

Pension Fund Committee

Meeting to be held on 5 September 2014

Electoral Division affected: All

Transaction of Urgent Business

(Appendices 'A' 'B' and 'C' refer)

Contact for further information:

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Executive Summary

This report sets out the Committee's response to the Government's consultation on:

- Opportunities for Collaboration, Cost Savings and Efficiencies within the Local Government Pension Scheme;
- Draft scheme governance regulations for the Local Government Pension Scheme

The responses (Appendices 'A' and 'B') were approved under the County Council's Urgent Business Procedure as the Government's closing dates were prior to the next scheduled meeting of the Committee.

Recommendation

The Committee is asked to note the report.

Background and Advice

1. Consultation on Opportunities for Collaboration, Cost Savings and Efficiencies within the Local Government Pension Scheme

The Pension Fund Committee at its meeting on 6 June 2014 considered a report on the Department for Communities and Local Government (CLG) consultation proposals for structural changes to the Local Government Pension Scheme. The consultation document proposed a major change in the management of the assets held by individual LGPS.

The Committee noted that the CLG consultation document asked 5 specific questions and sought evidence based responses. However, given the time available to prepare the report it had not been possible to construct a complete fully evidenced response. Therefore a "heads of terms" for a full response was presented for the Committee's consideration.

The Committee resolved:

- i. That the framework for a response to the Government's consultation on proposals for structural changes to the Local Government Pension Scheme, as set out in the report now presented, be approved.
- ii. That the County Treasurer, as Treasurer to the Fund, be authorised in consultation with the Chair and Deputy Chair to finalise the Fund's detailed evidence based response.

The closing date for responses to the Government's consultation was 18 July 2014 and attached at Appendix 'A' is a copy of the Committee's response which has been approved and submitted under the County Council's Urgent Business Procedure.

2. Consultation on draft scheme governance regulations for the Local Government Pension Scheme

The Government commissioned Lord Hutton to chair the Independent Public Service Pensions Commission to review public service pensions and to make recommendations on how they can be made sustainable and affordable in the long term, and fair to both public sector workers and the taxpayer. Lord Hutton's final report was published on 10 March 2011. In that report he made clear that change is needed to "make public service pension schemes simpler and more transparent, fairer to those on low and moderate earnings".

The recommendations made by Lord Hutton were accepted by the Government and were carried forward into the Public Service Pensions Act 2013. The Act included a requirement for DCLG as a responsible authority to make regulations establishing a national scheme advisory board and enabling each LGPS administering authority to establish local pension boards.

In June 2013, the Department published an informal discussion paper inviting comment from a wide range of interested parties on how the requirements of the 2013 Act should be taken forward into the new 2014 Scheme. The outcome of that exercise and comments from the Shadow Scheme Advisory Board have been fully taken into account in the preparation of the draft regulations consultation document.

The closing date for responses to the Government's consultation was 15 August 2014 and attached at Appendix 'B' is a copy of the Committee's response which has been approved and submitted under the County Council's Urgent Business Procedure. A copy of the consultation document is attached for information at Appendix 'C'.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

As set out in Appendices 'A' and 'B'

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Directorate/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A