

COMMITTEE: **PENSION BOARD**
DATE: **3 MARCH 2020**
TITLE: **LGPS GOVERNANCE CONFERENCE, 23–24 JANUARY 2020 - YORK**
PURPOSE: **FOR INFORMATION**
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1. BACKGROUND

- 1.1 On the 23rd and 24th January 2020, the 16th Annual LGPS Governance Conference was held in York. The attached document, prepared by Hymans Robertson, summarises the main issues presented by the guest speakers at the conference.
- 1.2 Councillor John Brynmor Hughes and Councillor Aled Wyn Jones attended on behalf of the Pensions Committee, and Sharon Warnes on behalf of the Pension Board.

2. MATTERS TO CONSIDER

2.1 Scheme Advisory Board (SAB)

- As part of the good governance project, Part 3 of the project will now focus on establishing performance indicators (KPIs).
- As part of the code of transparency, new statutory guidelines are on the way with an on-line system.
- It was noted that the movement towards a 4-year valuation is off the table at present.
- The Board's questionnaire will be out in the middle of February.

2.2 Securing Compliance

- It is important that the local Pension Board should be kept informed about "data breaches" and that these receive attention in order to learn lessons and appear in the Action Plan.

2.3 Scheme Member Perspective

- Unison remains of the opinion, nationally, that the pools are telling the funds what should be happening and that costs remain high! As noted above, the code of transparency was mentioned again, and it was sensed that the SAB will be looking at this in much more detail.

2.4 **Keynote Address: Lord Hutton**

- Lord Hutton's main message was that too few people are saving money for the future and that he felt there was a need for a "Minister for Savings".
- Gwynedd's Pension Board has already discussed this, and the fact that it is the young people in Gwynedd who either withdraw from the Pension Fund or do not contribute enough. Does the Board need to consider how to encourage more to invest?

2.5 **Regulating the Reforms (The Pensions Regulator - TPR)**

- Robust procedures are required to identify, assess and report on law-breaking.
- A conflict of interest policy is required, and arrangements to assess the risk register regularly.
- Ensure that there are robust procedures (SLA) with other bodies in relation to the collection and retention of information.
- It was noted that TPR has guidelines about scams in pension transfers.

2.6 **Legal Update**

- It was noted that the 2020 Pension Act will be out in April or October. This Act will place much more emphasis on ensuring due diligence, such as having a form of identification, e.g. a payslip, when a person transfers in or out.
- Regarding investments, it was noted that requirements will be introduced in June with guidelines by TPR. It was suggested there would be a legal requirement to set objectives for investment managers.
- The Ministry for Housing, Communities and Local Government (MHCLG) will have guidelines on investments with the Government consulting in the near future. It was suggested it would be possible, where there are concerns, for the Secretary of State to say how money should be invested.

Appendix

Hymans Robertson's paper – 'Conference Highlights'