

# Investment, Governance and Engagement Committee

**5<sup>th</sup> February 2018**

**Item 6 – Paper B**

## **LGPS Cross Pool Information Forum**

1.1 At its meeting on the 26<sup>th</sup> June, the Board agreed in principle that an elected member led Cross Pool Information Forum (CPF) should be established to share and disseminate information on the pooling of LGPS assets. It was also agreed that Chairs of LGPS Pension Committees should be consulted on the remit, membership and frequency of the proposed forum.

1.2 A consultation was run from 17<sup>th</sup> July 2017 to 29<sup>th</sup> September 2017 (10 weeks). The consultation document was sent to LGPS Pension Committee Chairs and hosted on the Board website:  
<http://www.lgpsboard.org/index.php/board-publications/board-consultations>

1.3 The secretariat received a total of 17 responses to the consultation, including ‘joint’ responses on behalf of the LGPS investment pool groups.

1.4 A summary of the 17 responses is included at Annex 1.

1.5 At its meeting on the 16<sup>th</sup> November, the Board agreed that the committee should consider those aspects of the consultation response where opinion was divided and return to the Board with final proposals.

## **Consideration**

1.6 The following elements of the consultation therefore requires consideration by the committee :-

### **Membership**

1.7 It was proposed that membership of the CPF should be open to a maximum of three nominations from the member administering authorities of each pool with nominations being either all elected members or a mixture of elected members and others. It was further proposed that the determination of nominees should include consideration of the provision of direct representation for scheme members. Ten pension committees were in favour of the proposal and seven against.

1.8. The reasons given for not supporting the proposal ranged from individual pools being allowed to decide nominees; that nominees should be elected members only and that there should be support for scheme member representation. Given the inconsistent views expressed by those not in favour of the proposals on membership, it would be reasonable to proceed on the basis as set out in the consultation paper,

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**Recommendation – that the committee agrees that membership must be a matter for each pool to consider in consultation with their member administering authorities and bearing in mind the Board’s previously published statement on scheme member representation.**

## **Chair**

1.9 It was proposed that the Chair of the CPF should be selected from amongst the forum’s membership. Nine pension committees were in favour and eight against.

1.10 Amongst the eight committees against the proposal, opinion was divided between the Chair being elected within the group to the Chair being independent. If only about 4 respondents out of the total of 17 argued for an Independent Chair, it would be reasonable to conclude that a sizeable majority were content for the Chair to be selected from within the CPF’s membership.

**Recommendation – that the committee agrees that the Chair of the CPF should be selected from within its membership.**

## **Frequency of meetings**

1.11 It was proposed that the CPF should meet at least quarterly. Ten pension committees were in favour of the proposal and seven against. Those against argued that meeting twice a year would be more appropriate given the issues of time and resources.

1.12 To ensure that the initial momentum is maintained, a minimum number of meetings per year should be prescribed. However, in view of the number of pension committees opposed to quarterly meetings, a reasonable compromise would be prescribe a minimum of at least two meetings per annum whilst allowing the CPF, under their terms of reference, to increase the minima.

**Recommendation – that the committee agrees that the CPF must meet at least twice a year but allowing the forum to agree, if there is a consensus, to increase the minimum number of meetings per year beyond the two stipulated by the Board.**

## **Conclusion**

1.13 If the committee agrees to these recommendations, the format of the CPF would comprise :-

- A non-decision making body;

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- Membership to be decided by each pool in consultation with member funds;
- Meetings held at least twice a year, subject to increase by a consensus of the forum;
- Chair of the forum to be agreed by its membership;
- Voting arrangements not to be applied, and
- SAB Secretariat to support the administration of the CPF.

## **Cross Pool Open Session**

2.1. At its meeting on the 16<sup>th</sup> November 2017, the Board agreed with the committee's recommendation that the Secretariat should make arrangements for an open session on pooling and invite Chairs of pension committees and local pension boards to attend.

2.2. The open session will be held at 18 Smith Square on the 27<sup>th</sup> February 2018.

**2.3. Recommendation – that the committee notes these arrangements.**

**Bob Holloway**  
**Pensions Secretary**  
**Scheme Advisory Board**

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## Annex 1

### LGPS Cross Pool Forum Survey Outcome

## The Consultation Process and How to Respond

### Scope of the consultation

<b>Topic of this consultation:</b>	Local Government Pension Scheme (LGPS) Cross Pool Information Forum
<b>Scope of this consultation:</b>	This consultation seeks responses from Chairs of LGPS pension committees on the remit, membership and frequency of the proposed forum.
<b>Geographical scope:</b>	England & Wales

### Basic Information

<b>To:</b>	This consultation is aimed at Chairs of LGPS pension committees.
<b>Body responsible for the consultation:</b>	LGPS Advisory Board
<b>Duration:</b>	17 <sup>th</sup> July 2017 to 29 <sup>th</sup> September 2017 (10 weeks)

### Background

<b>Getting to this stage:</b>	At the meeting of the Scheme Advisory Board on the 26th June, it was agreed in principle that an elected member led Cross Pool Information Forum should be established to share and disseminate information on the pooling of LGPS assets. It was also agreed that the Chairs of LGPS pension committees should be consulted on the remit, membership and frequency of the proposed forum.
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### Help with queries

Questions about this consultation should be sent to the email addresses given below.

### Who this consultation is aimed at?

The following consultation is aimed at **LGPS Chairs of Pension Committees**. The consultation is available via the Scheme Advisory Board's website [www.lgpsboard.org](http://www.lgpsboard.org).

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The Board has issued the consultation to the following contacts directly:

- LGPS Chairs of Pension Committees
- LGPS Fund Investment Contacts

## How to respond

You should respond to this consultation by **29th September 2017**.

You can respond by email to [Liam.Robson@local.gov.uk](mailto:Liam.Robson@local.gov.uk) and [Robert.Holloway@local.gov.uk](mailto:Robert.Holloway@local.gov.uk). Email responses are preferred.

When responding, please ensure you have the words “LGPS Cross Pool Information Forum” in the email subject line.

Alternately you can write to:

Bob Holloway, Pension Secretary  
LGPS Cross Pool Information Forum Consultation  
Scheme Advisory Board Secretariat  
Local Government Association  
Layden House, 76-86 Turnmill Street,  
London, EC1 M 5LG

When responding, please state whether you are responding as an individual or representing the views of the Pension Committee.

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## Consultation

### Introduction

- 1.1 At the meeting of the Scheme Advisory Board on the 26th June, it was agreed in principle that an elected member led Cross Pool Information Forum should be established to share and disseminate information on the pooling of LGPS assets. It was also agreed that the Chairs of LGPS pension committees should be consulted on the remit, membership and frequency of the proposed forum.
- 1.2 The same consultation should also seek views on whether a one off open session on progress towards pooling should be organised with an invitation going to all chairs of pension committees and local pension boards.
- 1.3 **The closing date for responses is 29<sup>th</sup> September 2017.**

### Part 1 - Cross Pool Information Forum (CPF)

- 1.4 It is **not** proposed that the CPF be a decision making body nor would its content be technical in nature. It is proposed that its remit would be to receive, share and disseminate information across the pools as well as providing a platform to exchange best practice and items of cross pool interest.
- 1.5 Do you agree that the remit of the CPF should be limited to receiving, sharing and disseminating information as described above?

Yes No

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- 1.6 **If you answer “no”, please describe below what you think the remit of the CPF should be.**

*In General, the comments were along the lines of agreement in principle, but that the formation now might not be the right time, or in a couple of cases that the forum was unnecessary.*

- 1.7 It is proposed that membership of the CPF would be open to a maximum of three nominations from the member administering authorities of each pool. The nominations may all be elected members or include a mixture of elected members and others.
- 1.8 In line with the SAB’s previously published statement on pool representation the determination of nominees should include the consideration of the provision of direct representation for scheme members.
- 1.9 Do you agree that membership should be as set out above?

Yes No

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**If you answer “no”, please describe below how you think membership should be structured.**

Varying views were express from; it should be up to the individual pools to decide, to only elected members, to the support for member representation.

1.10 It is proposed that the CPF should meet at least quarterly.

1.11 Do you agree that meetings should be held at least quarterly?

Yes No

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**If you answer “no”, please explain below how often you think the CPF should meet.**

The comments, in line with the above, indicated that meeting twice a year may be viewed as more appropriate. The issues of time and resources was also raised.

1.12 It is proposed that the Chair of the CPF should be selected from amongst the forum’s membership. Do you agree?

Yes No

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**If you answer “no”, please explain below how you think the Chair should be selected.**

Split of views between elected from the group to the chair should be independent.

1.13 Given the proposed remit of the CPF as a non-decision making body, it is not proposed to include in its remit any arrangements with respect to voting.

1.14 Do you agree that voting arrangements should not be included in the remit?

Yes No

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**If you answer “no”, please explain below why you think voting arrangements should be included.**

Reasons given for voting included responding to consultations and voting on whether or not action should be taken.

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1.15 It is further proposed that the Scheme Advisory Board's Secretariat should support the administration of the CPF in terms of arranging meetings, venues, etc.

1.16 Do you agree that the Secretariat should support the CPF in this way?

Yes No

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**If you answer "no", please explain below how you think administration of the CPF should be supported.**

General agreement with the above, but again, concerns were raised over the value the forum may add, costs and officer time and resource.

## Part 2 - Open Session

1.17 In order to better enable the open and wide dissemination of information, it is proposed that a session for all chairs of pension committees and local pension boards on the progress towards pooling should be organised.

1.18 Do you agree that an open session of this type would be helpful?

Yes No

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**Please use the space below if you wish to expand on your response.**

It was suggested that there could be two sessions to maximise attendance, compliance and reporting should be the focus rather than detail of pooled funds and support for attendance from a wider stakeholder group.

1.19 If no, please explain that you would change or add and why.

No further comments received.

## Part 3 – Respondent details

1.20 Please complete the table below with administering authority and contact details.

Administering Authority:	<a href="#">Click here to enter text.</a>
Contact name:	<a href="#">Click here to enter text.</a>
Email address:	<a href="#">Click here to enter text.</a>



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