

# Shadow Advisory Board

## Item 5 - Paper 5b - Deficit management project communications plan

This document outlines the communications approach that will be adopted by the Shadow Scheme Advisory Board (SSAB) to ensure there is good engagement with relevant stakeholders and regular opportunity for LGPS community feedback as the Board proceeds with its deficit management project in 2015.

In all cases, progress in respect of the deficit management project will also be reported in the regular updates issued by the Board.

Description	Communication	Audiences	Responsibility	When
Letter to be sent to LGPS pension fund contacts confirming the project being undertaken and attaching the Board's proposed work plan.	Letter with appending work plan	- LGPS pension funds in England & Wales (E&W)	Board secretariat	By end of January 2015
Consultation with community on revisions to the calculation of exit payments and greater flexibility on recovery of exit payments.	Consultation document with covering letter	- LGPS pension funds in E&W - Scheme employers - Advisers (actuaries, legal advisers, CIPFA, LA treasurers)	SSAB and Board secretariat	By end of February 2015
Develop a set of standard slides for use by Shadow Board members when giving presentations which include the deficit management project.	PowerPoint presentation slides	- SSAB members	Board secretariat	By end of February 2015
Letter to stakeholders confirming the recommendations made to	Letter from Chair	- LGPS pension funds in E&W - Scheme employers	SSAB and Board secretariat	By end of March 2015

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DCLG in respect of exit payments, comparative funding level calculations, and other matters set out in deficits work plan item no. 3.		- Advisers (actuaries, legal advisers, CIPFA, LA treasurers)		
Consultation response detailing the main responses received by the Board following its earlier consultation and how these were reflected in the recommendations back to DCLG.	Consultation response document	- LGPS pension funds in E&W - Scheme employers - Advisers (actuaries, legal advisers, CIPFA, LA treasurers)	SSAB and Board secretariat	By end of March 2015
SSAB event to incorporate one or more deficits management sessions outlining the work undertaken by PwC and the Board's plans for the future.	Event	- LGPS pension funds in E&W	SSAB and Board secretariat	24 <sup>th</sup> April 2015

In addition, the below items are also outlined on the deficits project work plan as undertakings that will need to be taken forward from April 2015 when the Scheme Advisory Board becomes statutorily constituted and has access to a source of funding. A further iteration of this communications plan will be published to reflect how such matters will be communicated with the LGPS community at such time as there is more detail known about the specifics for taking these matters forward and the planned timescales. These work items are as follows:

- The commissioning of the re-calculation of the individual 2013 fund valuation results on an agreed standardised basis.
- The researching of the possibility of mandating that deficit contributions are paid in cash terms, rather than pensionable pay terms.

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- The commissioning of data gathering in respect of impacts of changes in asset allocation and manager churn on fund investment performance.
- The commissioning and development of best practice guidance for funds on employer management (including consideration of covenant checks, matters to consider on entering into admission agreements, security, etc).
- The development of recommendations for where intervention may be necessary in order to improve deficit management/ and or related governance processes (incorporating further commissioning as necessary).
- The development of guidance for funds in using liability matching investment strategies including liability driven investment (incorporating further commissioning as necessary).
- The commissioning of further research on broader strategies such as fixed liability funds and other alternatives.

Board Secretariat,  
2 February 2015