

Pension Fund Committee

Meeting to be held on 15 April 2011

Electoral Division affected: None

Report of the Independent Public Service Pensions Commission

(Appendix 'A' refers)

Contact for further information:

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Executive Summary

The final report of the Independent Public Service Pensions Commission chaired by Lord Hutton was published on 10 March 2011. The report recommends significant changes to the Local Government Pension Scheme while maintaining the scheme as the only major public service scheme that is funded. Details of the recommendations are set out at Appendix 'A'.

There is significant detail of the proposed changes which remain to be negotiated and at this stage implementation of the changes, which will also require primary legislation, seems unlikely to be before 2015.

Recommendation

The Committee is asked to note the proposals of the Independent Public Service Pensions Commission.

Background and Advice

Appendix 'A' presents a summary of the proposals contained in the report of the Independent Public Sector pensions Commission. The Chancellor of the Exchequer has indicated in his budget statement the Government's acceptance of the Commission's recommendations.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Change on the scale envisaged by the Commission has significant implications both for the Fund and for individual employers. However, these will not become clear until the detailed implementation process fills in details in key areas of the proposal.

However, the broad objective of the report is to seek to make schemes more affordable to the taxpayer. In the context of the Lancashire County Council Pension Fund this would be evidenced through a number of means including a long term reduction in liabilities, or a reduction in employer contribution rates.

Risk management

N/A

Local Government (Access to Information) Act 1985 List of Background Papers

Paper	Date	Contact/Directorate/Tel
Report of the Independent Public Sector Pensions Commission available at: http://www.hm-treasury.gov.uk/indreview_johnhutton_pensions.htm		

Reason for inclusion in Part II, if appropriate

N/A