



Report to Pension Fund Consultative Group

Title: LGPS Pensions Consultation: Fund Administrating Authority Response

Date: 9th October 2009

Date Decision can be implemented: 9th October 2009

Author: Assistant Head of Finance

Contact Officer: Clive Palfreyman. 01296 382280

Electoral Divisions Affected: n/a

Portfolio Areas Affected: All

Summary

The attached report is the Pension Fund Administrating Authority's response to the informal consultation paper on the affordability, viability and fairness of the Local Government Pension Scheme (LGPS). The detail of the changes are outlined in a letter to all Pension Fund Administrators dated 25 June 2009 which was then notified to all employers within the Fund. Our response was received by the Department for Communities and Local Government (DCLG) by the 30 September 2009 deadline.

Recommendation

PFCG are asked to NOTE the response to the DCLG consultation and CONSIDER what may be appropriate for a Fund Administrators Response for the second part of the consultation (yet to be published).

A. Main issues arising

The Administrating Authority broadly supported the proposals within the 25 June consultation. The aim is to properly assess scheme solvency and provide more realistic financial plans to be published on how to address funding shortfalls. However, we have expressed concern in some areas in that this focuses too heavily on the 2010 valuation rather than taking a broader and longer term view of scheme affordability. The consultation takes the form of 2 papers although the second paper is yet to be published but is expected to cover benefits and administrative procedures. As outlined within

our response, it is disappointing that the second paper is not published and it leads to a fragmented approach and therefore this response is, to some extent, incomplete.

Appendix I provides the original 25 June letter from DCLG.

Appendix II provides our draft response.

Members of PFCG are asked to consider how changes to scheme benefits (i.e. what is expected in the second paper) will impact on their organisations.

B. Other options available and their pros and cons

The Administering Authority's response remains consistent with our March 2005 and November 2007 response to the previous consultations. Options analysis regarding our position was undertaken at that time.

C. Resource Implications

The updated governance principles contained within the proposal will require an increase of staff time.

D. Legal Implications

It is a statutory requirement for the Council provide a pensions service.

E. Other implications / issues

A further response will be submitted to once the DCLG have released other elements of this consultation.

F. Feedback from consultation and Local Member Views

A response on behalf of BCC as the employing authority was submitted by colleagues in HR&OD. Few other employers within the Buckinghamshire CC fund submitted responses direct to DCLG.

G. Communication Issues

Not applicable.

H. Progress Monitoring

Members will be informed of the final outcome to this consultation.

I. Background Papers

n/a

Your questions and views

If you have any questions about the matters contained in this paper please get in touch with the Contact Officer whose telephone number is given at the head of the paper.

If you have any views on this paper that you would like the Cabinet Member to consider, or if you wish to object to the proposed decision, please inform the Democratic Services Team by 5.00pm on [Date]. This can be done by telephone (to 01296 383604 or 383610), Fax (to 01296 382538), or e-mail to cabinet@buckscc.gov.uk