Appendix 1

JOHN RAISIN FINANCIAL SERVICES LIMITED

Nottinghamshire Local Pension Board

LGPS Update

A paper by the Advisor to the Pension Board August 2019

Introduction

The purpose of this paper is to inform the Pension Board of developments in respect of a range of important issues in the Local Government Pension Scheme (LGPS) since the Board last met on 4 December 2018. This paper does not seek to address every significant issue that has occurred but focusses on four major areas – Scheme Governance, developments relating to the Scheme Cost Control process, proposals relating to the Valuation Cycle and associated matters, national guidance relating to Investment (Asset) Pooling.

In respect of the Scheme Advisory Board project – Good Governance in the LGPS together with The LGPS Cost Control process this paper updates information provided, to the Board, in the report which formed Agenda Item 5 of the 4 December 2018 Pension Board meeting (under the sub headings (SAB 'separation project' and The National 'Cost Cap'). Investment (Asset) Pooling guidance from Government was a topic covered in the training provided by the Advisor to the Pension Board on 14 June and 4 December 2018. This paper provides an update on the situation regarding Government guidance in respect of Investment Pooling.

The issues covered in this paper are:

- Scheme Advisory Board project – Good Governance in the LGPS
- The LGPS Cost Control process, "McCloud" and its potential implications
- LGPS Consultation: Changes to the Local Valuation Cycle and the Management of Employer Risk
- Investment Pooling –The present situation regarding national Guidance

Consideration of each issue commences at the top of a new page.

1. Scheme Advisory Board project – Good Governance in the LGPS

At the Pension Board meeting held on 4 December 2018 (Agenda Item 5) it was reported that the Scheme Advisory Board (SAB) had issued a tender to interested parties to help it to develop options to improve the governance of the LGPS in England and Wales. At that time this workstream was referred to as the 'separation' project but has subsequently been renamed 'Good governance in the LGPS.'

Hymans Robertson were appointed to undertake work to develop possible future options for the governance of the LGPS. Following an initial fact-finding stage involving a sample of key stakeholders from across the LGPS Hymans Robertson issued an online survey to over 300 stakeholders on four models in respect of possible governance structures.

These four models were further developments of the two broad options of ***Separation within existing structures*** and ***Separation via new structures*** referred to in the report which formed Agenda Item 5 of the meeting of the Pension Board held on 4 December 2018. The four models which were subject to consultation with stakeholders may be summarised as:

1. **Model 1 – Improved Practice:** Introduce guidance or amendments to the LGPS Regulations 2013 to enhance the existing LGPS governance arrangements by making more explicit recommendations regarding the operation of local LGPS Funds. This might include Scheme Advisory Board (SAB) guidance on minimum expected levels of staffing and resourcing and representation on Pensions Committees together with amendments to the LGPS regulations to enhance the consultation in respect of the Funding Strategy Statement (FSS) and Investment Strategy Statement (ISS).

2. **Model 2 – Greater ring fencing of the LGPS within existing structures:** Greater separation of the Pension Fund management from the host authority (Administering Authority). This would likely include a Pension Fund Budget set by the Pensions Committee at the start of the year with reference to the Pension Fund's Business Plan and needs. Any changes to the budget would need to be approved by the Pensions Committee. The Section 151 Officer could remain responsible for the pensions function but recommendations on the Pension Fund Budget would be made by a Pension Fund Officer to the Pensions Committee. Provision for charges from the host authority such as legal support or HR would be in the Pension Fund Budget and not be simply recharged at the host authority's discretion. Under this model decisions over certain Human Resource matters could potentially be taken by the Pensions Committee.

3. **Model 3 – use of new structures: Joint Committee (JC):** Rather than the existing arrangement where the decision making is exercised by the Administering Authority (in this case Nottinghamshire County Council) usually through a Pensions Committee, responsibility for all LGPS functions would be delegated to a Joint Committee consisting of the existing Administering Authority and the other Councils in the Fund.

4. **Model 4 – use of new structures: New Local Authority body/ Combined Authority (CA):** Under this model an independent structure with the Scheme Manager function (equivalent to the Administering Authority responsibility) would be established. This might be through a "Combined Authority" and all Pension decision making would be made by this "Combined Authority (CA)." The CA would be a local authority in its own right and a separate legal entity but responsible only for LGPS matters. The CA would consist of Councillors from Councils within the geographical area covered by the CA. Other Employer and Employee representatives could also be included in decision making. There is one example of a Combined Authority in the LGPS at present which is the South Yorkshire Pension Fund which covers the geographical areas of Barnsley, Doncaster, Rotherham and Sheffield Metropolitan Borough Councils.

The survey was supplemented by Hymans Robertson through other activities including interviews, seminars and conversations with professional bodies. 140 responses were received to the online survey by the closing date. One to one interviews were carried out with both individuals and organisations. Organisations included the National Audit Office, CIPFA, Unite and Unison. Representatives of all 87 LGPS Funds (Administering Authorities) in England and Wales were invited to respond to the consultation undertaken by Hymans Robertson and direct feedback from representatives of 76 of these was received. Hymans Robertson sought views from not only Councils which are LGPS Administering Authorities (such as Nottinghamshire County Council) but also representatives of a selection of non Administering Authority Councils.

The findings from this activity formed the basis of a final draft report presented to the Scheme Advisory Board at its meeting held on 8 July 2019. The final report was subsequently published by the SAB on 31 July 2019. In responding to the online survey respondents were asked whether each of the four models would have a positive or negative impact on each of six criteria:

- Standards
- Clarity
- Conflict
- Consistency
- Representation
- Cost

The online survey indicated a preference for Model 2 (greater ring fencing of the LGPS within existing structures) followed by Model 1 (improved practice) while the Hymans Robertson report states that *"Model 2 was also the clear preference in additional surveys at the PLSA conference in May and other events (Models 1 and 2 between them had more than 70% support).*

In their feedback to Hymans Robertson *"many stakeholders pointed out that their existing models provided many of the features and benefits of Models 1 and 2."* Also, however, respondents *"recognised that in order to achieve governance improvements through Models 1 and 2, the governance regime needs to include independent monitoring or review of local fund arrangements….."*

There was little support for Model 3 (Joint Committee), which was the least favoured option. This was perceived to be both complex to establish and manage, and unlikely to provide improved governance outcomes. Model 4 (New Local Authority/Combined Authority) received minority support but with the majority of respondents considering this model to be *"very expensive and disruptive to implement."*

The feedback received by Hymans Robertson resulted in them concluding that:

- *"………..governance structure is not the only determinant of good governance……*

- *"Survey respondents were also clear that establishment of new bodies is not required………. Instead the focus should be on greater specification of required governance outcomes from within the existing structures and a process to hold funds to account for this."*

- *"Respondents favour developing a set of standards that all funds are required to achieve, drawing on current best practice and not……disrupting current practices that deliver good outcomes already."*

- *"Respondents emphasised that independent review is needed to ensure consistency in application of standards."*

Consequently, Hymans Robertson did not favour or propose specific consideration of any of the four Models of governance in respect of which stakeholders had been asked to provide feedback. Rather Hymans Robertson *"informed by feedback from stakeholders"* made four proposals for consideration by the SAB also stating *"many are things which well-run funds already do."* In respect of each proposal Hymans Robertson explained why it was made and listed "*Suggested actions"* for SAB, CIPFA or the MHCLG. The proposals are:

1. **'Outcomes-based' approach** to LGPS governance with minimum standards rather than a prescribed governance structure.

2. **Critical features of the 'outcomes based' model** to include:
   a. Robust conflict management including clarity on roles and responsibilities for decision making.
   b. Assurance on sufficiency of administration and other resources (quantity and competency) and appropriate budget.
   c. Explanation of policy on employer and scheme member engagement and representation in governance.
   d. Regular independent review of governance.

3. **Enhanced training requirements** for Section 151 (Chief Finance Officers) and Section 101 (Pension) Committee members with training requirements for Pension Committee members on a par with Local Pension Board members.

4. **Update relevant guidance and better sign-posting** including suggestions that CIPFA review and update guidance for Section 151 (Chief Finance) Officers in respect of LGPS governance and that the MHCLG review and update Statutory Guidance on LGPS governance issued in 2008.

At the meeting of the Board of the SAB held on 8 July 2019 it was agreed that the SAB Secretariat (Officers) should in liaison with the project team from Hymans Robertson and Scheme stakeholders develop a detailed plan to implement the conclusions from the Hymans Robertson report for presentation to the November meeting of the SAB. Scheme stakeholders will be given the opportunity to comment on the SAB recommended implementation plan prior to any formal approach to the MHCLG for changes to the LGPS Regulations or Statutory Guidance.

It is pleasing to observe that Hymans Robertson clearly very carefully considered the feedback they received from many LGPS stakeholders and rather than seeking to simply promote or recommend one (or more) particular Model(s) chose to utilise the feedback received to conclude that there should be a focus on *"…….greater specification of required governance outcomes…….and a process to hold funds to account for this"* The Proposals made by Hymans Robertson in their report seek to enable such an approach to be successfully implemented and improvements made without disrupting current good practice.

Given that a further report on Good Governance in the LGPS will be presented to the SAB in November 2019 it is clear that the implementation of any changes to the governance of the LGPS arising from this project will be subject to a very significant time delay. This is because not only do both the SAB and CIPFA need to undertake material work in relation to the Proposals made by Hymans Robertson but any Proposal which involves a change to the LGPS Regulations or Statutory Guidance would need to be referred to the MHCLG.

The MHCLG would have to consider the suggested changes and then formulate amendments to the LGPS Regulations and/or Statutory Guidance. The amendments proposed by MHCLG would then require to be consulted on through a Consultation which is normally open for 12 weeks. The MHCLG would then need to consider all responses received, publish a response and issue the final Statutory Guidance, or if amendments to the LGPS Regulations are required publish a Statutory Instrument. Under Government Consultation Principles issued in 2018 a period of up to 12 weeks is normally allowable for a Government Department to respond to a Consultation. Consequently, it is highly unlikely that changes to the governance of the LGPS arising from the Hymans Robertson report Proposals will come into effect until well into 2020 at the very earliest.

2. The LGPS Cost Control process, "McCloud" and its potential implications

At the Pension Board meeting of 4 December 2018 (Agenda Item 5) an overview of the 'Cost Cap' mechanism was provided. This included an explanation of how the Cost Cap (cost control) mechanism works in the LGPS. At this date the results and proposed actions arising from the first cost control review were unclear. An announcement in relation to this was made by the SAB on 21 December 2018. This announcement has, however, since been superseded by the result and consequent implications of two legal challenges (referred to collectively as "McCloud") which although they concerned the Judges' and Firefighters' Pension Schemes have implications for the cost of the LGPS.

The Public Service Pensions Act 2013 introduced into the major public service pension schemes, including the LGPS, a cost control mechanism to seek to ensure the cost of providing pensions is kept within a cost range. The Cost control mechanism is primarily concerned with calculating the cost of providing benefits to Employees of each of the major public service pension schemes.

For the LGPS in England and Wales there are two cost control mechanisms:

- The employer cost cap (ECC) process as operated by HM Treasury

- The future service cost (FSC) process as operated by the LGPS Scheme Advisory Board (SAB).

Either process can result in changes to the Scheme design and/or Employee contribution rates if the costs of the LGPS move sufficiently from a "target cost." A review of the 2016 LGPS Actuarial Valuation results (on a national basis) was undertaken by the Government Actuary Department (GAD) which determined that the costs of the LGPS had fallen below the future service "target cost" of 19.5%. Therefore, SAB proposed a series of improvements to the Scheme to bring costs back within the target cost. On the 21 December 2018 SAB issued a statement to LGPS stakeholders setting out the cost control process, proposed SAB package of changes to the Scheme, and the recommendations to MHCLG Ministers to bring costs back within the "target cost." The proposed improvements were due to be implemented from 1 April 2019 and included:

- Minimum Death-in-Service lump sum of £75,000 per member (not Employment)

- Revised member contribution rates and bandings, which take account of varying tax relief

- A 2.75% contribution rate for salaries between £0 and £12,850

- An expansion of Band 2, to cover salaries between £12,851 and £22,500, and a contribution rate reduction from 5.8% to 4.4%

- An expansion of the 6.8% contribution band from £45,200 to £53,500

On 30 January 2019, however, the Government announced a pause in the implementation of the cost cap process across public service pension schemes. The reason for this was that in December 2018 the Government had lost two cases in the Court of Appeal (the McCloud case relating to the Judicial Pension Scheme and the Sargeant case relating to the Firefighters' Pension Scheme) which potentially had a direct impact on the cost of all public service pension schemes. On 7 February 2019 the SAB received confirmation that the cost cap pause and the uncertainty caused by the McCloud and Sargeant cases announced by the Government on 30 January 2019 applied equally to the LGPS as to the unfunded public service pension schemes. Given that confirmation the SAB considered it had no option but to pause the SAB LGPS cost management process pending the outcome of the McCloud and Sargeant cases.

This challenge which is referred to collectively as the 'McCloud Case' concerned the transitional protections given to members of the Judges' and Firefighters' Pension Schemes when their pension schemes were revised consequent to the Public Service Pensions Act 2013. On 20 December 2018, the Court of Appeal found that these protections were unlawful on the grounds of age discrimination. The Government applied to the Supreme Court for permission to appeal the decision. However, on 27 June 2019 the Supreme Court denied the Government's request. Consequently, the Government made clear (through a written statement by the Chief Secretary to the Treasury, on 15 July 2019) that the discrimination identified in the Judges' and Firefighters' schemes will need to be remedied. In her statement the Chief Secretary to the Treasury stated that as *"transitional protection"* deemed unlawful in the case of the Judges' and Firefighters' Schemes was applied across all the main public sector schemes, including the LGPS, a remedy will need to be put in place for each scheme.

As the "transitional protection" incorporated into the 2014 LGPS has now been deemed unlawful, those members who have been discriminated against will need to be offered appropriate remedies to ensure they are placed in an equivalent position to the protected members. Such remedies will need to be 'upwards' - that is the benefits of unprotected members will need to be raised rather than the benefits of protected members being reduced. Protections were initially applied to all members within 10 years of retirement in all public service schemes.

Given the Government's response to the decision of the Court of Appeal in the 'McCloud Case' the cost of providing public service pension schemes, including the LGPS, will increase. Therefore, is it therefore absolutely logical that the implementation of any amendments to public service pension schemes, including the LGPS, proposed under the cost control mechanisms be put on hold.

As a result of the Court of Appeal decision in “McCloud” the matter will now be referred back to an Employment Tribunal for a remedy hearing. Once the Tribunal determines a remedy the individual public sector pension schemes, including the LGPS, will be amended as appropriate. It could likely be mid 2020 or later before the Employment Tribunal reaches its decision. Alternatively, the parties may mutually agree a remedy. Once the LGPS has been duly amended it is expected that the Treasury cost cap process will be re-run. The cost control process operated by the SAB will also need to be considered in the light of the amendment to the LGPS. This may result in the SAB resubmitting the proposals for improvements originally announced on 21 December 2018 or making an amended proposal taking into account the remedy applied to the LGPS to overcome the age discrimination originally present in the 2014 LGPS.

Both the timing and remedy to be applied in the LGPS is presently unknown but will have an effect on the liabilities, and therefore the cost, of the LGPS to Employers. As each individual LGPS Fund is currently undergoing a full Actuarial Valuation the LGPS Scheme Advisory Board (SAB) issued advice (on 14 May 2019) under Regulation 110(3) of the Local Government Pension Scheme Regulations 2013 entitled ***“Guidance for the 2019 Valuation in respect of cost cap process and the McCloud and Sargeant age discrimination case (McCloud).”*** With regard to the approach LGPS Funds should take to the 2019 Actuarial Valuation the SAB Guidance includes the following advice:

I. If there is no finalised outcome on Cost cap/McCloud (in the form of a formal notification by MHCLG to administering authorities including a commitment by government to detailed benefit changes) by 31st August 2019 then the scheme benefit design used in the valuation should be as set out in current regulations.

II. In setting employer contributions for 2020 each administering authority should, with their Actuary, consider how they approach (and reflect in their Funding Strategy Statement) the risk and potential extra costs around this matter in the same way as they would for other financial, employer and demographic risks. This should be to allow employers to be aware of and make provision for the potential cost even though any additional contributions may not commence until after the outcome is known.

III. Once the outcome of Cost cap/McCloud is known and appropriate benefit changes are made, administering authorities should re-visit employer contributions under such statutory guidance or provision in regulation as may be available at that time….

It is very helpful that the SAB has issued advice/guidance to LGPS Funds with respect to the 2019 Actuarial Valuation given the present uncertainty regarding the remedy and amendments to the LGPS that will be implemented arising from the “McCloud case.”

3. LGPS Consultation: Changes to the Local Valuation Cycle and the Management of Employer Risk

On 8 May 2019 the MHCLG issued a (29 page) Consultation entitled ***"Local Government Pension Scheme: Changes to the Local Valuation Cycle and the Management of Employer Risk"*** This Consultation remained open until 31 July 2019. In brief, proposals in the Consultation include:

- To change the local Fund Valuation cycle of the LGPS from the existing three year (triennial) cycle to a four year (quadrennial) one with effect from 2024 – so as to align future LGPS Valuations at both local level and nationally (for Cost Control process purposes) with the Valuation timetable for other public service pension schemes.

- That the 2019 local Fund Valuations result in Employer Contribution rates for three years (1 April 2020 to 31 March 2023) and a further local Fund Valuation be undertaken in 2022 resulting in Employer Contribution Rates for two years (1 April 2023 to 31 March 2025). Thereafter LGPS Valuations would take place in 2024 and every four years afterwards. The 2024 Valuation would result in Employer Contribution Rates for 1 April 2025 to 31 March 2029.

- The introduction of a power for LGPS Funds to undertake interim Valuations of a full or partial nature – this recognises the fact that the introduction of a longer Valuation period of four years increases the scope for changes in assets and liabilities between Valuations with a consequent potential increase in risks for LGPS Funds and their Employers.

- A widening of the power that allows LGPS Funds (Administering Authorities) to amend an Employer's Contribution Rate in between Valuations – this is a recognition that the introduction of a four yearly Actuarial Valuation timetable provides, in the words of the Consultation *"fewer opportunities to respond to changes in the financial health of scheme employers"*

- To allow LGPS Funds (Administering Authorities) to permit Employers which are ceasing to employ any active members and are exiting the LGPS the flexibility to spread exit payments over a period, where this would be in the interests of the LGPS Fund and other Employers as well as the Employer in question.

- Introducing a ‘deferred employer’ status that would allow LGPS Funds to defer the triggering of an exit payment for certain Employers who are ceasing to employ any active members and who are considered to have a sufficiently strong covenant and make an ongoing commitment to meet their existing liabilities through a deferred employer debt arrangement. This commitment is intended to protect the LGPS Fund and other Employers. The Consultation suggests that *“this will be of particular help to smaller employers (such as charities) in managing their obligation to make an exit payment when they cease to employ an active member of the scheme”*

- A review of the arrangements for paying exit credits in cases where risk sharing provisions exist within the contractual agreements with an Employer.

- Removing the requirement for Further Education Corporations, Sixth Form College Corporations and Higher Education Corporations in England (but not in Wales) to offer membership of the LGPS to their new, (non-teaching), Employees.

Given the Consultation closed on 31 July 2019 a response and proposed changes to the LGPS regulatory framework should be issued by the MHCLG before the end of October 2019.

Issue 4

4. Investment Pooling –The present situation regarding national Guidance

As explained in the Training provided to the Pension Board in June and December 2018 the Government announced in 2015 that while individual LGPS Funds (such as Nottinghamshire) would, in the future, remain responsible for setting their Investment Strategy the implementation of that strategy would need to be delegated to Investment (Asset) Pools. In November 2015 the Government issued a document entitled ***"Local Government Pension Scheme: Investment Reform Criteria and Guidance."*** This set out a broad framework within which individual LGPS Funds were asked to come together with other LGPS Funds of their choosing to bring forward proposals for the creation of Asset Pools to implement the Investment Strategy of each Fund and *"to deliver significantly reduced costs while maintaining overall investment performance. T*he Government subsequently approved 8 Asset Pools across England and Wales. The Nottinghamshire Fund is a member of the LGPS Central pool.

The 8 Pools approved by the Government are significantly diverse in terms of their governance, nature and structure. This has resulted in a wide spectrum of approaches to investment pooling by both the 8 Asset Pools and by the (now) 87 LGPS Funds in England and Wales. Consequently, on 3 January 2019 the MHCLG issued draft ***"Statutory Guidance on Asset Pooling*** and commenced an informal Consultation which closed on 28 March 2019. In essence this draft guidance provided in one document clear and enforceable guidelines for Asset Pooling. The proposals included:

- **Definitions** and **Reporting** requirements to enable the MHCLG to monitor progress and so, over time, enforce Asset Pooling, if necessary.

- Requirements in relation to **Structure and Scale** including: That *"the selection, appointment, dismissal and variation of investment managers" "must"* be a matter for the Asset Pool not individual Administering Authorities (LGPS Funds); A Pool Company (which is the body that undertakes the selection, appointment, dismissal and variation of terms of investment managers) *"must be a company regulated by the Financial Conduct Authority (FCA) with appropriate FCA permissions for regulated activities"*; and that individual LGPS Funds together with their Asset Pool *"regularly review the balance between active and passive management…."*

- The section on **Governance** was absolutely clear that Asset Pools are and must be accountable to their constituent LGPS Funds stating that *"Pool members must establish and maintain a pool governance body in order to set the direction of the pool and to hold the pool company to* *account."* This section also specifically stated that it is the pool governance body that is ultimately, though in consultation with the Pool, responsible for deciding which aspects of asset allocation are strategic and should remain with the Administering Authority, and which are tactical and to be undertaken by the Pool. This confirms that Asset Pools, which exist only to serve their constituent LGPS Funds, should not seek to set the framework within which they interact with them. The section on Governance also included the statement "*Pool governance bodies should be appropriately democratic and sufficiently resourced to provide for effective decision making and oversight."*

- The section on **Transition of assets to the pool** is clear that individual LGPS Funds must implement asset pooling and leaves no discretion for individual LGPS Funds to unnecessarily or unduly delay the pooling of the vast majority of their assets. The draft Statutory Guidance was however also clear that *"In exceptional cases, some existing investments may be retained by pool members on a temporary basis. If the cost of moving the existing investment to a pool vehicle exceeds the benefits of doing so, it may be appropriate to continue to hold and manage the existing investment to maturity before reinvesting the funds through a pool vehicle,"* and that individual LGPS Funds *"may retain the management of existing long term investment contracts where the penalty for early exit or transfer of management would be significant. These may include…. some infrastructure investments. Pool members may also retain existing direct property assets where these may be more effectively managed by pool members."*

- The section on **Making new investments outside the pool** sought to clarify and in effect minimise the ability of individual LGPS Funds to themselves procure asset manager services and included the statement *"Pool members should normally make all new investments through the pool company in order to maximise the benefits of scale……. From 2020, when new investment strategies are in place, pool members should make new investments outside the pool only in very limited circumstances."* The practicality of this requirement is, however, dependent upon the ability of Asset Pools to offer investment options to their constituent LGPS Funds to enable them to implement their own individual Investment Strategy.

- The section on **Infrastructure investment** clarifies that while asset pooling was intended to facilitate infrastructure investing and the government expects pools to provide increased *"capability and capacity"* for infrastructure investment *"there is no target for infrastructure investment for pool members or pools, but pool members are expected to set an ambition on investment in this area……"*

It is understood that the MHCLG received approximately 100 responses to the informal Consultation and that many of these were very detailed. Amongst the issues raised were views that the Consultation had been carried out in a manner contrary to Cabinet Office Principles, was an *"unlawful consultation"* and that some of the content of the draft Statutory Guidance was in reality a matter of Regulation rather than Statutory Guidance and therefore inappropriate for inclusion in the informal Consultation. The MHCLG has now announced that a formal Consultation will take place sometime during 2019.

No formal Consultation on Statutory Guidance (or Regulation) relating to Asset Pooling had been issued by the time Parliament went into recess for the summer on 25 July 2019. In addition, a new Minister responsible for Local Government including the LGPS (Luke Hall MP) was appointed on 31 July 2019 and August is the main "holiday" month. Therefore, any formal consultation on Asset Pooling is likely to commence in September 2019 at the earliest. Even if a formal Consultation were to commence in early September given a 12 week consultation period the Consultation would close no earlier than the end of November 2019. This would be followed by MHCLG consideration of responses and the issuing of final Statutory Guidance which would likely mean that new Statutory Guidance is extremely unlikely to become operative until February or March 2020 at the very earliest.

Delays to issuing the formal Consultation beyond early September 2019 or the need to amend the LGPS Regulations as well as issue new Statutory Guidance on Asset Pooling will further delay the implementation of clear and enforceable (national) guidelines for Asset Pooling into the Spring or even Summer of 2020.

John Raisin

7 August 2019