

# Avon Pension Fund

## Local Government Pension Scheme

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Bath & North East  
Somerset Council

for you, for now, for the future  
**lgps**  
2014



Liam Robson  
Bob Holloway  
LGPS Academies Objectives Consultation  
Scheme Advisory Board Secretariat  
Local Government Association

Enquiries to : [Liz\\_woodyard@bathnes.gov.uk](mailto:Liz_woodyard@bathnes.gov.uk)

Date : 22 September 2017

Dear Liam and Bob,

### LGPS Academies objectives

Please find attached the response from Bath and North East Somerset Council in its capacity as the administering authority for the Avon Pension Fund.

We are supportive of the consultation objectives as set out in the document. However, we would like the following additional points to be considered:

1. The creation of larger pools of academy liabilities should not be seen as a reduction in risk or a justification of lower contribution rates for the academies; the potential risk from a failing or poorly managed MAT will remain the same (or possibly increase in materiality to the host fund)
2. We would expect the review to consider the following aspects of managing the financial and data risks of the academy sector:
  - a. The long term funding position of the academies needs to be stable which means the guarantee/funding from the DFE must also be long term and stable. However, the contribution rates and funding plans must continue to be determined by local funds.
  - b. Data standards set by the regulator need to be applied to payroll providers as well as academies/schools i.e. an approved list of LGPS providers would be a potential solution. It therefore follows that the resource and role of the Regulator should be enhanced to ensure the employers achieve compliance with standards
  - c. Where academies outsource services and act as guarantor, these pension liabilities should be included within the Academy ring-fence.
  - d. Simplifying the process for how MAT's that cross fund borders are treated to allow them to join a single fund.

Yours sincerely,

*Liz Woodyard*

Investments Manager  
Avon Pension Fund

Location Address: Avon Pension Fund, Keynsham Civic Centre, Market Walk, Keynsham, BS31 1FS  
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## The Consultation Process and How to Respond

### Scope of the consultation

<b>Topic of this consultation:</b>	Local Government Pension Scheme (LGPS) – Academies Objectives
<b>Scope of this consultation:</b>	This consultation seeks responses from interested parties on draft objectives for the development of options for academies.
<b>Geographical scope:</b>	England

### Basic Information

<b>To:</b>	This consultation is aimed at LGPS Pension Fund managers and Pension Committees.
<b>Body responsible for the consultation:</b>	LGPS Advisory Board
<b>Duration:</b>	17 <sup>th</sup> July 2017 to 29 <sup>th</sup> September 2017 (10 weeks)

### Background

<b>Getting to this stage:</b>	The Scheme Advisory Board (SAB), in support of its work plan for 2016/17, intends to investigate the issues and develop options to address those issues with regard to the policy objective to convert all schools to academies and what this would mean for LGPS pension funds and their host authorities. In progressing this work the Board will ensure that officials at DfE and DCLG are fully aware of its scope and potential outcomes as the cooperation of these Departments will be instrumental in achieving any positive outcomes.
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### Help with queries

Questions about this consultation should be sent to the email addresses given below.

### Who this consultation is aimed at?

The following consultation is aimed at **all LGPS Pension Managers and Pension Committees** in particular relating to academy employers in the scheme. The consultation is available publicly via the Scheme Advisory Board's website [www.lgpsboard.org](http://www.lgpsboard.org).

The Board has issued the consultation to the following contacts directly:

- LGPS Pension Administration Managers
- LGPS Chairs of Pension Committees
- LGPS Fund Investment Contacts

## How to respond

1. You should respond to this consultation by **29th September 2017**.
2. You can respond by email to [Liam.Robson@local.gov.uk](mailto:Liam.Robson@local.gov.uk) and [Robert.Holloway@local.gov.uk](mailto:Robert.Holloway@local.gov.uk). Email responses are preferred.

When responding, please ensure you have the words "LGPS Academies objectives" in the email subject line.

Alternately you can write to:  
LGPS Academies Objectives Consultation  
Scheme Advisory Board Secretariat  
Local Government Association  
Layden House, 76-86 Turnmill Street,  
London, EC1 M 5LG

3. When responding, please state whether you are responding as an individual or representing the views of an administration authority.

## Consultation

### Introduction

- 1.1 This document commences a period of consultation on draft objectives covering the development of options for academies being progressed by the Scheme Advisory Board.
- 1.2 The closing date for responses is 29<sup>th</sup> September 2017.

### Background and context

- 1.3 At its meeting of 26<sup>th</sup> June 2017, the Scheme Advisory Board proposed the draft objectives below and agreed that a consultation should be opened to interested parties, in anticipation of considering the submissions at its next meeting in autumn 2017.
- 1.4 The proposed draft objectives are:
- Protect the benefits of scheme members through continued access to the LGPS
  - Ring fence local tax payers and other scheme employers from the liabilities of the academy trust sector
  - Improve the efficiency and effectiveness of administrative practices
  - Increase the accuracy and reliability of data

In achieving the above any options for changes should not:

- Significantly alter cash flows at the fund level
- Significantly alter assets at the pool level

- 1.5 The Board agreed that the above draft objectives should be shared with DCLG and DfE and a consultation with all stakeholders should be opened and run until mid-September at the earliest.

### Consultation Question

- 1.6 Do you agree that the above should represent the Board's objectives for the academies project?  
Yes
- 1.7 If no, please explain what you would change or add and why.

[Click here to enter text.](#)

### Respondent details

- 1.8 Please complete the table below with administrating authority and contact details:

<b>Administering Authority:</b>	Bath & North East Somerset Council
<b>Contact name:</b>	Liz Woodyard
<b>Email address:</b>	Liz_woodyard@bathnes.gov.uk