

Bath & North East Somerset Council

MEETING:	AVON PENSION FUND COMMITTEE	
MEETING DATE:	21 JUNE 2013	AGENDA ITEM NUMBER 17
TITLE:	LGPS 2014 UPDATE [INCL. RESPONSES TO DCLG CONSULTATIONS]	
WARD:	ALL	
AN OPEN PUBLIC ITEM		
List of attachments to this report: Appendix 1 – Avon Pension Fund Response 3 rd May 2013 with Annex 1 Appendix 2 – Avon Pension Fund response Transitional Regulations 2013 – 24 May 2013 with Annex 2 Appendix 3 Avon Pension Fund Response Appendix 4 Membership of the LGPS Scheme Advisory Board		

1 THE ISSUE

- 1.1 The purpose of this report is to present to Committee an update of current events concerning the new Local Government Pension Scheme 2014 [LGPS 2014], including the responses to the consultations received on draft regulations. Actual regulations are expected to be in place for implementation of the new scheme from 1 April 2014..
- 1.2 On 27 March 2013 three consultation documents with draft regulations were issued by the Department of Communities and Local Government '[DCLG],the first concerned further changes made to the Benefit Regulations as a result of the consultation responses received in February 2013. The closing date for response was 3 May 2013. The other consultations dealt with Transitional Regulations and Miscellaneous Regulations with a closing response date of 24 May 2013.
- 1.3 Copies of all responses made by Bath and North East Somerset as administering authority are attached as Appendices 1 – 3 together with accompanying annexes where applicable..
- 1.4 At the meeting officers will give a verbal update about further potential consultation on the structure of the LGPS funds and the issue of investment management fees.

2 RECOMMENDATION

That the Committee:

- 2.1 Notes the responses made in May 2013 by Bath and North East Somerset Council in connection with the relevant consultations**

3 FINANCIAL IMPLICATIONS

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

4 LGPS 2014: Responses to consultations on draft Regulations 2013

- 4.1 In view of the fact that the LGPS 2014 has to be operational from 1 April 2014 the period for response in each case was reduced from the normal 12 weeks
- 4.2 The first consultation concerned changes made to the benefit regulations previously consulted upon earlier this year. Most of these changes were of a technical basis involving regulations and their interpretation. A response was made to this on 3 May 2013 [Appendix 1 with Annex 1]
- 4.3 There was also a set of draft transitional regulations that outline how the current scheme benefits would be protected going forward. It also sets out how the underpin for members within 10 years of retirement from 1 April 2012 would be incorporated. This was required as a result of provisions outlined in para. 2.6 of the Treasury Paper in November 2011. A response was made on 24 May 2013..[Appendix 2 with Annex 2]
- 4.4 The last consultation although not directly concerning the LGPS 2014 set out proposed changes to the current regulations that are required before the new scheme starts. Most of these changes are functional regarding certain employers. There was a brief response made in respect of this consultation [Appendix 3].
- 4.5 Part of the transitional regulations concerns the position of Councillors being eligible for LGPS membership going forward. There is a separate consultation document on this matter that has been issued by DCLG for comments by 5th July 2013.
- 4.6 When making a response consideration is given to any submissions by other parties [especially Mercers the Fund Actuary and Local Government Association] and where appropriate our response will give further support for crucial points raised.

5 LGPS 2014: Other Developments

- 5.1 The changes to the Public Sector Pension Schemes coincide with the changes to the primary legislation which has been set out in the Public Sector Pensions Act 2013. This Act introduces a requirement for public service pension schemes to have a Scheme Advisory Board For the Local Government Pension Scheme (LGPS) this will be at the national (England and Wales) level and would be in addition to the local scheme boards and scheme managers for each fund. The statutory LGPS Scheme Advisory Board will be constituted through specific LGPS Regulations which are expected to be issued for consultation later in the summer
- 5.2 To inform and test the process of operation of the statutory Scheme Advisory Board, prior to its statutory formation in 2014, ministers have agreed the establishment of a Shadow Scheme Advisory Board (the Shadow Board) which is

intended to hold its first meeting in June 2013. A copy of the membership of the Shadow Board and the process for the appointment of those is in appendix 4.

- 5.3 The Shadow Board will take recommendations from several sub committees whose membership will be set up on a similar basis to the Board. The sub committees may establish working groups where appropriate.

6 RISK MANAGEMENT

- 6.1 No specific issues to consider.

7 EQUALITIES

- 7.1 An equalities impact assessment is not necessary as the report is primarily for information only.

8 CONSULTATION

- 8.1 This report is primarily for information and therefore consultation is not necessary.

9 ISSUES TO CONSIDER IN REACHING THE DECISION

- 9.1 The issues to consider are contained in the report.

10 ADVICE SOUGHT

- 10.1 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.

Contact person	Alan South Technical Manager (Tel: 01225 395283)
Background papers	<i>Consultation documents and responses</i>
Please contact the report author if you need to access this report in an alternative format	