

Scheme Advisory Board

HYBRID MEETING – 6TH JUNE 2022

ITEM 9 PAPER E

COST MANAGEMENT, BENEFIT DESIGN AND ADMINISTRATION COMMITTEE

ACTIONS AND AGREEMENTS FROM MEETING OF 16TH MAY 2022

PRESENT

George Georgiou	Members (GMB)	Chair
Sean Collins	Practitioners	
Emma Mayall	Practitioners	
Simon Taylor	Practitioners	
Kevin Gerard	Practitioners	
John Neal	UNITE	
Glyn Jenkins	UNISON	
Michelle Doman	Actuaries: Mercer	
Jonathan Teasdale	Actuaries: Aon	
Catherine McFadyen	Actuaries: Hymans Robertson	
Alan Wareham	DLUHC	
John Bayliss	GAD	
Joanne Donnelly	LGA – Board Secretary	
Jeremy Hughes	LGA – Deputy Board Secretary	
Bob Holloway	LGA – Pensions Secretary	
Gareth Brown	LGA – Pensions Analyst	

Welcome, introductions and declarations of interest

1. The Chair welcomed all in attendance to the meeting and introduced Jeremy Hughes, a new member of the SAB Secretariat, who has taken over from Jo Donnelly as Deputy Board Secretary. There were apologies from Graeme Muir (Barnett Waddingham) and no declarations of interest.
2. The Chair set out handling arrangements for the virtual meeting.

Matters arising

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3. The minutes of the meeting on the 14th February 2022 were agreed as a fair and true record of the meeting.

Item 4 - Exit Cap and McCloud Update

4. Jo Donnelly (JD) advised members that there was no progress to report on the exit cap since the committee last met in February.
5. On McCloud JD informed members that the Public Service Pensions and Judicial Offices Act 2022 now provides the necessary powers for DLUHC to implement the McCloud remedy for LGPS members. The consultation response from DLUHC is expected before Summer Recess in July.
6. Members were also advised that the PSPJO Act also includes a clause on boycotts, divestment and sanctions tabled by Robert Jenrick MP during the report stage of the Bill in the House of Lords. At the same time the government announced in the Queens Speech that the government will bring forward a Bill on boycotts which will apply to all public bodies and include purchasing and procurement as well as investment decisions. Members were advised that DLUHC is unlikely to use the Robert Jenrick clause while the government's own Bill is progressing through its Parliamentary stages.
7. On McCloud Kevin Gerard (KG) asked if any thought had been given to a member whose service qualifies them for the "rule of 85" and whether service between 2012 and 2022 would be subject to a retirement date of 55 rather than 50. In response JD confirmed that she was not aware that this has been considered but would check with the team.
8. George Georgiou asked if the government's BDS Bill will create work for the committee. JD confirmed that this would be the case but that it would likely be more appropriate for the investment committee to take it on.
9. GG informed members that the judicial reviews launched by the various trade unions could be heard in either May or June but that this may be delayed further due to a shortage of available judges.
10. Glyn Jenkins (GJ) asked whether the remedy would apply to scheme opt-outs. JD confirmed that you would need to be an eligible member of the scheme for the McCloud remedy to apply. GJ further asked whether account could be taken of contingent claims, that is, claims

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from members that they would have made different decisions in the past had they known about the McCloud issue. In response, JD said that she did not know the answer but hoped that it would be covered in the consultation response to be published by DLUHC.

Agreed – that the Committee noted the situation as described above.

Item 5 – SAB Forward Look

11. JD informed members that six years on from SAB's conception the time was right to review its scope, role, ways of working and future workplan. A number of meetings have been held with Board members and a consensus has emerged on a number of issues including the need for the Board to be more proactive in its activities, more effective communication with scheme stakeholders and better engagement with DLUHC and its Ministers. It was also considered that more needed to be done to clarify the roles of the LGA and SAB Secretariat within the LGA.

12. JD confirmed that a paper is being prepared for SAB to consider when it meets on the 6th June 2022

13. GJ agreed that SAB has been largely reactive in its workplan and in the future considered that it should begin to look at major issue about how the scheme should look like.

Agreed – that the committee notes the position as set out above approval

Item 6 – Ministerial Meeting

14. (JD) advised members that she and the SAB Chair, Councillor Roger Phillips, had met with the local government Minister, Kemi Badenoch MP, on the 12th April. The meeting lasted 40 minutes and covered a range of topics including barriers to levelling up, BDS, and pooling. Councillor Phillips also raised the issue of the living wage and how this might impact on the low pay workforce that comprises most of the scheme's membership.

Agreed – that the Committee noted the situation as described above.

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Item 7 – SAB 2021 Annual Report

15. Gareth Brown (GB) informed members that the SAB 2021 annual report is progressing well and will be ready to be launched by the SAB Chair at the PLSA's investment conference in June.

Agreed – that the committee notes the position as set out above

Item 8 – Death Grant Entitlement

16. GJ invited members to consider whether the committee should recommend to SAB that a recommendation be submitted to DLUHC to remove the age 75 restriction in Regulation 46(1) on entitlement to a survivor's death grant. GJ suggested that this was discriminatory on age grounds and that the LGPS should follow other public service pension schemes who have already removed the age restriction.

Agreed – that SAB is asked to consider recommending that the age restriction in regulation 46(1) is removed.

Item 9 - DLUHC Regulatory Update

17. Alan Wareham (AW) advised members that there were no other updates to give in addition to those already discussed in the meeting.
18. John Neal (JN) said that any return of the exit cap would not be welcome but that in the meantime clarification around the timetable would be helpful. AW was asked to take this back to DLUHC for a response.
19. GJ reminded members that no progress has still to be made on Fair Deal and the Goodwin case and asked whether pressure could be put on Ministers to action matters. asked what progress is being made with Fair Deal.

Agreed – that the Committee notes the position as set out above

Item 10 - AOB and date of next meeting

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20. GJ suggested that the committee may wish to consider undertaking work relating to the review of state pension age and the gender pay gap. In response JD said that these are issues that could feature in the SAB's workplan to be discussed on the 6th June.

21. The date of the next meeting is the 12th September 2022.