

| Organisation | Subject | Link | Status | Comments | Risk Ref |
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| HM Treasury | Reforms to public sector exit payments. | https://services.parliament.uk/bills/2017-19/publicsectorexitpaymentslimitation.html | Updated | <p>A 'final' consultation on this topic closed on 3 July 2019. The main proposal is that all employer costs (pension and non-pension) are capped at £95k when an employee leaves on grounds such as a compromise agreement or redundancy. For redundancy, the statutory redundancy payments must be paid so other benefits would need to be adjusted to ensure the £95k is not breached (although some exceptions apply).</p> <p>The consultation is not clear on how this would work in Schemes such as the LGPS. It is likely that LGPS Regulations would need to be changed such that an employee who leaves aged 55 over on redundancy grounds would face some reductions to their pension. For non-redundancy cases, existing employer discretions may become limited. Furthermore, the likely implementation date is also not clear.</p> | PEN021 |
| CIPFA | LGPS Administration Benchmarking and Resources | CIPFA website | New | <p>CIPFA Pensions Panel has issued an open letter concerning benchmarking (which now forms part of the Annual Report) and pressure on LGPS resources.</p> <p>Officers are supportive of the concept of industry benchmarking, and believe adding requirements to the Annual Report is a positive step, but then much more development is required to help ensure the data is meaningful and comparable between Funds.</p> | None |
| MHCLG | Fair Deal Consultation | https://www.gov.uk/government/consultations/local-government-pension-scheme-fair-deal-strengthening-pension-protection | Updated | Officers have responded to the consultation but have yet to hear anything further from MHCLG. The next step is likely to be either another consultation or the introduction of legislation. | PEN040 |
| | <i>Changes to the Local Valuation Cycle and the Management of Employer risk Consultation</i> | https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/800321/LGPS_valuation_cycle_reform_consultation.pdf | New | <p>This consultation covers the following areas:</p> <ol style="list-style-type: none"> 1). Amendments to the local fund valuations from the current three-year (triennial) to a four-year (quadrennial) cycle. 2). A number of measures aimed at mitigating the risks of moving from triennial to quadrennial cycles. 3). Proposals for flexibility on exit payments. 4). Proposals for further policy changes to exit credits 5). Proposals for policy changes to employers required to offer LGPS Membership. <p>Section 5 proposes giving greater flexibility for further education corporations, sixth form college corporations and higher education</p> | PEN044 |

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| | | | | <p>corporations concerning membership of the LGPS and is the most surprising part of this proposal; current employees would be protected but future employees could be ineligible.</p> <p>The consultation closes on 31 July 2019.</p> | |
| The Department of Work and Pensions (DWP) | Pension dashboard project | https://pensionsdashboardproject.uk/industry/about-the-pensions-dashboard-project/ | No change since the last meeting | Discussions are still going on at a national level. Recent discussion suggests an implementation timeframe of 3-4 years. | PEN038 |
| Financial Reporting Council | Proposed revision to the UK Stewardship Code | https://www.frc.org.uk/investors/uk-stewardship-code | | <p>The Financial Reporting Council (FRC) has consulted on a new Stewardship Code that sets substantially higher expectations for investor stewardship policy and practice.</p> <p>The consultation on the draft 2019 UK Stewardship Code closed on 29 March and the FRC has been analysing the responses. The responses indicate that there is strong support for consideration of ESG issues, greater use of asset classes beyond listed equity, the setting of expectations within the investment community and better reporting of activities and outcomes.</p> <p>They are now carrying out a process of targeted outreach to test the changes before the revised code is published in October.</p> | None |
| Scheme Advisory Board (SAB) | Academies' review | http://www.lgpsboard.org/index.php/structure-reform/review-of-academies | No change since the last meeting | <p>SAB commissioned PwC to produce a report on "Options for Academies in the LGPS" commissioned and the report was published in May 2017. The report identified and highlighted problems/issues experienced by stakeholders. No recommendations were made in the report, although the potential benefits of new approaches to the management of academies within the LGPS were highlighted. The proposals were wide ranging from minor alterations to academies being grouped together in a single LGPS Fund.</p> <p>SAB's work is still on-going and Bob Holloway from the LGA previously stated that a wide range of options in both work streams are still be considered. For example, changing the administration arrangements or</p> | None |

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| | | | | putting academies into their own Fund etc. However, a consultation will be released on any changes proposed before they are put into force. | |
| | Cost cap mechanism & McCloud case | Summary by Osborne Clarke (our external legal advisers) | Updated | <p>The planned changes to the LGPS from 1 April 2019 have now been cancelled due to an on-going court case (referred to as the McCloud case) which now looks likely to result in material changes to the LGPS and all other public service schemes.</p> <p>The Government asked to appeal against the conclusion from the original court case, but its appeal was turned down in early July 2019 which means changes are necessary.</p> <p>The SAB decided to await the outcome to the court case before making any changes. This is far from ideal, as this could well mean we made to make onerous retrospective changes to the Scheme (w/e from April 2019 but not known until the end of 2019/early 2020) and that such changes would not be included within the triennial valuation.</p> | PEN042 |
| | Tier 3 employers review | http://www.lgpsboard.org/index.php/board-publications/invitation-to-bid | No change since the last meeting | <p>Covers those Fund employers with no tax raising powers or guarantee (excludes academies).</p> <p>SAB is keen to identify the issues and risks related to these employers' participation in the LGPS and to see if any improvements/changes can be made. There are currently two concurrent phases of work involved – collating data and identification of issues. SAB will then assess the risks to Funds and consider next steps.</p> <p>Aon Hewitt has recently produced a detailed report which is available on the SAB website which outlines its finding on the identification of issues but the report doesn't make any specific recommendations. SAB is yet to advise what actions it will take following receipt of the report.</p> | None |
| | Good Governance Project (formerly known as the Separation Project) | http://www.lgpsboard.org/images/PDF/BoardFeb18/PaperBItem50218.pdf | Updated | <p>Hymans-Robertson is leading on the latest stage of the review and they have issued a survey, which officers have circulated to Board and Committee members, as well as the S151 Officer to give them the option to complete.</p> <p>An event also took place on 15 May 2019, which the Head of Pensions Administration and Relations attended along with a Board member and the Fund Governance and Performance Manager.</p> | None |

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| | Guidance Project | http://www.lgpsboard.org/images/PDF/BoardFeb18/PaperBItem50218.pdf | No change since the last meeting | <p>The Guidance project will identify regulations which may be better placed within statutory guidance and to both propose the necessary amendments and assist HMCLG with the drafting of guidance.</p> <p>This project is at an early stage and no further information is available at this time.</p> | PEN039 |
| | Data Project | http://www.lgpsboard.org/images/PDF/BoardFeb18/PaperBItem50218.pdf | No change since the last meeting | <p>The SAB describes this project as: The Data project will aim to assist administering authorities in meeting the Pension Regulators requirements for monitoring and improving data and include the identification of scheme specific conditional data and the production of guidance for authorities and employers.</p> <p>No further information is currently available from the SAB. However, the SAB did consult on a common set of data points for the part of the project relating to scheme specific conditional data over the last couple of months before deciding to postpone implementation until 2019, in time for the 2019 tPR Scheme Return.</p> | None |
| Wiltshire Pension Fund | Miscellaneous Updates | None | New | <p>a). <u>Council services/internal recharges</u>: Officers are working with Wiltshire Council payroll and finance teams to put in place new contracts/service level agreements for the respective services each team supplies (Pensioner Payroll and Treasury Management). These arrangements will also form the basis of providing a more robust approach to identify the level of internal recharges needed.</p> <p>b). <u>Review of terms of reference for Committee and Board</u>: Officers have completed a review of the terms of reference for Committee and Board and circulated draft revisions to the two chairs and Section 151 officer for comments. However, upon taking the ToR to the internal Constitution Focus Group, a couple of queries/challenges were made which has resultant in another review meeting being required.</p> <p>c). <u>Board Member elections</u>: As it has been 4 years since the Board has been in existence, the terms of the current member representatives are coming to a close and new candidates are being sought.</p> | None |

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| | | | | <p>d). <u>Member Self Service rollout & Benefit Statement update</u>: After successfully rolling out Member Self Service to all active members, the final part of the rollout will take place concurrently with the issuing of annual benefit statements. Good progress is being made on update member records in preparation for sending out all benefits statements in July and August.</p> | |