

GREATER **LONDON** AUTHORITY

REQUEST FOR MAYORAL DECISION – MD2215

Title: GLA Members' Pension Scheme

Executive Summary:

To approve the establishment of a proposed pension scheme for the elected Members of the Greater London Authority, with costs contained within previous provision. This scheme will operate on an opt-in basis, with the Mayor having indicated that he will not join it.

Decision:

That the Assembly, jointly with the Mayor:

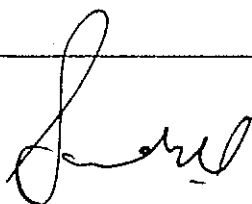
- i) approves that a Master Trust Pension Scheme, provided and administered by Aviva, be established for elected Members of the Authority who choose to join, to become operational in 2018; and
- ii) authorises the Executive Director of Resources and Executive Director of Secretariat to take all necessary administrative actions to establish the scheme.

Mayor of London

I confirm that I do have received a dispensation from the Monitoring Officer under paragraph 10 of the GLA Code of Conduct for elected Members of the Authority in order to enable me to take this decision as I may have a potential disclosable pecuniary interest in the proposed decision.

The above request has my approval.

Signature:



Date:

18/12/12

PART I - NON-CONFIDENTIAL FACTS AND ADVICE TO THE MAYOR

Decision required – supporting report

1 Introduction and background

- 1.1 Section 26 of the Greater London Authority (GLA) Act 1999 provides for the Mayor and the Assembly jointly to make determinations in provision for the payment of pensions to the Mayor and Assembly members (collectively “GLA Members”) as the Authority may determine from time to time.
- 1.2 Under this provision, GLA Members were, from 2000 to 2016, within the Local Government Pension Scheme (LGPS), along with local councillors and local authority staff.
- 1.3 Following the GLA elections in May 2016, and as a result of legislative amendments approved by Parliament, the Mayor and Assembly Members are no longer eligible to be members of the LGPS.
- 1.4 The Government has confirmed that the Authority is free to establish an alternative arrangement, under the relevant powers granted in the GLA Act. While not employees of the Authority, it is recognised that being an elected member of the Authority is a full-time role and therefore it is appropriate for suitable pension provision to be made.
- 1.5 Informal discussions resulted in Barnett Waddingham (the Authority’s actuary) being engaged to provide professional advice on options for a pension scheme for GLA Members. The scheme would operate on the basis of there being exactly the same level of contributions by GLA Members individually and the Authority corporately as there had been previously under the LGPS scheme. Investment risk would be borne by GLA Members, ensuring that there would be no additional cost to the taxpayer.
- 1.6 Based on a specification provided by the Authority, Barnett Waddingham reviewed the relevant providers in the market and have recommended that the Authority contracts with Aviva for the provision of a master trust pension scheme for GLA Members. This scheme is typically used to meet organisation’s “auto enrolment” requirements and so is representative of typical current private sector practise.

2 Objectives and expected outcomes

- 2.1 To provide GLA Members with a Defined Contribution pension scheme within existing budgetary resources.

3 Equality comments

- 3.1 The provision of a pension scheme for GLA Members helps recognise the full-time nature of their work. Not providing an appropriate scheme may deter Londoners from some backgrounds from putting themselves forward in future elections to the Assembly.

4 Other considerations

- 4.1 Although the proposed scheme is in principle open to the Mayor as well as all Assembly Members, the Mayor has indicated that he does not intend to join the new scheme. In order, not to bind the hands of his successors, whoever is Mayor at any point in future will have the option to reverse this decision.

5 Financial comments

- 5.1 The costs of the scheme for Assembly Members will be met by Members' individual employee contributions and from the existing budget and reserves held for employer contributions within the Assembly's budget and balance sheet, which is fixed at 12 per cent of pensionable pay.

6 Legal comments

- 6.1 Section 26 of the GLA Act 1999 provides for the Mayor and Assembly jointly to make determinations in regard to the Mayor's and Members' pension arrangements. The GLA can under s 26 make payments towards the provision of superannuation benefits, establish and administer such schemes and make payments to schemes, both GLA schemes and those administered by third party providers.

7 Planned delivery approach and next steps

- 7.1 It is proposed that the Defined Contribution Scheme will be set up before the end of February 2018 to allow Assembly Members to make contributions into the scheme before the end of the 2017-18 tax year.

8 Appendices and supporting papers:

- 8.1 None.

Public access to information

Information in this form (Part 1) is subject to the Freedom of Information Act 2000 (FOI Act) and will be made available on the GLA website within one working day of approval.

If immediate publication risks compromising the implementation of the decision (for example, to complete a procurement process), it can be deferred until a specific date. Deferral periods should be kept to the shortest length strictly necessary. **Note:** This form (Part 1) will either be published within one working day after approval or on the defer date.

Part 1 Deferral:

Is the publication of Part 1 of this approval to be deferred? - ~~NO~~ YES

If YES, for what reason: CO-DECISION WITH ASSEMBLY

Until what date: (a date is required if deferring) 22-12-17

Part 2 Confidentiality: Only the facts or advice considered to be exempt from disclosure under the FOI Act should be in the separate Part 2 form, together with the legal rationale for non-publication.

Is there a part 2 form - NO

ORIGINATING OFFICER DECLARATION:

Drafting officer to confirm the following (✓)

Drafting officer:

David Gallie has drafted this report in accordance with GLA procedures and confirms the following: ✓

Sponsoring Director:

Martin Clarke has reviewed the request and is satisfied it is correct and consistent with the Mayor's plans and priorities. ✓

Mayoral Adviser:

David Bellamy has been consulted about the proposal and agrees the recommendations. ✓

Advice:

The Finance and Legal teams have commented on this proposal. ✓

Corporate Investment Board

This decision was agreed by the Corporate Investment Board on the 18 December 2017.

EXECUTIVE DIRECTOR, RESOURCES:

I confirm that financial and legal implications have been appropriately considered in the preparation of this report.

Signature

Date

[Signature] 18.12.17
 TOM MIDDLETON ON BEHALF OF MARTIN CLARKE

CHIEF OF STAFF:

I am satisfied that this is an appropriate request to be submitted to the Mayor.

Signature

Date

[Signature]

18/12/2017