

# Subject: GLA Members' Pension Scheme

Report to: London Assembly (Plenary)

Report of: Executive Director of Secretariat

Date: 21 December 2017

This report will be considered in public

## 1. Summary

- 1.1 This report provides details of a proposed pensions scheme for the elected Members of the Greater London Authority.

## 2. Recommendation

### 2.1 That the Assembly, jointly with the Mayor:

- (a) 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
- (b) Authorises the Executive Director of Resources and Executive Director of Secretariat to take all necessary administrative actions to establish the scheme.

## 3. Background

- 3.1 Section 26 of the Greater London Authority (GLA) Act 1999 provides for the Mayor and the Assembly jointly to make provision for the payment of pensions to the Mayor's and Assembly Members' (collectively "GLA Members") as the Authority may determine from time to time.
- 3.2 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.
- 3.3 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.
- 3.4 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.

- 3.5 Informal discussions between the Mayor's Office, leading Assembly Members and senior officers on this issue 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.
- 3.6 Based on a specification devised between the Mayor's Office, leading Assembly Members and senior officers, 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 elected Members of the GLA.

#### **4. Legal Implications**

- 4.1 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.

#### **5. Financial Implications**

- 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.

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**List of appendices to this report:** None.

<b>Local Government (Access to Information) Act 1985</b>
List of Background Papers: None
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