in establishing and appointing to the Shadow Board
- b) the need for the statutory Board's internal processes to exhibit robust governance and transparency in the post-Hutton world.

**Agreed** - The process for resolving conflicts of interest as used by the shadow Board should continue to be used by the statutory Board. Details of potential conflicts of interest could be sought from the secretariat when Board and sub-committee meeting papers are issued.

**Agreed** - The minimum level of Board resourcing as set out in annex 3 would perhaps not be sufficient for the statutory Board to operate under once fully established.

**Action** - The secretariat should reconsider the minimum budget set out in annex 3 and provide to DCLG further iterations of these figures.

**Action** - The Board draft consultation response will be amended following today's meeting and circulated for comment to Board members prior to its submission before the closure of the consultation period on 15<sup>th</sup> August.

## **Date of next meeting**

Monday 15<sup>th</sup> September, 11am-1pm

Room 8.1

Local Government House

Smith Square

London

SW1P 3HZ

[Link to map for Local Government House](#)