



<b>PENSIONS COMMITTEE</b> 24 July 2013	<b>REPORT</b>
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<b>Subject Heading:</b>	<b>Local Government Pension Scheme – discussion paper on new Governance arrangement</b>
<b>CMT Lead</b>	<b>Andrew Blake-Herbert</b>
<b>Report Author and contact details:</b>	Debbie Ford Pension Fund Accountant 01708 432569 <a href="mailto:Debbie.ford@havering.gov.uk">Debbie.ford@havering.gov.uk</a>
<b>Policy context:</b>	Governance arrangements under the new Public Service Pensions Act 2013
<b>Financial summary:</b>	There are no direct implications arising from the discussion paper

**The subject matter of this report deals with the following Council Objectives**

Clean, safe and green borough	<input type="checkbox"/>
Excellence in education and learning	<input type="checkbox"/>
Opportunities for all through economic, social and cultural activity	<input type="checkbox"/>
Value and enhance the life of every individual	<input checked="" type="checkbox"/>
High customer satisfaction and a stable council tax	<input checked="" type="checkbox"/>

**SUMMARY**

To inform the Committee of a discussion paper, issued by the Department for Communities and Local Government (DCLG), covering the new proposed governance arrangements for the Local Government Pension scheme (LGPS).

Feedback from the responses to the 26 questions within the discussion paper will be used to enable work on the preparation of the formal consultation later in the year.

Deadline for responses is the 30 August 2013.

## RECOMMENDATIONS

The Committee is asked to

- Consider the proposed new governance arrangements for the LGPS.
- Note the proposed questions, and
- Agree that member's delegate the approval of the Council's response to the Chair of the Pensions Committee.

## REPORT DETAIL

The Public Service Pensions Act 2013 includes several key provisions relating to the administration and governance of the new public service pension schemes established under Section 1 of the Act. In the case of the LGPS, these arrangements will apply to the new scheme which comes into effect on 1 April 2014.

The DCLG have subsequently mentioned that the governance part of the new LGPS scheme will be implemented after the 1 April 2014 but during 2014/15.

The discussion paper covers five specific sections of the act which impact on the governance arrangements in the new scheme, as follows:

- Part 1 - Responsible authority
- Part 2 - Scheme Manager
- Part 3 - Pension board
- Part 4 - Pension board information, and
- Part 5 - Scheme advisory board

The DCLG have issued the discussion paper, as **Appendix A**, with the aim of using the feedback to the 26 questions to enable work on preparation of the formal consultation later in the year.

**IMPLICATIONS AND RISKS**

**Financial Implications and risks:**

There are no immediate financial implications arising from responding to the discussion paper. However, within the paper the DCLG mention that if the scheme advisory board is to undertake its full range of duties effectively, the annual cost of administration is likely to be significant. It has been estimated that this cost would be in the region of an additional £3k to £5k per annum.

The costs would be chargeable to the Pension Fund.

**Legal Implications and risks:**

There are no direct legal implications from the consideration of the issues raised in the consultation paper but, depending on the final structure of the revised scheme and its management, there may be implications for the Council in the relationship that will be created between the Pensions Committee and the new Local Pensions board.

**Human Resources Implications and risks:**

None arising directly from the discussion paper.

**Equalities implications and risks:**

None arising directly from the discussion paper.

**BACKGROUND PAPERS**

DCLG LGPS (England and Wales) new governance arrangements – June 2013