

GREATER **LONDON** AUTHORITY

REQUEST FOR ASSISTANT DIRECTOR DECISION – ADD341

Title: Advice on Alternative Pension Provision for the Mayor and Assembly

Executive Summary:

Following the 2016 GLA elections, the Mayor and Assembly will no longer be able to participate in the Local Government Pension Scheme. The Authority requires advice to be commissioned on alternative pension provision for the Mayor and Assembly from the authority's actuary.

Decision:

The Assistant Director approves an exemption from the GLA Contracts and Funding Code up to £14,000, plus VAT, to:

1. Pay the London Pensions Fund Authority (LPFA) following the LPFA instructing Barnett Waddingham to provide advice on alternative pension provision, to the satisfaction of GLA's Executive Director of Resources.
2. Authorise the Assistant Director (or any senior Member of Staff nominated by him for such purpose) to enter into any such necessary documentation as may be required relating to this decision.

AUTHORISING ASSISTANT DIRECTOR/HEAD OF UNIT:

I have reviewed the request and am satisfied it is correct and consistent with the Mayor's plans and priorities.

It has my approval.

Name: David Gallie

Position: Assistant Director – Group Finance

Signature:



Date:

21 / 8 / 15

PART I - NON-CONFIDENTIAL FACTS AND ADVICE

Decision required – supporting report

1. Introduction and background

With effect from the immediate aftermath of the 2016 GLA elections, the Elected Members of the GLA (ie. The Mayor and 25 Assembly Members) will not be able to contribute to the Local Government Pension Scheme (LGPS) and they will no longer accrue any further rights in the scheme. Therefore, after the 2016 Elections the London Pensions Fund Authority (LPFA) will no longer be able to play a role in future pension arrangements for Elected Members in the GLA (although they will oversee the previous arrangements made by Elected Members). However, the GLA has the power to make alternative arrangements for Elected Members outside of the LGPS.

2. Objectives and expected outcomes

There is a need to commission expert advice on the best alternative pensions arrangements that might be made available to Elected Members of the GLA within available resources. A detailed specification has been drawn up. This advice would best be prepared by the LPFA's actuary, Barnett Waddingham, as they are familiar with the GLA's requirements and issues and have provided the GLA with advice before.

LPFA appointed Barnett Waddingham under a formal tender process for its own purpose which is compliant with the relevant procurement rules and in accordance with LPFA's code of practice and governance arrangements.

It is proposed that the GLA re-imburses the LPFA, once Barnett Waddingham complete the advice to the satisfaction of the GLA's Executive Director of Resources.

3. Equality comments

None directly arising.

4. Other considerations

None directly arising.

5. Financial comments

It is estimated that the cost of the advice could be up to £14,000, plus VAT. The cost of this advice is to be met from the GLA's contingency provision.

6. Legal comments

Section 4.1 of the GLA's Contracts and Funding Code (the "Code")) requires the GLA to undertake a formal tender process or make a call off from a framework for procurements with a value between £10,000 and £150,000. However, section 5.4 of the Code also provides that an exemption from this requirement may be justified on the basis that there has been previous involvement which cannot be separated from this new work. Officers have set out at paragraph 2 above the reasons why the procurement of Barnett Waddingham via the LPFA falls within that exemption.

Local Government Pension Scheme (Transitional Provisions, Savings and Amendments) Regulations 2014 on the LGPS which came into force on 1 April 2014 explicitly preclude the Mayor and Assembly Members from accessing the LGPS after the term of office which that member is serving. However, under Section 26 of the GLA Act, the Authority has the power to make such provision for the payment of pensions to former Elected Members, as the Authority may determine. The Authority may therefore make alternative pension arrangements, outside of the LGPS, for its Elected Members.

7. Estimated delivery approach and next steps

Activity	Timeline
Advice from Barnett Waddingham due to be received	31 August 2015
Officers prepare proposals to be considered by the Bureau of Leaders	Autumn 2015
The Mayor and Assembly agree alternative pension provision to be available to newly Elected GLA Members	Autumn 2015
Alternative pension provision available to newly Elected GLA Members	May 2016

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

If YES, for what reason:

Until what date: (a date is required if deferring)

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:

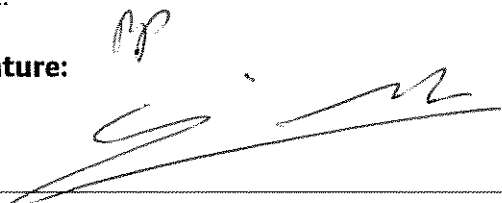
David Gallie has drafted this report in accordance with GLA procedures and confirms that the Finance and Legal teams have commented on this proposal as required, and this decision reflects their comments.

✓

HEAD OF GOVERNANCE AND RESILIENCE:

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

Signature:



Date:

21 AUG. 2015