

<b>Bath &amp; North East Somerset Council</b>		
MEETING:	<b>AVON PENSION FUND COMMITTEE</b>	<div style="border: 1px solid black; width: 60px; height: 60px; display: inline-block;"></div> AGENDA ITEM NUMBER
MEETING DATE:	<b>22 MARCH 2013</b>	
TITLE:	<b>LGPS 2014 UPDATE</b>	
WARD:	<b>'ALL'</b>	
<b>AN OPEN PUBLIC ITEM</b>		
<b>List of attachments to this report:</b>		
<b>Appendix: Avon Pension Fund submission on the draft (including 2 Annexes)</b>		

## **1 THE ISSUE**

- 1.1 The purpose of this report is to present to Committee the submission to the Department of Communities and Local Government (“DCLG”) by Head of Business Financial Services & Pensions of Bath & North East Somerset Council (“B&NES”) as the administering authority of the Avon Pension Fund in response to the statutory consultation on the draft Local Government Pension Scheme Regulations (“LGPS”) 2013 for the new Scheme effective from April 2014.
- 1.2 To avoid duplication of responses, Local Government Association (“LGA”) submitted a response to DCLG on *specific clauses* on behalf of all Local Authority Funds who participated in a *consolidation exercise*. The Avon Pension Fund participated in and significantly contributed to this exercise with its comments and those of the South West Pensions Group being taken forward to a National Technical Group for assimilation.
- 1.3 Copies of the response by B&NES as administering authority is attached as an Appendix with 2 further Annexes. The response by LGA is not included due to its length but is available to view on the LGA website.

## **2 RECOMMENDATION**

- 2.1 That the Committee notes the response submission by Bath & North East Somerset Council as the administering authority of the Avon Pension Fund sent to DCLG on 8<sup>th</sup> February 2013**

### 3 FINANCIAL IMPLICATIONS

- 3.1 The administrative and management costs incurred by the Avon Pension Fund are recovered from the employing bodies through the employers' contribution rates.
- 3.2 There are no specific financial implications

### 4 LGPS ("LGPS") 2014: Response to Consultation on draft LGPS Regulations 2013

- 4.1 The statutory consultation on the draft Local Government Pension Scheme Regulations 2013 for the new Scheme effective from April 2014 was issued by DCLG on 21<sup>st</sup> December 2012 with a closing date of 8<sup>th</sup> February 2013, a consultation period only half the usual period with the consent of all interested parties. This consultation only covered the benefit structure of the new Scheme, a second consultation is expected shortly covering governance and transitional protections.
- 4.2 The letter of response and attachments to DCLG are contained in the Appendix and the 2 Annexes which were submitted on 8<sup>th</sup> February 2013.
- 4.3 As the draft regulations are not comprehensive, there are some unknowns at this stage. It was also not possible to cross reference the new regulations against how the transitional regulations will treat the protections going forward and how these will all fit together within the LGPS 2014.

There were three key areas that were unable to be included within this main response. These were:

- 1) Regulations that require amendment either for clarification on a technical point or how they fit in with the full regulations including transitions
- 2) Regulations that have been changed and there is no explanation as to why or it appears something has been omitted but it's not clear whether this is intentional or accidental
- 3) Regulations that require amendment but are not changing within this draft.

The Fund's response to regulations that fall into categories 1 and 2 above are included within **Annex 1** and **Annex 2** sets out in more detail the current issues regarding admission bodies and how the regulations should be changed to remove the current problems affecting them.

- 4.4 Responses to the Consultation were likely from most of the 92 Local Authority Funds ("LAF's"). In order to avoid duplication of comments from LAFs that would be responding on changes to **specific clauses**, the Local Government Authority (LGA) offered to compile responses and submit a response on behalf of all LAFs.
- 4.5 APF's response was therefore drawn up in the knowledge that a plethora of comments on specific regulation changes from those LAF's who agreed to take in the LGA consolidation were covered in LGA's response to DCLG. A copy of THIS response is **not** enclosed as part of this report as it over a hundred pages long however it is available to view at or download from the LGA website.

## **5 RISK MANAGEMENT**

5.1 No specific issues to consider.

## **6 EQUALITIES**

6.1 An equalities impact assessment is not necessary.

## **7 CONSULTATION**

7.1 N/a

## **8 ISSUES TO CONSIDER IN REACHING THE DECISION**

8.1 Are detailed in the report.

## **9 ADVICE SOUGHT**

9.1 The Council's Monitoring Officer (Divisional Director – Legal & Democratic Services) and Section 151 Officer (Divisional Director - Finance) have had the opportunity to input to this report and have cleared it for publication.

<b>Contact persons</b>	<b>Alan South Technical Manager (Pensions) (01225 395283)</b>
<b>Background papers</b>	<b>Various previous updates to Committee since 2012</b>