

BOARD UPDATE – AUGUST 2016

Message from the Chair of the Statutory Board

Dear Colleagues

The Local Government Pension Scheme Advisory Board (SAB) met on 1 August 2016.

The Board, as you may recall, is a statutory body established to advise the Minister who is responsible for the Scheme and to oversee and support the development of the administration and performance of the eighty-nine funds.

The Board considered and agreed its proposed terms of reference. These will now be sent to the Minister for approval. The Minister will also receive the Board's suggested budget (£384,375) and work plan for 2016/17. The budget will be submitted along with a suggestion that the Board's secretariat, through an additional post, provide support to the DCLG. The purpose of the post would be to ensure the Board's recommendations are given the degree of consideration and research necessary for the effective development of the Scheme.

The Board constituted the Cost Management, Benefit Design and Administration Committee and the Investment, Governance and Engagement Committee - agreeing their [membership](#) and terms of reference.

A report was considered by the Board on the issues of asset pooling in the Local Government Pension Scheme (LGPS). The Board agreed that the Chair write to the Minister expressing concern over the delay in approving submitted asset pool investment proposals and reinforcing the case for consistency and equality in assessment against the 4 criteria with a degree of pragmatism. It further agreed that the Chair write to the Secretary of State (copy to the Minister) requesting a meeting to discuss the Government's latest approach to infrastructure investment, particularly the issue of cost and/or risk sharing.

A Task Group (Chair, Vice-Chair and Board Secretary) was established by the Board to identify ways of better liaising with and being advised by the investment pools.

In that respect, the Board was pleased that the Chair would be meeting with the officer led Cross Pool Collaboration Group (CPCG) and encouraged closer ties with that group.

The Board also agreed that, following discussions with the CPCG, the Chair write to Chairs of Administering Authority Pension Committees proposing the formation of a Cross Pool Advisory Group at the political level consisting of representatives from each pool. This group would both advise the Board on pooling issues and potentially provide a forum to liaise with members of the Government at the political level.

The Board noted and approved the continuing actions being taken to support LGPS funds to produce transparent and consistent investment fee information that accords with a revised CIPFA accounting standard. A draft template had been produced and was available on the Board's web site.

The Board considered details of the bids received to undertake work on the impact of academy status for all schools. It agreed that the Chair and Vice-Chair be delegated authority to determine the award of a contract.

Yours sincerely

Cllr Roger Phillips – Chairman of the LGPS Advisory Board