

Item 9 – Appendix 2

Update on where we are with restructuring LGPS –

The Shadow Board's 7 recommendations arising from their analysis of the call for evidence

Recommendations

In light of the response to the Call for Evidence the Board makes the following recommendations:

1. The Government should consult on options for reform as soon as possible.
2. The Government and the Board should agree a realistic timescale for implementing reform by the end of Summer 2014.
3. The Board should complete the work on setting an agreed baseline of data and measurements via the Scheme Annual Report process by the end of 2014.
4. The Government should introduce proportionate and appropriate legislation to provide a statutory underpin for both the objectives of reform and the timetable for implementation.
5. In formulating its consultation on high level options for reform the Government should consider (a) alternative methods for managing deficits and (b) analyse the cost/benefits and barriers to greater passive management, Collective Investment Vehicles (CIVs) and in-house investment strategies.
6. The Board will support the Government by (a) developing a shortlist of feasible options for managing deficits and (b) conducting further research on the costs and benefits of the key options for reform.
7. That Government should ensure that any work being undertaken as part of the Call for Evidence is consistent with other strands of LGPS policy work, for example the LGPS 2014 governance regulations and any reform of the investment regulations.

These recommendation were made without them seeing Hyman Robertson's cost analysis.

It is important to note that it was not possible within the given timeframe to validate or independently verify the analysis presented in responses to the Call for Evidence.

The views and evidence in this report are a summary of the responses to the Call for Evidence and are not necessarily those of the Scheme Shadow Advisory Board [SSAB]

At present, the SSAB has not had sight of the Department for Communities and Local Government's (DCLG) analysis, nor the report commissioned by DCLG and the Cabinet Office (CO) to analyse the practicality of certain reform options.