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15th January 2015

Dear Tommy,

At Committee stage on 7 January, I agreed to write to you about points you raised in relation to clause 44.

The removal of the requirement on the Pensions Regulator to compile and maintain a register of Independent Trustees from which it may appoint to a scheme whose employer has suffered an insolvency event (as set out in Clause 44) is but one of a wide range of unnecessary regulations removed under the Government's "Red Tape Challenge".

Removing the requirement would allow the Regulator discretion to determine the best means of identifying a suitable pool of independent trustees – a discretion it already has when appointing independent trustees in cases other than employer insolvency.

Hence, the measure's primary purpose is to lift an unnecessarily inflexible, but not costly legal requirement from the Regulator, an executive non-Departmental Public Body, which is grant funded for its activities. This change will give the Regulator greater operational freedom, although not necessarily result in savings of any significance.

So, while any savings are likely to be negligible, this is firmly in the spirit of the Red Tape Challenge, which was launched by the Prime Minister in 2011 to give business and the general public the opportunity to challenge the Government to get rid of unnecessary or burdensome regulations. Since its launch, the programme has reviewed more than 5,600 regulations and has responded to over 3,000 comments from individuals or businesses and has saved business £10 billion.

I hope you find this letter helpful. I am copying it to all Peers who spoke during Committee and have placed a copy in the Library.

LORD BOURNE OF ABERYSTWYTH

The Right Honourable the
Lord McAvoy