

ALACE Council Meeting

Date: Thursday 1 March 2018 Time: 3pm-4.30pm

Venue: telephone conference

Attendees: Tracey Lee (Chair), Simon Baker (Vice Chair), Michel Saminaden (Honorary Treasurer), Ian Miller (Honorary Secretary), David Hughes, Alistair Stewart, Karen Satterford, Liz Bruce, Rachael Shimmin, Jerry Hutchinson

The following consultants attended by telephone conference: Richard Penn, Cheryl Miller

1. Welcome

The Chair welcomed those attending and thanked Rachael Shimmin for organising the telephone conference facilities.

2. Apologies

Mark Williams, Charlie Parker, Merran McRae, John Sellgren, Alison Ward, Alistair Buchan, Duncan Sharkey, Mary Pitcaithly.

3. Chair's update

The Chair said that there no specific issues to raise beyond those on the agenda.

4. Minutes from the meeting held on 18 December 2017/Matters Arising

The minutes were approved as an accurate record.

5. Financial and membership report

The Honorary Treasurer led Council through his report about the draft outturn for the year to 31 December 2017. The Association was in a better position for 2017 than the previous year, with expenditure having been £7.5k greater than income. This was a significant improvement over 2016 where the gap had been £55.4k. 24 new members have joined since January which suggests positive progress. The Association would need to keep an eye on expenditure nonetheless, for example in respect of pensions support where demand remains high. Council noted the report, with approval.

Simon Baker asked about seeking a “business partner” on the SOLACE model to secure some additional income. This had not previously been considered. There was a mixture of views about how this might work, and which commercial organisation(s) might be interested. Simon would organise a small group (Simon, Karen, Tracey, Ian) to consider this idea and provide a report to the next meeting of Council.

6. Honorary Secretary’s Report

The Honorary Secretary presented his report, which was noted.

7. Consultants’ update

The Chair reminded Council members that any discussion of current cases was on the basis of complete confidentiality.

Consultants referred to the written report on pensions support and commented on a number of ongoing cases. The pension funds were not being very helpful in respect of annual allowance calculations – the quality of advice was also variable, with some errors having been made. The funds were doing what was statutorily required of them i.e. they provide figures but no “advice”. Consideration would be given to keeping pressure on pension funds to “lobby” them about their service – this might be addressed via the LGA; and to equip members with a clear list of questions to ask. The complexity of pension and taxation rules means that it is increasingly likely that members will need more support, including using the advice service from Hymans Robertson.

In discussion, the following points arose:

- a) ALACE would arrange another Pensions Seminar which would cover usual lifetime allowance and annual allowance updates but more emphasis on Financial Advice particularly on AA tax charges/tapering and possibility/implications of leaving LGPS and alternative investment opportunities. (Consideration may be given to involving more IFAs than Close). We will try to involve LGA LGPS staff and perhaps hold it at the LGA’s office. We will invite non-ALACE potential members on a charged basis but, if they then join ALACE, the charge will be deducted from their subscription costs. The seminar will also cover Flexible Retirement and pension/tax implications. **Action:** Hon Secretary to make appropriate arrangements with Hon Treasurer and consultants.
- b) In respect of flexible retirement, there was a discussion of the Association’s current policy i.e. it is not encouraged because it implies Chief Executives’ and Directors’ jobs can be done part-time. We will continue to take this view but tempered by pragmatism because more people are doing it for tax purposes. We will use this to point out to Government the negative implications of tax changes which discourage senior people from staying in local government full-time or even at all at a time when experienced staff are really needed given financial

- situation of many councils. This will feature in the ALACE policy position statement prepared by the Chair. **Action:** Chair.
- c) ALACE will write to pension funds saying that many more people are now being affected by annual allowance (AA) issues and funds don't seem to be sufficiently resourced to answer the increase in quantity and complexity of the queries with which they are being faced. This will raise the issue of members needing help with queries beyond what the funds are legally required to answer (e.g. how do members calculate the extent to which they are in excess of the AA and what their tax charges are and how to complete their tax returns? Is there anything the pension funds can offer beyond advising them to seek professional financial/tax advice? And whether individuals would be financially better off moving to the 50:50 option or leaving the LGPS altogether?) We might also involve the LGA in these discussions. **Action:** Hon Secretary to prepare draft with support from consultants;
 - d) Liz Bruce mentioned that many of her staff below Chief Officer level were now being affected by the AA and were asking if they could join ALACE. Cheryl pointed out that, if the membership criteria were to change to encourage many more members to join to get pension advice, she and Pete Morris would probably be overwhelmed and ALACE might need to look again at resourcing pensions support. There was no suggestion at this stage of changing the membership criteria.
 - e) A short note will be prepared for members reminding them of what information pension funds are legally obliged to give them and when. This might also include a list of the sort of information they might like to request from their pension funds. **Action:** Hon Secretary to commission from consultants;
 - f) Members will be asked if they can recommend any independent financial advisers who understand the LGPS to try to create a bigger pool of potential independent financial advisers. Any steps taken by the Association would need to be measured, in order to avoid any liability for ALACE;
 - g) ALACE will lobby Government about the implications of annual allowance changes for efficiency and effectiveness of Councils and loss of senior staff – we will see if we can do this jointly with other trade unions/organisations representing those affected e.g. SOLACE, FDA, senior managers' organisation in NHS. We will let members know they are doing this on their behalf. **Action:** Hon Secretary to draft in light of item (b) above.

There were no particular issues to raise from employment support. The new cohort of independent investigators has been trained and is already being deployed. There have been a number of long running and complicated cases.

The consultants were thanked for their work.

8. Pay claim for 2018 onwards

The report from the Honorary Secretary was considered. The position outlined for the various scenarios was supported, and would be put into effect when the Employers' offer was received in mid March. **Action:** Honorary Secretary.

9. Analysis of membership data

Simon Baker introduced the geographic analysis of membership, which showed that there were particular areas/types of council which were poorly represented among ALACE members. This would assist in targeting a membership drive through personal contacts e.g. a network of "regional" members who would call or contact colleagues in their region. **Action:** Chair to propose list of regional representatives.

10 Key press lines and draft policy statement on merging head of paid service/section 151 officer role

The Chair introduced the draft policy statement which was based largely on drafting from Peter Bounds. The Council supported the thrust of this but agreed that it should be tested with the wider membership before being finalised. Subject to the outcome of that consultation with members, there was also scope to build a coalition on this issue with SOLACE, CIPFA etc and with the LGA before raising the issue of changing legislation. **Action:** Hon Secretary to test with wider membership.

The key lines were supported with the addition of comparison with university vice chancellors and the point that many organisations where comparator groups were employed paid much higher salaries than councils.

11 Any other business

No consultation paper had emerged about the £95k cap. The Hon Secretary would continue to monitor developments.

Alistair Stewart was thanked by the Chair for his contribution to ALACE and best wishes were extended to him on his retirement at the end of March. Alistair thanked ALACE colleagues and in particular consultants Cheryl Miller, John Schultz and Roger Morris for their support and help.

Mary Pitcaithly was also retiring and best wishes were extended to her for the future.

12. Dates of meetings

The next meeting of Council will be in May, date TBC.

The AGM will be on Wednesday 4 July 2018, 12 noon to 2pm, Birmingham (venue TBC).